

Regular Council Meeting

Thursday, April 6, 2023

Mayor Mike Petrella called the meeting to Order.

**Roll Call:** Bob Merriman present, Jason Mattern present, Pennie Scarpone present, Carmen DeStefano present, Randy Spence present, Gael Damron present.

**Officials:** Mayor Mike Petrella present, Fiscal Officer Melanie Smith Traveling Clerk, Administrator Jesse Kosegi present, Solicitor Jake Linn present

**Moment of Silence**

**Pledge of Allegiance**

**Reading of Minutes**

Through the advisement of our Solicitor and until the Fiscal Officer position is filled, we will need a motion each meeting to appoint Randy Spence Administrator and or Clerk.

Randy Spence: Can I get a motion to appoint Randy Spence as Administrator and or Clerk for this meeting?

Motion by Pennie Scarpone, second by Carmen DeStefano to appoint Randy Spence as Administrator and or Clerk.

**Vote:** Bob Merriman yea, Jason Mattern yea, Pennie Scarpone yea, Carmen DeStefano yea, Randy Spence yea, Gael Damron yea.

Motion passed 6-0.

Motion Randy Spence, second by Gael Damron to approve all four sets of Minutes from the Regular Council Meeting March 16, 2023 and Special Council Meetings on March 30, 2023, March 31, 2023 and April 1, 2023.

**Vote:** Bob Merriman yea, Jason Mattern abstain, Pennie Scarpone yea, Carmen DeStefano yea, Randy Spence yea, Gael Damron yea.

Motion passed 5-0 with 1 abstain.

**Guests**

None.

**Ordinance and/or Resolution**

**Ordinance 2023-03:** An Ordinance providing for retroactive pay raise for a Village employee was read for the third time.

Motion by Carmen DeStefano, second by Pennie Scarpone to approve Ordinance 2023-03.

**Vote:** Bob Merriman yea, Jason Mattern abstain.

Jake Linn: I need to look at the rules real quick. So on Rule Seven here on voting, every member of Council shall vote on any question of the calls of yeas and nays unless excused by unanimous consent of the council. Any member not being excused who refuses to vote on any question when the yeas and nays are being taken shall be deemed guilty of contempt of the council, and may for such consent contents be censured by a majority of the vote of council except that the council member was not present at the previous meeting, than they may abstain from voting on the approval of the minutes. That's rule Seven of the council rules for the village of Wintersville.

Jason Mattern: So it's okay to abstain on the minutes parts, but everything else it's a yay or nay?

Jake Linn: Correct unless excused by the rest of Council.

Jason Matter: nay.

**Vote:** Pennie Scarpone yea, Carmen DeStefano yes, Randy Spence yea, Gael Damron yea.

Notion passed 5-1.

**Ordinance 2023-04:** An Ordinance creating and adopting Section 151.02 (G) of the Codified Ordinance of the Village of Wintersville, Ohio which will create a referral bonus for current employees was read for the third time.

Motion by DeStefano, second by Pennie Scarpone to approve Ordinance 2023-04.

**Vote:** Bob Merriman yea, Jason Mattern nay, Pennie Scarpone yea, Carmen DeStefano yes, Randy Spence yea, Gael Damron yea.

Notion passed 5-1.

**Ordinance 2023-05:** An Ordinance creating and adopting Section 151.02 (H) of the Codified Ordinances of the Village of Wintersville, Ohio which will create an accrued time bonus for Village Employees was read for the third time.

Motion by Gael Damron, second by Pennie Scarpone to approve Ordinance 2023-05.

**Vote:** Bob Merriman yea, Jason Mattern nay, Pennie Scarpone yea, Carmen DeStefano yes, Randy Spence yea, Gael Damron yea.

Notion passed 5-1.

**Ordinance 2023-09:** An Ordinance amending several Chapters and Section of the Codified Ordinances of the Village of Wintersville, Ohio to change the Position of Building Inspector to Code Enforcement Officer was read for the second time.

**Ordinance 2023-10:** An Ordinance amending Chapter 1341 of the Codified Ordinances of the Village of Wintersville, Ohio was read for the second time.

**Ordinance 2023-28:** An Ordinance providing for Amending and revising the appropriations of Expenditure for the Village of Wintersville for the Calendar Year 2023 and Declaring and Emergency

Motion by Gael Damron, second by Pennie Scarpone to suspend the rules on the second and third reads of Ordinance 2023-28.

**Vote:** Bob Merriman yea, Jason Mattern yea, Pennie Scarpone yea, Carmen DeStefano yes, Randy Spence yea, Gael Damron yea.

Notion passed 6-0.

Motion by Pennie Scarpone, second by Carmen DeStefano to approve Ordinance 2023-28.

**Vote:** Bob Merriman yea, Jason Mattern yea, Pennie Scarpone yea, Carmen DeStefano yes, Randy Spence yea, Gael Damron yea.

Notion passed 6-0.

**Resolution 2023-29:** A Resolution Authorizing Participation in the ODOT Salt Contracts Awarded in 2023.

**Ordinance 2023-30:** An Ordinance Creating and Implementing Section 993.13 of the Codified Ordinances on the Village of Wintersville was read for the first time.

**Ordinance 2023-31:** An Ordinance amending Section 1341.04 "Time for Abatement" of the Codified Ordinances of the Village of Wintersville was read for the first time.

Motion by Randy Spence, second by Jason Mattern to suspend the rules on the second and third readings.

**Vote:** Bob Merriman yea, Jason Mattern yea, Pennie Scarpone yea, Carmen DeStefano yes, Randy Spence yea, Gael Damron yea.

Notion passed 6-0.

Motion by Carmen DeStefano, second by Pennie Scarpone to approve Ordinance 2023-31.

**Vote:** Bob Merriman yea, Jason Mattern yea, Pennie Scarpone yea, Carmen DeStefano yea, Randy Spence yea, Gael Damron yea.

Notion passed 6-0.

### **Announcements**

Indian Creek Reverse Raffle April 21, 2023.

Rotary Club April 26-2023 5:00 PM St Florian Hall

Cynthia's 5K Rainbow Run May 21, 2023

F.O.P. Lodge 97 Annual Golf Outing June 11, 2023

Thunder in the Ville June 23 & 24 2023 at Jefferson County Airpark

### **Reports and Communications**

Mayor Petrella: Moving on to reports and communications. We will do the magistrate court report. Our city revenue for the month of March 2023 was \$9,582.26 state revenue was \$2,174.50. Other revenue \$200.97 for total revenue for the month of March 2023 \$11,964.73.

Our police report for March 2023. We got 123 complaints 172 incoming calls 31 different cases 12 alarm calls, six juvenile cases and 75 traffic arrest

Code enforcement for the month of March 2023 We had 22 licenses for total, one \$1,650. We had four permits for \$100 for a grand total of \$1,750 for the month of March.

Mr. Laukert Do you have anything this evening. All right, thank you, sir. Charlene is not here.

### **Mayor's Report.**

Mayor Petrella: I am keeping it short and sweet here. Just want to let Council know we did order the signs for Beachwood Drive and Beachwood Boulevard. Hopefully they'll be here within a couple of weeks. I want to thank everyone that helped on the water break on Cross Street. I know they had a heck of a time with the concrete cutting through the road. Thanks those guys. Also want to thank all the departments everyone's been working very well. A lot of things happening getting ready for a lot of different projects this Spring and Summer. Just want to remind the citizens we are closed tomorrow for the Easter Holiday. The offices will be back open on Monday. That's all I have for my report this evening. Moving on to the administrators report.

