

Minutes of the Finance and Audit Committee
SHEFFIELD LAKE, OHIO
January 16, 2024

This regular meeting of the Finance and Audit Committee was held Tuesday, January 16, 2024. Chairman Cizl called the meeting to order at 7:00 PM.

ROLL CALL OF MEMBERS:

Present: Rosso, Cizl, Kovach, Gee, Wtulich, DeBottis, Mayor Radeff, Finance Director Fallis, Law Director Graves, Service Director Hastings.

Excused: Stark

Attending: Citizens

PRESENTATIONS: None.

FINANCE DIRECTOR'S REPORT:

Finance Director Fallis reports what I presented tonight is a pretty detailed report of the expenses for the city for the first 10 working days of the month. Typically, you see something much more condensed. Typically, in a month's time, if all things were being equal, say you have \$120 budgeted for the year, you would have \$10 in expense a month. Finance Director Fallis proceeds to give a short description of the report and how to read/interpret it. After a few months, you will start seeing trends and have a better handle on if we are ahead of budget or below budget and will make adjustments as necessary. Some things I have been working on are we have different vendors like Huntington Bank, etc. and we have a software system that produces these reports, so the next couple weeks I will be learning how to utilize their software systems. Also, the city has executed a bond for myself and the mayor. Another thing I've been working on is I checked with our insurance agent. We have insurance for liability, we have insurance on our buildings and I checked with her to see if we have cyber security insurance. That is if someone comes and is able to get into our database and steal our data and ask us for a ransom. I don't know if we have that or not. If we don't, typically I would get three quotes and see what the best one is. It's not always necessarily the cheapest. I think a good goal for the city is to develop a 5-10 year capital plan. Capital items are fire trucks, police trucks, trucks for the utility dept., etc. If we have some idea of what our needs are over the next 5-10 years, we can financially plan for that much better. I'm going to develop a template that all of our dept. heads can put together and they can list their capital items. It can be updated as necessary. It kind of forces them to look ahead, look in their dept. and see what their employee needs/capital items are. Councilwoman Gee says since we just got this tonight, I may have questions at the next meeting on it. Mayor Radeff says we will get it out faster and then if you have a specific question, you can ask before so he can have an answer for you.

OLD BUSINESS: None.

NEW BUSINESS: Councilman DeBottis says I think it's very important to maintain a budget and try to stay within the parameters of what we have. I wanted to share that I asked for a public records request for unpaid/delinquent taxes for Sheffield Lake for last year. We are just shy of a million dollars in delinquent taxes. I know the city has nothing to do with collecting those, but we can see the storm brewing. President Rosso asks are those real estate taxes? Councilman DeBottis responds real estate/property taxes. President Rosso says only 3% of that comes to the city. Councilman DeBottis replies correct. The report also has prior year, \$661,000 was uncollected. We are going to have a significant increase in everyone's property taxes soon to add to this situation. Finance Director Fallis says the thing that comes to my mind is I would call Craig (the auditor) and talk it over with him. Ask what's going on, what do you see on the horizon for the next year or two that could help us with our budget? What could we do to help accelerate those payments? I'll be happy to reach out and ask. Mayor Radeff says the typical standard is tax foreclosures. The county has to foreclose on the property. Law Director Graves says the city derives its revenue from a very small portion of real property taxes. The city runs on income tax. Enforcement of real property tax is handled through the county prosecutor's office and they have a limited staff and are focusing on the larger delinquencies. Mayor Radeff says we can have a conversation with them. When he (Mitch) was talking about cyber security, that came up because we met with IT and there are some concerns about what backup we do or don't have. We are just trying to troubleshoot the issue. Councilwoman Gee asks anyone working with the finance director has to be bonded, am I right? Law Director Graves replies yes, either bonded or covered under the general bonding policy of the city. Councilwoman Gee asks have we made sure everybody has been? Law Director Graves responds yeah. I think we do have cyber security insurance; we may want to double check that. Finance Director Fallis replies our agent is looking into that right now for us. I also reached out to Karen Shawver, the auditor in Lorain, and asked if she could give me the name of the insurance company that provides cyber security to them.

MEETING ADJOURNED: With no further business before this committee,
*Motion by Kovach/Second by Wtulich to adjourn at 7:19 pm. Yeas All.

CLERK OF COMMITTEE AFFIRMATION: This meeting of the City Committee of the City of Sheffield Lake, Ohio was held and conducted under all rules and regulations governing the Sunshine Laws of the State of Ohio as they apply. All meetings are recorded and available in Council's office.

CLERK OF COUNCIL

Brandy Randolph

I, Brandy Randolph, duly appointed Clerk of Committee of Sheffield Lake DO HEREBY CERTIFY that this is a true and exact copy of the minutes of the Finance & Audit of January 16, 2024.

CHAIRMAN

Mark Cizl

COUNCIL PRESIDENT

Rick Rosso