

FINANCE COMMITTEE MEETING MINUTES

Centerville Municipal Building
Kingseed Law Library
August 24, 2023

In attendance were Committee members:

John Palcher (Chair)- Councilmember
Bill Serr- Councilmember (via remote)
Duke Lunsford- Councilmember

Also in attendance were City Manager Wayne Davis, Assistant City Manager Mariah Vogelgesang, Finance Director Tyler Roark, Assistant Finance Director Miranda Piatt, and Tax Superintendent Emily Bair.

No committee members were absent from the meeting.

At 10:04 AM, John Palcher called the meeting to order.

A motion was made to approve the minutes of the February May 12, 2023 meeting. Motioned by Councilmember Duke Lunsford and motion was passed 2-0.

Mr. Roark presented the quarter two financial report for 2023. The City remained very stable and in a secure financial position. The City's investment earnings continue to grow as The Federal Reserve continues to raise interest rates. The City is earning higher yields in liquid investments such as STAR Ohio and a First American Funds sweep account through U.S. Bank that was opened in the first quarter of 2023. The City is seeking quotes for a central depository bank(s) through an informal request for proposals (RFP) as required by the City's investment policy. The responses from six banks are due back by September 1st. Similarly, to 2020, the 2022 General Fund balance as a percent of annual expenditures was over 100% (104.54% unencumbered cash). There will be a transfer of \$1.15 million to the Economic Budget Stabilization Fund sometime in 2023 which has a current fund balance of \$4.16 million. Income tax collections increased \$661K or 4.71% over 2022 levels. Ms. Bair stated for tax year 2021, the City issued 23 refunds totaling \$29k to non-resident employees that worked from home. She advised that there has been 8 refunds for tax year 2022. Ms. Bair also advised that in 2022 the City added 562 new withholding accounts and 366 thus far in 2023. Many of these accounts have been setup for employees residing in Centerville that are now working from home and courtesy taxes. Mr. Roark gave a recap on the General Fund spending, advising that 41.3% of the 2023 revised budget (with encumbrances) was spent. There were \$2.74 million in open encumbrances at the end of June for the General Fund. The first supplemental appropriation will go before Council in September for approval. Mr. Roark advised that golf revenues saw an increase in revenue compared to 2022 levels. Greens fees, cart rentals and range fees all being contributors to the financial success for the operations. The new golf carts arrived in March and have received great reviews thus far. Food Service revenue increased \$167K or 43.57% from 2022 with banquet tips, restaurant tips and alcoholic beverages all being contributors. On the expenditure side, personnel and benefit costs increased due to the successful Incentive Pay Program and staffing additions. Overall the Golf Course Fund spending finished the quarter at 61.4% of the 2023 revised budget (with encumbrances). Mr. Roark gave an update on the Waste Collection Fund. Mr. Roark advised that revenues

and expenditures saw an increase when compared to 2022 levels. We attribute the increase in revenue to the new rate increase that passed in July 2022, and went into effect January 1, 2023. Expenditures were up primarily due to costs associated with vehicle maintenance and repair, vehicle parts and supplies, recycle fees, fuels costs and the increase in funding to the capital fund for new waste vehicle and toter purchases.

Mr. Roark also spoke on the Cornerstone of Centerville Tax Increment Financing (TIF) district. There is currently over \$62.00 million in TIF valuation in what is called the north portion of the development, the south portion is still undeveloped. The City has two current bond issuances outstanding related to public improvements for the development. The debt service on the outstanding bonds is approximately \$710,000 per year. Gross TIF revenue for 2023 is estimated at \$1.67 million while the shared payments per the Tax Incentive and Fire/EMS Cooperative agreements is estimated at \$743,000. Approximately \$2.00 million in cash balance is projected for the Cornerstone TIF Fund at the end of the year.

Ms. Piatt gave a recap of the City's 2022 financial audit. She stated that last fall, the Auditor of State's (AOS) office approved the extension request with Plattenburg. This contract will take the City through the fiscal year 2026 financial audit. There was no single audit requirement for fiscal year 2022. Although the City's federal funds exceeded the \$750,000 single audit requirement, the City had to complete an Alternative Compliance Examination (ACE) Engagement due to the amount of American Rescue Plan Act (ARPA) funds expended during the fiscal year. Ms. Piatt advised that the City's basic financial statements (BFS) were filed by May 31st and the audit was completed by June 30th. The AOS office is still completing their desk review. Ms. Piatt advised once their opinion is released the City will be able to print the Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) as well as electronic distribution of all documents.

The meeting concluded with Ms. Piatt giving a preview of the 2024 budget process. She stated that budget packets were sent out to all departments in early July. The finance intern, Lexi Koller, did an excellent job preparing all the documents. She advised that departmental budget meetings will begin the week of August 28th and continue throughout the month of September. Major Capital Improvement Program (CIP) projects will be the significant focus again this year as several large bids will be coming due this fall. The budget work session is set for November 16th and the same format, as years past, will be followed.

At 11:41 AM, Councilman John Palcher adjourned the meeting.

The next meeting will be scheduled at a later date in the Kingseed Law Library.

John E. Palcher 2/20/24
Approved – Chairperson Date