### **Administrator's Report:**

Jesse Kosegi: Thank You Mayor. I don't have a whole lot this meeting. I'll have more next. Road salt so our new contract is out. It just came out about a week or so ago. We just ordered our last 160 tons of salt for our last contract we were allotted 1500 Tons 160 tons. Made it to 90% of what we're allowed to or what we could order will still be valid with the contract. So it's 1360 tons and we are completely full of salt for next year. Bureau Workers Compensation Grant and I've been working on that I've talked with the different department heads and it looks like possibly portable traffic lights is something that we can order we have to get more information on I'm still getting more prices. So that grant is a three to one match. Once you have it you have three years to order from it. So the maximum contributions your workers comp will contribute 40,000 So three to one we would contribute 13,000 That would give us about \$53,000 towards the purchase. And once we get that done, we can apply for it again and have another three years to order what we need. So I will have more information on that next meeting. The H2O Ohio grant that I completed when I first got hired here should have a decision or denied by end of the month. That was for \$10,000. We wanted a hydraulic chainsaw and a valve exerciser. So we'll, we'll find out on that. So on the road paving, we're still contingent for a an award through OPWC for Rex, Day Circle, Simpson, Patton and Russell in part of Woodridge Drive. So there's 12 municipalities that are above us that got funded. We're number 13. So if the only way that we're going to get funding is if one of the 12 drop out so soon as I find out something I'll let you know. The last thing the only thing I have is the water meter project. I'll have more information on that. I've spent the last two weeks working on that situation and I'll have a lot to tell you at the next meeting. That's all I have.

## **Unfinished Business**

Mayor Petrella: Thank you Jesse moving on to unfinished business. Anybody have any unfinished business okay.

Moving along to New Business Council, I would like to get a motion to approve Melanie Smith to go ahead and speak she's our traveling clerk.

Motion by Randy Spence, second by Carmen DeStefano to approve Melanie Smith our Traveling Clerk to speak.

**Vote:** Bob Merriman yea, Jason Mattern yea, Pennie Scarpone yea, Carmen DeStefano yea, Randy Spence yea, Gael Damron yea.

Notion passed 6-0.

## **New Business**

Gael Damron: I just wanted to announce that thank the village employees, the mayor and Bob Coppa for power washing and priming and putting the base coat on the Great Wall of Wintersville Project and the students will be we have a meeting Monday and the students should be starting on painting that wall on the 15th of April. So we're very excited that we're getting that moving along.

I want to start by introducing myself to you all because I'm not from this area. I'm actually from Zanesville, Ohio. So I travel over here and spend the night a few times a week to help you guys out. I was actually hired because your fiscal officer has moved on to another position. So they contracted with me to come in and assist the village of Wintersville while they were trying to locate a new clerk. So that's really how I came here. And that's why we contracted for that purpose. However, while I've been here, we've located some things we've found some things that we've had to do more research. Lucky for you. I'm a former state auditor, I spent 20 years in the State Auditor's Office. I've also been a director of accounting at a college, a director of accounting in ADD board and a mental health board, and I also have a village that I worked for full time, part time that I work for, and I do travel around helping other villages out when they have issues. So in this area I worked with Village of Yorkville, Village of Dillonvale, Powhatan Point, Holloway, those are down the road a little bit, but I've been around the area but I've also been retired for 15 years. So this is what I do for fun. So tell you where I've been and my background and what's going on. So it's hard for me not to see things as a 20 year auditor, if I see something and a red flag flies. I have to report it to not only to the administration here but also to the State Auditor's Office. That's what we are required to do if we come across something. So but we didn't start out this way. We didn't start out saying this is a gotcha game and you know, coming in here with a former auditor trying to do something. That's not how this started. This I was just here to keep payroll going pay bills, take care of everything until somebody can get hired. So in doing so and working with the budgets and working with the system, that set up here for the village, we come across some things that need to be reported need to be disclosed. One of the things we ran into is the budget is actually created. It starts back with the certificate of year end expenditures, which takes you a cash balance which takes you into the estimated revenue, then lead you over to the appropriations and I know some of this is going to be very technical and I apologize because it is a little technical. But you start out by filing with the county auditor's office your cash balances from the prior year. You then put on that form. The county gives you the tax numbers, they make up the tax numbers. The next thing that goes on to that form is what you believe your new revenue the village will generate for the year coming up. The columns add together across and you end up with an estimated number which is used to set appropriations. You're temporary at that point because it's brand new right off the bat. So you start with the temporary appropriations in Wintersville. They do it a little bit differently or have over the years done a little bit differently, where the cash balance is not only on the front column, the first column, but it's again, added to the third column, which inflates technically, the revenue coming in because it looks like you're going to bring in that additional cash balance. So it's, it's actually estimated a second time in those numbers. In doing that it kind of inflates things, because that money is already over here doesn't really need to be over here. When you do that, then your number that's available appropriate is also large, because now this number is higher. So when you set your appropriations or at least when Wintersville sets their appropriations they use lines called on the first side on the revenue side they used a source A other financing source line on the expenditure side to make up for that increased cash balance being in there twice is they used a contingency line. Now when I used to work for the county, you would do this at your budget was kind of set this way because they wanted you to zero budget. The county commissioner said here's what I'm going to allow you to have how you're going to

spend normally out in a village, you don't do but it is a method. It's not illegal. It is something that that village of Winterville has budgeted that way for a while. When I saw it, I said it's not a good idea because you still have to have money at the end of the year to operate into the next year. So if you lay everything out there on the Appropriations, there's a possibility that it can all be spent. So you really don't tend to do that you got to hold money back because our settlements only come in twice a year. We just received it today. The first settlement came in the village receive \$207,000 and settlement money that came in today. And we had to survive until today with our cash balances the carryover. So in doing that you have to be really careful, because you have to payroll, you've got bills to pay, you've got things that have to be done right up front of the fiscal year. And if you don't have enough cash, you can have problems. So you always protect your cash balance. The rule of thumb is you should have a fourth of your appropriations from the prior year. Should be in cash and should roll hopefully, into the next year. That's the rule of thumb. That's where you want to be. Have I found villages that don't have that oh yes, but you don't want to be there because it's not a pretty good way to go. So that was one of the first problems I've run into is the budgets were technically over inflated. So when I talked to the county auditor about it, he said Yes, let's go ahead and reduce the amended certificate back down to where it should be. So the certificate went in at \$14 million. And we pulled \$4 million back out. So technically, that's the cash balance was the \$4 million. So after we did that, I sent it back in and they certified out the 11 million instead of \$14 million. So then from there, I had a conversation about the appropriations. And he said, well, the temporary appropriations did get filed and have been filed. However, you have not found permanent appropriation since 2017. And I said, really? He said yes. So when we started looking at the appropriations, we realized that we also needed to remove those contingency lines out of the appropriations because if we're going to take that revenue off the front side, we need to take it off the back side as well. So we stripped out all of those contingency lines. So our budget now is more in line with the actual activity that will accrue in the year. There's nothing inflated in there's nothing extra in there now. It's flat and we did file with the county auditor's office by April 1, which is a permit date our permanent appropriations for 2023. So for the first time since 2017, we've complied with the county as we are supposed to. Now these poor guys had midnight meetings to get there. But we did make it and we did get filed and I prayed approved. And appreciate all you guys coming in in the middle of the night to get that done. But we were able to accomplish that and it took a lot of work with a lot of people in this village to take a look at these numbers because we had to really dive into some of these numbers to find out what was in these line items. Is that supposed to still be in these lines is not supposed to be still in this line shouldn't be in another line item. But we spent hours and hours and hours dissecting the line items for the millage.

