

FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE

JULY 12, 2022

The meeting was called to order at 5:30 by Chairman Mark Weber. Committee members present were Tim McCarthy and Jonathan Smith. Also present were Bridgette Kabat, City Administrator, Amber Rathburn, Finance Director, and Khayla Trego, Deputy Finance Director.

APPROVAL OF PRIOR MONTH'S MINUTES

There being no objections, the minutes of the June 14, 2022 meeting were approved 3-0.

APPOINTMENT TO WAY LIBRARY BOARD

Michelle Sweetser was present to be considered for appointment to the Way Public Library Board. Mr. Weber said that her application is very impressive. Ms. Sweetser said that she has had a career in academic libraries, and it will be a pleasure to serve the City and the Library. Mr. McCarthy and Mr. Smith agreed that we are lucky to have her. The Committee agreed 3-0 to recommend approval of appointing Ms. Sweetser to the Way Public Library Board.

REQUEST TO ESTABLISH A NEW PAYROLL CLEARING FUND

Ms. Rathburn requested permission to establish a new payroll clearing fund. She explained that when the payroll is prepared, the gross amount of the payroll and related taxes and pension costs will be transferred to the payroll clearing fund. This will make it easier to track outstanding items with the new finance software. Mr. Smith asked if there is a separate fund right now, and Ms. Rathburn said there is not. The Committee agreed 3-0 to recommend approval of creating a payroll clearing fund.

REQUEST TO SET A DOLLAR LIMIT FOR BLANKET PURCHASE ORDERS

Ms. Rathburn explained that according to the Ohio Revised Code, City Council has to set the dollar amount limit for blanket purchase orders. She said that right now we do not use blanket purchase orders. Currently, all purchase orders are for specific dollar amounts to specific vendors. Due to emergencies and routine purchases or smaller items, blanket purchase orders can be issued for a certain budget line item and then as a purchase is made, it is applied to the blanket purchase order. The use of blanket purchase orders does not eliminate the use of regular purchase orders, it just allows purchase orders to cover more purchases because it covers situations that typically have not used purchase orders in the past. Ms. Trego said that only one blanket purchase order will be allowed per account code at the same time. Ms. Rathburn said that they need to be closed at the end of each year. Mr. Weber clarified that the end of the year meant the end of the calendar year, and Ms. Rathburn said that is correct. The Committee expressed concern about who would be allowed to make purchases and what oversight and transparency there would be. Ms. Kabat said that it is still the supervisor's responsibility to approve purchases. Mr. McCarthy said in the proposed legislation it says legal level of control, and he wondered what that was referring to. Ms. Rathburn said it means the budget. Mr. Weber asked if Ms. Rathburn has a

recommendation for the dollar amount for blanket purchase orders. She said that she checked with other municipalities, and currently any purchases over \$25,000 have to go to City Council for approval, so she feels \$25,000 is a reasonable amount. Mr. Smith said that the \$25,000 amount could be changed in the future, so he recommended that instead of a certain dollar amount that the language read “not to exceed the amount in Section 252.05(a)(2)(a).” The Committee agreed 3-0 to recommend approval of the suggested limit for blanket purchase orders.

APPROVAL OF “THEN AND NOW” PURCHASES

Ms. Rathburn said that all payments made need to be certified by the Finance Director. If there was no purchase order issued prior to a purchase being made, Ohio Revised Code section 5705.41(D)(1) says that as Finance Director she can approve anything under \$3,000 but anything over that amount has to be approved by City Council. She presented the Committee with a list of six items that fall within that criteria. Mr. McCarthy asked how these purchases were made without a purchase order. Ms. Kabat said that the purchasing policy didn’t require purchase orders for a lot of items. She said that currently a new purchasing policy has been drafted and is being reviewed by the staff. The Committee agreed 3-0 to recommend approval of payment for these items.

BUDGET AMENDMENTS

Ms. Rathburn said that in the past, budget amendments were only brought to City Council at the end of the year, but she would like to bring them during the year as needed. She reviewed the list of five adjustments requested. She said the first was an increase in the amount of the fireworks because the cost increased. Mr. Smith said it was well worth the additional amount. The next two adjustments move dollars from one line item to another, with a zero-dollar effect. The final two adjustments involve court expenditure line items. Ms. Kabat said that the funds are in the 238 and 239 funds, but they just didn’t request the corresponding appropriations in the original budget. The Committee agreed 3-0 to recommend approval of the proposed budget amendments.

TAX COMMISSIONER’S REPORT

Mr. Bronder was not present, so Ms. Rathburn reviewed year to date tax collections. She said that if you remove the \$1.4 million dollar anomaly discussed at prior meetings, income tax revenue is up about \$2 million dollars from June 2021, which is an increase of about 16%. She said that going forward we should have good numbers for comparison because there should not be any more timing issues caused by due date changes in prior years.

FINANCE DIRECTOR’S REPORT

The Committee reviewed expenditures over \$5,000 for the month of June. The Committee had questions about payments to the Northwestern Water and Sewer District, OWDA, iProjectionSolutions LLC, SHI, Clark Schaeffer Hackett, and Toledo Edison. Mr. Weber asked if the

table for Engineering was in the budget, and Ms. Kabat said it was. Mr. Smith asked about the solar presentation that was previously made to Council. Ms. Kabat said Palmer Energy, our energy consultants, did the calculations and advised against the City participating in the solar project. Mr. Smith also asked about Amplex and the fiber optic cable line. Ms. Kabat said they are still working on getting it to Roachton Road.

The Committee reviewed the Health Insurance Fund balance and said although claims seemed to be up in June, the balance is still healthy at \$730,903.80.

Ms. Rathburn called attention to the investment summary presented to the Committee. She said that per the City's Investment Policy, the Finance Committee is to be updated quarterly on the City's investments. She said that the Star Ohio balance was at zero as of June 30, but that will change. She said that it is run by the State and they have an attractive overnight rate.

There being no further business, the meeting adjourned at 6:18 p.m.

Respectfully submitted,

Mark Weber, Chairman

Finance & Economic Development Committee