One of the other issues I noticed with the temporary appropriation was passed at what we call a line item level. When you do that you cannot move any money not even \$1 Without Council's approval. So if I have a line items that we consider to be benefits to an employee, whether it would be retirement or whether it be Medicare, I can't move between those two lines. Even if they're both in the 200 codes, I can't move without Council's permission. Believe me, they do not want to hear me ask them for \$1 movement or a small amount of money moved. So normally you pass what we call the object code. And the last budget that they passed, the permanent appropriations was actually set in at the object code one hundreds is payroll, two hundreds of benefits, three hundreds of Contracts Services four hundreds are supplies and materials, so on and so forth. When you do that, I have the permission and ability to move between 100 to 100 Stay together the 200 stay together 300 Stay together, but I can make those small movements without going to council. I cannot jump between a 300 to 200 without their permission, but I can move within the line. So it just frees up the flexibility to move and pay bills and deal with day to day without asking council to prove lines and lines and lines of activities. If you are doing the after passing a line item level and you are moving things without Council's permission, you are technically in violation. So if somebody does set the budget that way and they are moving money without coming to council, that's probably so that you don't want to set it that way to begin with. So that was one of the other issues. Another issue I ran into when we were dealing with the certificate and the appropriations is I had four funds that were on their certificate and in the appropriations. It was the OPWC Moon Valley, the OWDA Moon Valley, the OPWC Beechwood and the USDA police grant those four funds amounted to \$579,550. None of it had ever been awarded. So it was on the certificate and in the appropriations but they never got the award so they shouldn't be on the books at all. So there was another 600 that was part of that. 4 million and that we had to move because the really shouldn't normally you don't appropriate grants until you know you've been awarded. So you kind of wait a little bit Don't get ahead of the game. Slow down, get it on there when it when you get awarded, you got plenty of time to get our books. So just something that I was also one there that had to be stripped out. Also the enterprise funds didn't actually didn't correctly reflect the upcoming loan inactivity for 2023 It's been an issue with this village for a while and it has been in the audit report several

years in a row that says that when you get a grant from the OPWC, OWDA or the EPA. You don't always move the money in and out yourself. These granting agencies literally move the money over to the contractors for you. But you're required to bring that revenue and that expense onto your books. It's required because it's on your behalf. Therefore it should be on your village books. And for years it has not been recorded on your books and material adjustments have been made to your financial statements for years to bring that activity on. So you don't technically touch the cash. But it's a paper transaction that is required to be put on your books to make sure that they're fairly stated. And that's kind of where the audit is going. They want to make sure that when the audit is over that the financial statements that are being presented are fairly stated. And that's when they make those audit adjustments. So that's another issue. The activity was being on and off the books not properly done. See what else we got here. The audit letter for 2021 because 2022 audit is under way now but it's not released yet so we do not have the audit findings for 2022. However, I did look at the material weaknesses in the audit report for 2021 to see if I was seeing things that are new, or am I seeing things that have been in the past and are things not getting corrected, and that's where we need to begin. So if I come across things that are not things don't appear to be posted correctly. We start to look what the problem is. Do we just not understand the coding did we just don't understand how it's supposed to be handled? And we make sure that somebody is trained properly that it's done correctly. So the first place I look to say, okay, is this something that's happening all the time or is this something that just happened for the first time and these are words from the auditor, State Auditor's Office, I'm going to read you exactly what it says in 2020. If there was a material weakness in financial reporting, this issue is due to the auditor state having to propose various audit adjustments or reclassifications to financial statement note corrections. To correct the village need to follow the UAN chart of accounts to make sure the village is accurately recording and reporting financial activity. The village should review the financial statements notes prior to the report submission and ensure the most current version of the notes are being used. When we prepare for audit. We are required to prepare notes to the financial statements and they must be submitted with the financials We lift them up to UAN the notes were not accurate. They were missing information that schedule was missing information. And therefore that's a material weakness because they're not correct. The second one that here was a significant deficiency budgetary amounts not recorded in the accounting system. This issue is when we compare adopted appropriations and estimated receipts per the certificate of estimated resources and we just talked about that a few minutes ago to the village as UAN system appropriations and estimated resources. We had a few funds where the adopted amounts did not agree exactly to what was posted into UAN and they're saying to correct it. The village needs to make sure that what is being adopted is also being posted to UAN so it's a big deal that you submit the documents in the county certifies out with the document comes back you verify that your accounting system matches with county just certified if not, of course then we have this significant problem. And that was it straight from the auditors words. So as you can see some of the things that we just talked about is not new. It has gone on before so I guess it's carrying on still, but we will correct it and we actually already have so well we certified in the permanent appropriations has been compared to the UAN system and our numbers match their numbers. So we're back on track. Let's see what else we got here. Let's go on to something else fun. Okay, the results in the village. Now we talked about two property settlements. I'll skip that. Okay. All right payroll. When I started to do payroll for the first time, and it's always unique when you walk into somebody else's system, because you don't know the employees. You don't know what departments they work in. And you've got to figure this out. So I'm always asking the poor the girls that are in the office trapped with me. I always say what's Randy do? What's this guy do? Where's that guy? What department is this guy from? And as I start to ask questions, I started to look and UAN they say, well, this individual works in the street department. And so I go to UAN open it up and I go no, he works in the Water Department. And he said no, you worked in the street department. So we come to find out that we have some employees who transferred however, the system didn't get fixed. So even though they're not working the Street Department anymore, they're still be charged the Street Department. So I had a guy that was about a year and a half charge to the wrong department and a couple others that haven't been quite that long. But we're also charged to Water departments. Another issue that we ran into was if I have an employee who is working in a different I have a street guy who's called for a water break. Normally on a water break, you know those don't happen during the day. Usually it's always in the middle of the night and only when it's 20 degrees below zero that I call a water break and you get to go out. So I'm looking at an employee who should be charged water because we're on a water break, right? And it's probably over because that tends to be an overtime situation because they've already worked their basic hours for the day. Well when I look to see if I have employees with more than one code or one department, I didn't find any and so my first question was, do you not use your own employees for water breaks. Oh yes we always send Street guys, Sanitation guys, whoever's available. I said well, then that means you're not charging

them to that break. That tells me that you're charging them to whatever department they work for originally. And the answer is yes, that's what was happening. So also have to be corrected. We spent hours working on making sure the codes are available for any employee who is charged to a different department is actually charged to that department when they're out there working when they're not in their department that they're actually working in the department. So another issue, these kinds of things that occur like this, really skew a budget, because I'm looking at a budget from a prior year going, okay, the Street Department, this is about what they pay every year. And then I'm looking at the water department and saying well, this is their salaries for the year. And it's really not true because of this situations that are being incurred. It kind of skews, what budgets are really who's paying for and it kind of messes things up. So, those are things that we have corrected. They have all been corrected. And we've taken care of all those situations. Another type thing that we revealed itself was time cards. I hate timecards hate everything about who I have time cards, and I noticed that people were clocking in and clocking out late because they told me people work from seven to 330. At least this group of people I was working with seven to 330 was clock in clock out time but they were clocking in and clocking out late and they were getting paid for. So I walked down the hall said Jesse, why are you doing this? He said we don't do that. I said yes do. So we've now corrected all of our employees that they clock in on the clock out on time like they're supposed to. If some employee is required to work over in your does happen. They have to be approved by the supervisor. So those things have been put in place. Jesse has been worked with all the employees, everybody's been told. This is how it works from now on. Let's be careful. So in his defense in defense of the management, I don't know that anybody knew that that time was being paid out. They might not realize that that was happening. Because it doesn't really reflect that.

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Or being told that that's how it was done, but it has been correct now that we're on track and moving forward as we need to. And somebody said to me, what's the big deal? Well, the big deal is because you know, I'm an account, of course I have to have numbers to go with everything. If I have an employee who makes \$15 an hour and he manages to get a half an hour every day out of those 15 minutes in the morning, 15 In the afternoon, every day. He's going to make about \$3,000 additional revenue wages the year if I've got everybody doing it or 15, almost \$45,000 We can't afford, you have to control these budgets. If you can't control your overtime as many of you work, you know, you can't control your overtime. You can't meet the budget. So we have to control the overtime by making sure people are not just clocking in and out to get the extra hours. So that's just one of the things that happened. Another situation I ran into as I was posting utility distribution. You guys all know because you live in the village that you pay for water, sewer and trash collection. The utility department collects that money and at the end of every month they make distribution to the village because it goes into one bank account. They make a distribution to the village and we put it in the general checking account. There's a big calculation involved and because the village has debt out there for sewer especially, we have water debt and sewer that some of that money is put into those debt funds to pay the debt otherwise you wouldn't be able to get your debt paid. So the revenue that comes in off of the water, sewer and refuge is deducted. A little bit is put into each fund that has a debt attached to it so that those debt funds are paid. It's very important to pay your debt. So in looking at the distribution because I had to make one so I was looking at the distribution. This is weird. I have the water meters getting a distribution off the Sewer. That doesn't make any sense. So poor Jessie on their download. Let's see. Could you explain to me why the water meters are getting paid with sewer distribution? And of course it's wrong. So I had to go call the auditors the state auditors actually, and tell them that they missed something which they were not happy about. So my sent over the paperwork that shows it in 2022. This had gone on from like April to December. And so an audit adjustment had to be created for 22 which changed funds. The money had to be put back into the sewer fund taken away from water fund. And I corrected all 23 distributions to make sure that we're back on track. Also, I noticed that a fund was not getting its distribution therefore its debt was not going to get paid. So fund 5214 is just one of your sewer funds. It's actually a phase five of your sewer projects. And it should have been receiving \$6,810.42 to get its debt paid off for the year. And unfortunately it wasn't receiving its distribution. Therefore at some point you wouldn't be making its debt payments. So we corrected the form because it was just missing off the distribution form. It was put back on the form or put one and the distribution we correct from here. So that was been corrected Municipal income tax. We had a slight issue that we aren't following the distribution on the income tax the way it should be. So one of the problems we ran into was identifying if we put enough money or spend enough money I should say in the funds that the income tax was built for. Some of it goes to police some of it goes to streets, some of the goes to recreation, some of those that generate capital project or capital outlay, get some of it. And when the distribution was made straight into the general fund, it was kind of difficult to tell whether those percentages actually were spent on the things that the income tax ordinance said it should be. So to clean that up

and make it a little easier and also to make it easier for the departments to control expenditures. We moved out of the general fund. We moved the street department, the police department and the recreation department into special revenue funds of their own so that their budgets can be controlled a little easier. And those department heads can actually see that their departments are staying within the budget limits that they have, it will also be easier to see that the income tax money is going into those funds and used on the items where the percentage was supposed to. So that's just a cleanup of something that had to be done. Took a lot of hours but we were able to clean that up as well. When I was reviewing the utility bills, I told Joe, as an auditor just can't quit looking and I noticed that because we looked at the telephone electric, internet and gospels. We noticed that there wasn't a consistency about how some of the accounts were being charged to which departments so I was lucky enough that for Tammy, I got her on the phone with AT&T and everybody else Electric, Gas Co. did locate these properties and really shouldn't be paying for these electricals so when we were finished in the dusts was settled we realized that we had cellphones we could get rid of, we did, we have internet that we were able to renegotiate down. So we got that cheaper because we negotiated the internet's down a little. We corrected who's getting charged for electric some of them were incorrect. And gas was the same way we had some gas bills that was going the wrong direction. And a lot of times this comes because there are so many bills and so many different properties. Things get mixed up occasionally. And it's always good at some point to stop and look at those bills to make sure that they don't get mixed up. So we cleaned all that back up. But we were also in the process to save money in the same process. That was great. When I was reviewing the diesel bill, your fuel bill for diesel. It looked like one department was being charged for diesel but no one else. So again, I asked the question is only one department use diesel nobody else and I got those looks. So from now on diesel will be a percentage out the reallocated out to based on who we think is using the diesel and spread it out amongst departments instead of one department taking the entire hit. several bills from 22 actually had not been paid in 22 carried over into 23 and we had to pay them at a 23 budget. The bad part with that is it reduces your 23 budget because you didn't know these expenditures were sitting out there. It is now eating down the 23 budgets so you always want to get your bills paid within the year that they should be paid in or you're supposed to be carrying all purchase orders into the next year to cover those expenses.

Insurance policy is one of our next projects that we're going to work on. This is not unusual to find property on an insurance policy you don't own anymore. And it's also not unusual to find inventory not on the insurance policy that you do own. This happens unfortunately you usually find it out when something catches on fire and you find out you don't have insurance. That's usually when we find it out. So we will be correcting that issue. We're going to get everybody out there and this is an all hands on deck situation is locating every vehicle, every piece of equipment, everything that has to be insured will have to be investigated. I did this once for college. You guys are small potatoes compared to a college it was a nightmare. Especially with the teachers move the equipment from one room to the other while you're in the middle of inventory. That's always fun. So that we're taking care of that view of property taxes. I'm sure you all have heard this on the news more than once, maybe two or three times. We are delinquent in our property taxes shame on us. We have one property that has not been paid since 1968. And at least 30 that haven't been paid since 1994. I can't say why not sure why. But we do know that we are fixing the situation. We've been waiting for the money to come in for the tax settlement which came today so that we can pay \$138,000 to the county to get out of trouble. The problem with all of this is we did file what we call a DTE 23 And that is a form that reduces the taxes on property that's received in the village. You should be paying \$2.06 For every property in the village. When they first hand me the bills to pay. I went oh no. It was 18,000 for one of one of the partials. I went oh this isn't right. Then they handed me a few more and they were still a problem. I said guys these shall be \$2.06. So we discovered that in talking to the county auditor and the treasurer that we have quite a few delinquent properties and that's how this happened. Now the problem with this is we have to pay our taxes first. The county will then let us file the DT 23 that will send up to the state and then they'll come back and then they will refund to us of the payment that we're going to receive only three years back. So all the years that weren't paid, right. We will not be getting back. So we were only going to receive part of that money back how much we don't know yet. But unfortunately, you will get three years of each one of those delinquent properties we'll get some of them back. So at least you'll get something back. And if we get them all corrected, we only owe \$2.06 from your out on every property and maybe we'll pay our taxes on them. Okay, the next thing is we ran into one of the hardest things we ran into is the fiscal officer was permitted to use her own personal email and therefore when she left the building, she took the email with me. So we had no access to all the vendors that were sending us invoices and the agencies that were sending us documentation and everybody else who was trying to communicate with us. We did not have that access to that information. So Jesse has worked his tail off trying to get all of



these logins reset because if you've ever changed over one fiscal officer to another you log in after login after login. To correct because the state everybody wants you to re-log in new passwords and usernames and all that so the recommendation and what was done here for us by Mr. Fabian sent me up an email that will transfer from one individual to the next. So when I walk away and the new person comes in, the email will be a treasurer.wintoh@comcast.net. So it will transfer from one person to the next and there will be this confusion as how do we get our email. So that was that was another big problem. That's it's taken a lot of time to correct. When I was viewing the magistrate court distribution, because again, I had to do that at the end of the month I had to make that distribution. I noticed that some of the fines that were coming over were being posted the wrong funds. So we have corrected that situation as well. They were headed to the wrong funds. There were audit adjustments. State rollback money when the settlement that we just received comes out to us from the county. They also roll up to the state portion of that settlement and the county does or the state does something with it. Besides taking fees of course. They play with it up there for a while and then they send it back down. So when the settlement money rolls back down to us, it changes form. It's no longer called real estate property. It is called property tax allocation because it's changed forms on the way back down. It was miss posted as real estate when it really should have been coded as a real property tax and property tax allocation instead. So that had to be corrected as well. I also noticed on the prior settlement when I look back through prior settlement, I noticed that the fees that were collected by the county were not always charged to the proper line. When the fees are collected by the county we should be charging a line item called tax collection fees pretty clear pretty easy. But I was finding it in dues and fees I was finding it in contract services. I was finding it all over the place. So we want to make sure that we put those fees in the proper line item where they belong. Everybody's aware of what's going on in there. See what else we had, on the books of funds two funds for the police auxiliary not sure why it would you seem to know why. So we combined the two police auxiliary funds into one make that a little bit more clear. And when I was reviewing the audit report as well I noticed that the auditors had made a statement about the notes of the financial statements being wrong. And they said that our debt schedule was not complete or accurate. So again, those things are very important for audit. They have to be cleaned up and we'll clean them up, or the auditor will clean them up. And that costs you money. So we want to make sure that those things are handled and taken care of correctly. I when I pulled the audit report itself for 21. Again, that's the only one I have access to. These are some of the comments that were actually made these are what they call material weaknesses. So that makes a report as something called a material weakness. The fiscal officer did not abide by adopted Chart of Accounts encoding and classifying various transactions which resulted in adjustments and reclassifications. That was filed in the financial statements. The village fiscal officer and management have agreed to post the adjustments in the villages, accounting records and the crown and therefore the financial statements are now materially correct.

Some of those adjustments were made. Some of those adjustments were the Corona relief money that came in was not posted to the right fund projects there was 1234678 projects on these water and or sewer project. They're all sewer projects. Also the sewer projects were not posted on and off the books like they're supposed to. Again, this is not money moving around this paper because the disbursements were made from the state not us. However, they still have to reflect on the books that oh, gosh, that amounted to about \$2 million on we're not recorded on the books. The magistrate court distributions were not even posted to the village records in 2021 fines license and fees were not close to the village ledgers. The Corona relief was also not in the right fund but also was not in the line item correct line item. Police charges for services receipts were not correctly posted. loan proceeds were not correctly posted. And all of this has been repeated for a while. So I wanted to make sure that you were aware that this is not something that just happened yesterday. It's been going on for a while. So the material weaknesses in the budgetary measures were issued have been issued since 2017. The material weaknesses in the accurate posting of transactions again have been repeated since 2017. And the debt schedule errors have been put going back as far as 2020. You take an annual audit here so every year they come in and review your records. So it's hopefully we can correct all those things this time around. Make sure that everything is right from here on out. And then we will properly train the next fiscal officer and make sure that these things don't repeat themselves. Because it does not make it efficient for the village to operate when things are being posted incorrectly. And management's not aware of where their money really is. And therefore they could make mistakes and spending that money because they're not sure what's going on. So does anyone have questions for me?

Randy Spence: I have a couple. You mentioned earlier about the \$4 million that you took away from the 14 million.

Melanie Smith: We reduced the estimated revenue by 4 Million

Randy Spence: So was that 4 million uninflated.

Melanie Smith: The 4 Million was a result of using the cash balance not only as a cash balance, but including it again on the revenue side. So technically, yes, it's inflated. The reason they were doing that was to zero based budget which we are no longer doing. We're going to real revenue instead.

Randy Spence: If you found all this stuff, how come the auditors didn't?

Melanie Smith: Actually they did. It's in your audit. It's been in your audit report for years. The situation normally is that you do an audit report or an exit conference with the auditors. Unfortunately, you didn't understand or management wasn't being informed of the things that were wrong, and how to correct those and things. I've done many audit reports in my day. I had said in these conferences with auditees many times and it's up to you to do your job and do it well. You make sure that the individuals when you leave, understand what they need to do to make those corrections so that when you come back they're done that then you don't have them again.

Randy Spence: Okay in your opinion of what you've been doing. How much money do you think was moved around without council knowing about it?

Melanie Smith: Honestly, we can't tell. I mean, I could look in the system and actually run a report on moving some money. There are actually several no movements that I could track in the computer. The UAN system would track it, we would have to go back to track it. But honestly, I'm not sure because your minutes don't reflect those things. So therefore, if those adjustments were being moved, they weren't moved with your permission. So

Randy Spence: Last one. If you weren't here, and the same people we're here. Where would Wintersville be in three years, budget wise, going down the same track that we're on?

Melanie Smith: I would say at some point, especially with what we discovered with the tax situation, you would be in trouble because we are now going to tighten our belts to fix this problem that's occurred. It's good. It would be very difficult. You would have you would have budget issues as we are going to have paying this taxes back.

Randy Spence: But with your help in the changes that we made, we're still fiscally sound.

Melanie Smith: Yes. You're lucky.

Pennie Scarpone: I have a question. How many days have you worked for us?

Melanie Smith: I just billed out I've been working as Jessie will tell you 16-17 hour days,

Pennie Scarpone: How many?

Melanie Smith: I actually would have to count them. off the list I just gave you I just sent him a bill of my hours but it hasn't been pretty. It's been a long, long time. We've put lots of hours in trying to just moving line items out of a budget into another fund is a little tricky and a little time consuming. But just making all the changes that have to make it takes time. It takes time. The one best thing I will tell you about the Village of Wintersville is the cooperation from the employees. Whenever you cross something and ask for information or assistance I've gotten 100% from everybody. So we could not do this. If the administration was not cooperative, this would not work very well. So you have to have full cooperation to make these types of changes. You know, I'm no hero. I'm just you're being able to make these corrections because I've done it for 45 years. So I've been doing it a long time. So I know how to make the corrections. We just have to get on the path and then move forward. Looking back is really not going to serve a purpose at this point but moving forward and making it the village that it can be is where we need to go. This village has a lot of potential you have the funding, you have people who are willing to serve, you have to be willing to work. We just gotta let them do their jobs. So and clean up everything we can.

Pennie Scarpone: How do you know how to classify items?

Melanie Smith: Actually, it's kind of funny because new clerks are immediately told. And the auditor state has a ton of training videos. I mean a ton. All you have to do is go out and watch them. It tells you everything and anybody can watch him any one of you

sitting here want to log into the auditor state and go to their training site. You can watch any video you look on anything you could possibly want to know.

Pennie Scarpone: Is there a book?

Melanie Smith: There is a handbook. There's a village handbook. Actually, I brought mine because I couldn't find yours. But inside of the village handbook, there are classification codes. It tells you what revenue codes are supposed to look like. It tells you what the appropriation codes are supposed to look like with expenditure codes, object codes, everything's in the book. You just have to follow it and if you really don't understand it, you watch the videos. But and there's training I just came back last week I was three days of the auditor states training. We had two and a half days of training that I went to last week that I set through training several classes on ethics and record keeping and budgetary and everything you could possibly think of is offered by the state. And if you want to do the job, you go to the classes, watch the videos. Take the training,

Pennie Scarpone: Is it required?

Melanie Smith: Yes. The auditor is state requires that we are certified that we have integrity, certification, we have to have record certification and we have to have hours in on training on the system as well as the accounting principles and stuff. Yeah, we have to have so many hours.

Pennie Scarpone: So how is it not? Or should I say how is there no accountability, to not doing things right for so long on a standpoint of your position, if there's required training and things by the state.

Melanie Smith: Unfortunately people don't go to the trainings. They don't do what needs to be done to make sure that the job is perfect. I mean, if I receive a citation, I would go review the video find out what I'm doing wrong or ask the auditor tell me how do I fix this? Because they know how to fix it because they just cited you for doing it wrong. So they know how to fix it.

Randy Spence: So just saying you don't do it that way. That's not acceptable. There's not really a real good method. It's one that I see a lot, but it's not a good method.

Melanie Smith: So yeah, I am notoriously going to villages that have problems because nobody else is crazy enough to do it. So and you know, I've seen I keep saying to my everyday I say I've seen it all, but I haven't Believe me I haven't. I had a village in the area of which I will not disclose. My first day there they call me this is a classic they call me and they said we have a slight problem. Do you think you can come over and take a look? Just going to be a couple hours. That's all I need. Yeah, right. So I get over there. Or I walk into a room and it's paper filed all the way around the room of your hips. And I said anybody ever consider filing they said now appears they don't file. So we started looking at the paper, stacks paper and I found a check uncashed check. Oh God. So we delve a little bit deeper. A little bit deeper, more. I called every council member and told him I said I need every council member in the council chambers now. We went through all the paper in that office. Every one we could find that was willing to sit down and sort paper helped us. We found \$175,000 of uncashed checks in one day one day. So have I seen bad things? Yes. Is Wintersville in a bad situation. No. Just things that need tweaked things in a corrected nothing that can't be fixed. Nothing that these if these guys work as a team, there is nothing they can do. You just got to work as a team. That I will tell you I have had nothing but full cooperation with everybody in this place. Every employee has been totally cooperative and doing this. This is not easy. Nobody wants to hear you know something is wrong. Nobody wants to have to deal with the research involved. It's a lot of work. When Tammy was calling AEP, she actually got the man to show up and drive around. He actually took her to the locations to find out which properties were which ones so that we could figure out how to build them back. So I mean, you know there are steps that you have to go over and above sometimes drive around with the AEP guy or you know, get the get the gas guy and tell you where those locations are and negotiate down the internet. I mean, we had a police officer that was is our IT guy and he actually was negotiating down internet costs. You know now that we know that they're wrong, let's just try to fix it all the way. Let's just try to reduce them. We got rid of cell phones. But some cell phones probably didn't need time to get rid of them. So this is just the kind of stuff that happens.

Gael Damron: You indicated you're not a hero. I think you've underestimated yourself I would definitely say that you have been a savior and we appreciate everything you've done.

Melanie Smith: That's what my husband always says at one time I came home at four

o'clock in the morning and he I thought he was going to kill me. He said Where have you been? I said what was in a township in rural county. It took me two hours to get home. I left at two. It was not happy. But it's not hard for me because I've done it for so long. Come into townships. I work with villages townships, anyone that calls me. I go over to see if I can help. Normally you can work it out. Sometimes it takes a lot longer than others but depending on the situation and what the problems are. But everything can be fixed. And I always tell my new clerks that I trained because they're also trained clerks as I'm leaving because my goal is not to stay here. This is where I'm going to stay. This is not the job that I'm here for forever. I am not here to take this job over. That's why I want to make somebody look bad. That's not the case. All I'm here for is to clean up and train the next guy to get him ready to go. That's what I'm here for. And I know that some will probably feel that we are bad mouthing or bashing them or not treating them fairly and that's not what we're trying to do. We're trying to get the village back on track and do the job.

Jason Mattern: Mrs. Smith. I wanted to you know, I applaud your efforts. Thank you for your approach as well. I've been hit and miss the last month more Miss than hit really. So I'd like to thank you for a thorough investigation and perhaps follow up with you after this just to make sure I got all the notes here. There's a pile of stuff here that I like to review. One thing that I'd like to ask you is there any money missing? Is there any funds or is there anything looks like it's been stolen?

Melanie Smith: No.

Jason Mattern: So it's all accounted for. It's more efficiencies and how we can do things better continual improvement. Okay. I understand that. If and I do have a question too. If we owed the county, a lot of money for over these years. Would the county not notify us that we're short this?

Melanie Smith: Well having the envelopes in a drawer for all those years an opened? I guess they were notifying you right.

Jason Mattern: Via the mail. So there's no such thing as a follow up. Hey, you're behind.

Melanie Smith: Normally when you're behind on your taxes since 1968 you are in the newspaper you lose your stuff.

Melanie Smith: We were laughing that they could have sold the village hall. Like they just sold the village hall at a Sheriff sale.

Jason Mattern: Well, well again, thank you for your efforts. Thank you for your approach, and it's greatly appreciated in this very thorough investigation. It's now our time to take advantage of what you've guided us towards and thank you for that.

Melanie Smith: You have missed a couple of meetings we've talked about on doing a training. So you're gonna get to go through training, from budgets all the way through so we will work with the council because I can actually do a training on what is my job and how am I supposed to do it. So we work with the council members at a training and just talk about when you look at a report what are you supposed to be looking for what are you supposed to notice? So our goal was before I leave is that we do a council training so that you guys, when you get a report laid in front because you have a stackable that you tell me you've never seen before when you get this Stacks of reports now one what do I do with what oh, you know, lots of numbers, but it can be overwhelming.

Jason Mattern: Yeah. What are all these numbers for and how do I know what's going on?

Pennie Scarpone: What are you working on? From here on out? Was this just the budget?

Melanie Smith: The budget is done. It's five right now I spent today this afternoon actually putting in Blanket Purchase Orders because you guys were using purchase orders pretty much for every expenditure instead of putting blankets in which reduces the workload tremendously because you don't need an individual purchase order for every purchase made. You should be using blankets and taking care of those situations and more efficiently with blankets. So our goal now is to continue reviewing the expenditures that are coming through because there's new ones probably still coming in that we need to look at. But help these guys get the inventory straightened up and anything else and then maintain until we find a new clerk. So for anybody out there with some counting abilities send them our way.

Randy Spence: One more sorry. When we were talking about the \$138,000 worth of back taxes that's been going on since what 1968?

Melanie Smith: Well, one of them was.

Randy Spence: How many plots of land is that encompass?

Melanie Smith: There's thirty something that I'm dealing with.

Jesse Kosegi: 72 total properties 26 are delinquent.

Randy Spence: So in the people who were doing this, all they had to do was send in a DTE 23

Melanie Smith: It's a two page document

Randy Spence: And instead of paying \$140,000 would be paying in \$2.06 per review. It's all about compound interest.

Melanie Smith: Yeah, right now the accumulation you're looking at is interest and then not paying the right amount year after year after year. If not accumulating the right amount is going to hurt you.

Carmen DeStefano: Didn't you say on those properties that just the way Jefferson County does it? Does anybody also get that bill? Like the ones that they hid. When you get the bill every year? You say the county the way they do it here some?

Melanie Smith: Well, the county for all of you for everybody in this room, get your little papers in the mail that says you are what by a certain date. Usually in February, you pay your taxes by February. So we were receiving the same documents as you do at home. And unfortunately it appears that they were they weren't being opened or they weren't being pushed to be paid. I'm not sure why. I just know that we found a bunch of right Jesse a whole bunch of

Carmen DeStefano: I have one more so when do you think Wintersville actually had an accurate budget when like since you've been looking back when, like how many years ago? Just keep guesstimating that's what I call so much money.

Melanie Smith: I think that their method was different. They chose to zero budget. So their approach is not illegal. People use that kind of method. However, it's not necessary in a village to use that type of method. Most of us use the method where you just reflect the actual revenue that you really think you're going to get. Because it's also a guesstimate then too but you don't want to inflate it, because that inflation pushes the appropriations to be inflated which puts that potential of spending money you don't have.

Carmen DeStefano: Some more fake money not accurate.

Melanie Smith: It's not really money. It's just paper but you're laying numbers out there that could be spent.

Carmen DeStefano: It's like Chris cross spending.

Melanie Smith: Yeah, it would be you know, it could be it could happen because if you said that budget out there and somebody didn't know how you did it, they could actually spend that money making that revenue does exist.

Pennie Scarpone: So council would think they have more money than what Wintersville really actually has.

Melanie Smith: You would think that looking at your budget,

Mayor Petrella: And then we would keep fixing stuff and spending money that hasn't been fixed in years. And then it's like the bad guys.

Carmen DeStefano: Yes. We put these time clocks in about a year ago. Then before that, he just went by paper and pen. So they've never really had an accurate time.

Melanie Smith: we are doing a combination right now. Yeah, we went back to the paper. They're still clocking in and out, because they want to clock in and make sure they actually show up to work. However, we need the paper because the clock does

not tell me where you were. So I don't know where you were when you were clocking in. Are you on the street department? Are you in a water break or you are in the sewer department, you're in the trash truck? I mean, where are you because wherever you're working, that's where it's needs to be charged.

Carmen DeStefano: So each timecard to get like their own status street water.

Melanie Smith: The timecard actually doesn't work like that. It just shows us you clocked in and out for the day. But the sheet that we created to go with it tells us where you were what you were working on. In my village we're small enough that we don't have departments. I have everybody is all hands on deck. So wherever you go in the morning they tell you where you're going through the afternoon. That's the way it was. So I have to have what you were doing. They literally have to write for me. Okay, I went to court quarters out of the Water box then I went over and I mowed and then I went over and I worked on a break. I mean I have to know because every hour has to be charged quarterly. And that's not unusual to bill that way. attorneys do it. accountants do it. It's not unusual. When I worked for a CPA firm every minute of my time was clocked to somebody some client. Believe me, my boss didn't want to pay those hours. He had some client was paying my hours. So yes, every second of my day and attorneys do the same thing right clock out every minute of the day.

Gael Damron: I have a question for you. You mentioned that we were voluntarily doing an annual review an annual audit, but you had mentioned before that we should only be doing it by annually.

Melanie Smith: The only time you are required to do an annual audit in this village is if you hit \$750,000 in federal funding. You did hit it and 2020 but you have not hit it in 21 or 22. From what I understand from talking to the auditors, this was chosen to have an annual audit done. It's not required, but for some reason you guys have chosen to do it. But you're not forced to do it only if you hit seven or \$750,000 in federal funds.

Gael Damron: So we don't have to submit it every year.

Melanie Smith: So the requirements is every two years I think it was they say 2017 They changed them for some reason in 17.

Gael Damron: But you also mentioned that when we were doing the annual that for five years the same errors were occurring in that audit, even though they were given the audit review and told these need to be corrected

Melanie Smith: According to your audit. That's actually anybody can pull this audit if you want to see it at your state website just search audits it's not hard to find. And in the back of it tells you how long they've made that same citation recommendation. And this one's dates back to 2017. They've been making those same recommendations.

Gael Damron: And by making those errors this costs us additional funds.

Melanie Smith: Because I can tell you as a former auditor if the records are not good, you will pay more because they have to look more. So if they pull sample because everything's based on samples when you're doing an audit. So they pull a sample and if the sample has too many issues with it, then you pull another sample. So if the if the sample was clean then you don't have to pull that second sample. But if the sample was not cleaning, pull additional items to make sure because the whole goal of an audit is not to find theft. That's not what they therefore stated the financial statements are not materially misstated. That's all they're there for to say that and if they are misstated that errors like you guys have with the adjustments that aren't on the records correctly. They have to fix those adjustments you have to agree to them. And then now the record the financials are correct, but and it's not that they're perfect. That's not what they're saying. They're saying they're not materially misstated. That's what they're saying. So you can't check every single transaction. It's not possible. Okay.

Pennie Scarpone: How much does your audit cost?

Melanie Smith: Well, I'm a small village but I also get what they call an agreed upon procedures which means that I do everything right. So they come in, they do a very small sample, and they leave my audit was up \$3,500 Yours is about 20.

Pennie Scarpone: Yearly.

Gael Damron: 20,000 a year.

Melanie Smith: You're closing in on that.

Randy Spence: How was it that we voted on the budget, but it was always a temporary budget, not a permanent?

Melanie Smith: I have no idea. I just know that. If you voted on a permanent you didn't give it to the county because they didn't have record of you doing it since 2017.

Bob Merriman: So we voted on it and they just never turned it in.

Melanie Smith: I don't know like we definitely did your minutes to see what you have to pass it by April the first so

Randy Spence: Here's your temporary and then your permanent then we were voting on the temporary and then a permanent one, but apparently they never turned it in

Melanie Smith: I don't know what the difference is between your temporary or permanent because I've only seen one document and it I don't know if it's the same document, do they? It's possible that they pass the temporary as a permanent and then they don't pass a permanent? I'm not sure I'd have to look at your minutes to see exactly what the wording is or how they're doing it.

Randy Spence: But technically we haven't passed a permanent budget since the other

Melanie Smith: I don't know if you've passed one.

Jesse Kosegi: Is that a violation with the state? Do they see that?

Melanie Smith: Actually, I was surprised it wasn't in your audit report. I don't know if they didn't verify that with the county because I but I haven't seen 22 is audit report, because it's still not done. So it could be in 22's audit report, but it wasn't in 2021. It did cite you for not using the budgetary numbers that the county certified but it didn't mention that you also didn't file the permanent appropriations.

Jesse Kosegi: Is the audit done when you're done? When you say it's done for like closure for the audit?

Melanie Smith: I mean as an auditor, they will release the audit when they're ready. And then they'll hold a post audit with the officials. And that is something that I highly recommend that you all attend and I highly recommend you ask questions. Because if there's anything in that audit, you need to know what it is and if it's getting corrected or not corrected because again, it costs you money to not make corrections. So if you repeat the same mistakes over and over and over again, you know you're paying for mistakes that you really don't need to. Everything can be fixed everything can be done correctly. And the actual it's kind of funny because the material adjustments that you guys are receiving, it's really easy to do you go out to the website, the OWDA or OPWC website, you look at the distribution list. You could you print it, you bring it back to you a UAN system, and you sit there and you post to the revenue expense revenue expense, take you about 10 minutes each time. It's really not that hard. It's really quite easy. But for some reason, some people just don't do it.

Pennie Scarpone: So then it's basically up to counsel to make sure that everything's done right.

Melanie Smith: Absolutely. This you guys are the ones that make the decisions. Yeah, a lot of times I think people think fiscal officers make decisions. We don't make decisions. We present things, lots of things. We ask questions, we review things, we take care of things. It's our job to look at every expenditure and every receipt to make sure it's properly classified. To make sure that it's a real expenditure and not something fake that's our job. Our job is to make sure things are right. And it makes sure that we protect you all it is my eyes that you have to depend on. Because you don't look at every single invoice you don't look at every single receipt that comes through. You have to trust that I'm doing the job right.

Randy Spence: But it's the fiscal officers duty to present you with everything

Melanie Smith: Correct. If you come down to that office right now and say I'd like to see the file on all the credit card payments. I can lift that file and hand it to you in two seconds. And if you want to look at them, you can look at them it's all open to anyone who chooses to look at them.

Mayor Petrella: So we asked before and we were told no.

Melanie Smith: Anyone sitting out here can come downstairs with me and say I'd like to see monks anything except social security numbers, birth dates and that kind of stuff and medical records. Literally can ask for any record that that's in that office. All they have to do is file records requests don't even have to put it in writing it can be verbal. All you have to say can I see this? Absolutely. What's therefore it's called open records. what it's for. But council should have always received and that's something we can talk about what's in front of you. My Council receives every single month. The fund status report, which is the little small one that's in front of you. And for those of you that have never seen this thing before. It actually gives you the cash balances by fund. So it says okay, we have \$3.4 million in the bank 3.4 million and which fund owns a portion of that 3.4 million it gives you that information right straight down the page. It also tells you that you have an investment of \$250,000 and a secondary checking account of \$7,556 Giving your primary checking account a balance of 3.2 million.

Randy Spence: Did you come across a checking account or a dormant account with a significant amount of money in it? It wasn't used for a couple of years.

Melanie Smith: We found one but it was reversed and we did finally now we do know the one that's \$100,000 that is inside of this checking account because it is a checking account. It is not an investment. Therefore it doesn't show up as an investment like these other two do. It's inside, but there is one that.

Randy Smith: But it wasn't used for a while.

Jesse Kosegi: No it wasn't used and she hasn't been used for a long time like 2000 2018 It wasn't used.

Randy Spence: There was \$100,000 in that one.

Melanie Smith: I think it's good \$100,000

Carmen DeStefano: wasn't 100 115 and 100 Right?

Melanie Smith: So yeah, there are now on the UAN system actually records all of this revenue. Any checking account, savings account or investment account is actually logged in to UN and it's reflected in these numbers. I did not find any bank accounts that were not in these numbers. Yet we have not found one yet. As far as I can see that you have all of the accounts that we have available are on these records. The other record that you have is the revenue status report. And this early in the year, the percentages aren't really high. But what we like to see this thing do is to go into negatives, if you can, a revenue report going into negatives is a good thing. Because that means you receive more money than you thought you were going to get which is always good. And there's nothing better than receiving money and you didn't think it was coming. So that's kind of what the revenue status report at this point we should be sitting around 25% of collections because we're in the third month of 12. So the first thing I do when I glanced at this report to see where we are and since we put that \$200,000 in the bank today, we are at 33% in the general fund. So we are above the 25 which is good because if you don't see these numbers rising like they should, you may have to turn around and reduce your appropriations because if revenues coming in is not coming in as anticipated. You may have a problem. We are anticipating right now there could be an issue in the street fund because have you ever heard the commercials out there? ODOT is trying to get somebody to give them a really good idea on what to do when people start driving electric cars and stop buying gas because they can't come up with an idea to earn money. So if you haven't seen that commercial with their up our way all the time so if you see it so we know it's going to happen because we get our gasoline money from motor vehicle registrations and also from people driving gas taxes. If people stopped driving or started driving electric cars, our gas is going down. Therefore our revenues going down. We know it's common we just don't know how quickly but it will happen to us. If we lay a number out there and all of a sudden, that number is not coming in like we anticipated. You have to be responsible and reduce those appropriations because if you don't, you could overspend. So it's just like at home. If you you're working a job and you lose that job. Are you going to keep spending at the same level? No, can't you have to change things. And we'll do the same thing and that's what the revenue report does. As long as that revenue comes in to level you anticipate you're just fine. You're going to make it to the rest of the year. But if it's you start seeing shortages in that revenue report. You got to make changes. The Appropriations is the other report that I gave you. This is the Bible right here. This is what controls expenditures. This is what controls every single department in this village. They all have one of these reports and I've got to get those to them. print those out for everybody. But we have now finalized this budget and we're ready to release it to the department so they can start watching their own expenditures as well. So they will get each department will get their own sheets. That they've never received before



but they will start getting their own sheets and they will be responsible. To stay on budget. I expect him to stay on budget. That's what they're there for. Keep an eye on expenditures that I tried to put on your reports, which department is which because I know it's very confusing what these codes mean. So I tried to make sure that you knew where the mayor was he's in 710 councils and 715 You know, so on and so forth. So that you had an idea what those departments are. We also you can see that we pulled the police department, the rec department, the Street department out of the general fund into their own funds. It will be much easier to keep an eye on those departments and how they're surviving. And several of your departments asked me if that as well. They wanted their own budgets so that they could see the money coming in and the money going out.

Randy Spence: Well, this is the first year I believe we're letting the departments set their budgets.

Melanie Smith: Correct. We actually worked with the departments to set their own budgets to assist us with those budgets. As a fiscal officer or an administrator, either one. We only know so much about what those departments are actually thinking for the next year because anytime we're going to start working on the 24 budget, believe it or not, we're still in 23 and we're going to start working on 24. But I don't know what they know. I have no idea what they need, unless we communicate. And that's really requires communication from every single department, every single employee to tell me what they think is going to happen in the next year. What would they anticipate happening? I don't know how old their trucks are. I don't know if the backhoe is ready to blow. I don't know those things. They have to tell me those things. Is that backhoe going to make it or we got \$20,000 of repair going into that backhoe next year. I mean, the I have it's my job to put money where it needs to be or try to find it till we can make those things happen. But I don't know everything I have to rely on them to tell me that we got a fleet of police cars. I know Lou can tell me which ones need worked on which one needs to be replaced which ones you know, need new tires tomorrow. I don't know those things. They have to tell me those things. So you have to make sure that I know where those things need to be. If we're going to give a pay raise. It's up to me to figure out whether we can afford it. That's my job. Can we afford it? How are we going to do it? If they asked me that question today, I'd say pay our taxes first and we'll talk about raises. Unfortunately, you put those situations on the backs of your employees. I hate to do that. But your money only goes to a far it's just like home can only pull it so far. So we're going to cover our things that need to be covered first, and then we'll talk about other stuff.

Mayor Petrella: Anybody else have anything for Melanie.

Pennie Scarpone: I just noticed your payment was here.

Melanie Smith: Yes.

Pennie Scarpone: So this is all from this.

Melanie Smith: I ran that from January 1 all the way to today.

Pennie Scarpone: And this is out of the UAN system.

Melanie Smith: Yes, the UAN system will kick out expenditures in any way you ask it to kick out expenditures. So if you find an expenditure on the list that you would like to question, you can either ask me to scan you a copy of the invoices or you can ask me to give you more detail off the UAN system. Every vendor is behind me in a cabinet and can be pulled out real quick and if you want it scans you we can scan it to you so don't feel free. Don't feel like you can't ask for stuff. Because if you see something on that list you go what is especially credit cards, they are the worst. Because all you can do is say it's a credit card. I can't give you every single vendor on that credit card. I can't give every type of expenditure on that credit card. Or I'd have a list about 10 miles long. But if you'd like to see the credit cards, I'll be more than happy to pull the invoices for you. And you can look exactly what was being paid and what was being charged. To those credit cards. Anyone can see that

Mayor Petrella: Anyone have anything else for Melanie? Well, thank you very much Melanie, we appreciate your time and thank you for speaking up and giving us a great rundown. And I know Jesse and I and the rest of Council. I will look forward to continue working with you.

Jason Mattern: Absolutely.

Randy Spence: Thank you very much.

Mayor Petrella: All right, council. Anyone else have anything for new business? Okay. You have no transfers tonight. I believe nobody told me we'll do the payment on the bills at the next meeting.

Melanie Smith: Actually, you don't have to because they're in front of you. I did get the list ready. So that big list that you have, you can either hold it for next meeting or you guys can glance at it. There's a lot of items on it because I did run it from January 1 to today. So there's a lot of stuff you may want to wait until next meeting give you time to look at it.

Mayor Petrella: Okay, wait to pay the bills at the next meeting. So lastly, we just need a motion to adjourn.

Motion by Randy Spence, second by Carmen DeStefano to adjourn.

**Vote:** Bob Merriman yea, Jason Mattern yea, Pennie Scarpone yea, Carmen DeStefano yes, Randy Spence yea, Gael Damron yea.

Notion passed 6-0.

Bob Merriman: Happy Easter.

Jason Mattern: Happy Easter.

Pennie Scarpone: Happy Easter.

Carmen Destefano: Happy Easter.

Randy Spence: Happy Easter.

Gael Damron: Happy Easter.

This meeting is adjourned. Our next regular council meeting will be April 20, 2023 at 7pm. Thank you

Disclaimer: These are a draft of the minutes and not deemed official until approved by Council.

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Randy Spence

President of Council

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Michael W. Petrella

Mayor