

**RECORD OF PROCEEDINGS***Minutes of Meeting*

## Plain Township Board of Trustee Meeting

The Plain Township Board of Trustees met in a special session at 8:00 a.m. at the Fire Station, 9500 Johnstown Road, New Albany, OH 43054.

Ms. Mollard called the meeting to order. Ms. Mollard led the Trustees in the Pledge of Allegiance to the flag.

Roll Call: Members Present: Kerri Mollard, Jill Beckett-Hill and Hans Schell.

Others present: Township Administrator Ben Collins, Fiscal Officer Bud Zappitelli, Chief Connor, Assistant Chief Eceleberry, and Finance Officer Courtney Rogers. Visitors present: none.

**FISCAL OFFICE**

Mr. Zappitelli explained that the township has many positive fiscal practices in place, such as a 5-year fire budget, a 2-year fire capital equipment budget, and presenting financial reports with variances and investments to the board on a monthly basis. With the upcoming bond rating presentation coming up, Mr. Zappitelli feels that it could help increase the township's rating if these practices were formalized in a resolution. The resolution is being presented as township guidelines versus policies to allow some flexibility. Mr. Collins explained that not many Ohio townships have a cash reserve policy. Plain Township has maintained a 25% carryover reserve in the general fund for many years, with the exception of 2019, when the township paid cash for the ladder truck. The resolution and cash reserve policy allows for a situation like that. Mr. Collins also pointed out that the cash reserve policy is not a reference to liquidity, it is a reference to the cash basis and how the township accounts for the balance that is unencumbered at the end of the year. Ms. Mollard asked if the fiscal office is using different software for forecasting. Mr. Zappitelli explained that the township is still using a spreadsheet, as the cost for software was too expensive. The spreadsheet is matched to the annual budget which is very conservative. Mr. Collins does not forecast an increase in general property tax receipts and the annual appropriations are typically inflated. Assistant Chief Eceleberry noted that he is usually planning the fire capital equipment budget for five years out but only shares the two-year plan. There have been many changes out of his control, for example lead time and cost increases on trucks.

**Ms. Mollard made a Motion to pass Resolution No. 260429B1.**

**Be it resolved, that the Board of Trustees of Plain Township, Franklin County, hereby adopts the following guidelines for township fiscal practices.**

## **I. CASH RESERVE GUIDELINES**

**Purpose:** A minimum fund balance assists the Township in maintaining the security of major operating funds and contributes to the financial stability of the Township by maintaining adequate financial reserves. The minimum fund balance shall provide financial resources for the Township in the event of an emergency or the loss or reduction of a major revenue source. The minimum fund balance guideline will allow the Administration and Board of Trustees to recognize and react to warning indicators of financial stress and set guidelines for proactive measures. At the time of budget preparation, annual appropriations shall be adjusted to ensure that the projected beginning fund balances are greater than or equal to the minimum fund balance as described in this policy.

**General Fund Guideline:** The minimum unencumbered cash balance in the General Fund will be an amount equal to 100 days (approximately 25%) of General Fund operating expenditures.

**Fire District Fund Guideline:** The minimum unencumbered cash balance in the Fire District Fund will be an amount equal to 100 days (approximately 25%) of Fire District Fund operating expenditures.

**Monitoring:** Fund balances will be monitored on a month-to-month basis, and the fiscal officer shall provide a monthly report to the board of trustees detailing the revenues and expenditures by fund. Monitoring projections will be based upon budgeted expenditures and trend data. The fund balances may drop temporarily below the minimum level due to current operations or emergencies.

## **II. FIRE DISTRICT FUND FORECAST GUIDELINE**

**Purpose:** It is in the best interests of the Township to prepare multi-year revenue and expenditure projections of the Fire District Fund in order to identify any potential funding issues. The following guidelines have been developed to better understand the financial condition of the Township.

**Five-Year Pro-Forma Financial Projections.** Updated annually with the recommendations of the fire chief and township administrator, this plan projects the Fire District Fund's financial performance, estimates funding needs, and identifies funding sources out to five years. Doing so will:

- 1) Establish operating and capital project priorities and make advance preparation for the funding of projects within the five-year horizon;
- 2) Assure that adequate funding exists for proposed projects and services;
- 3) Identify financial trends in advance or in the early stages so that timely corrective action can be taken, if needed; and
- 4) Communicate the Township's plans to the public and provide an opportunity for the public to offer input.

## **III. FIRE CAPITAL EQUIPMENT FUND PLANNING GUIDELINE**

**Purpose:** The Township is responsible for the adequate maintenance of the Township's fire district infrastructure and capital equipment, as well as providing for the orderly replacement of such assets, and when necessary, the expansion of capital assets.

**Two-Year Capital Plan.** The fire chief shall recommend a two-year capital plan and update it annually. The plan will prioritize anticipated capital projects and determine the availability of funding.

**IV. INVESTMENT POLICY (full version attached as exhibit)**

**Purpose.** The purpose of an investment policy is to ensure that all public funds are prudently managed in accordance with the stated fundamental investment principles of Plain Township, Franklin County, Ohio. The Fiscal Officer, Board of Trustees, and all Township staff shall adhere to this policy, O.R.C. Chapter 135, and all other applicable laws and regulations at all times. This policy has been approved and adopted by the Board of Trustees, and a copy has been filed with the Auditor of State as required by law.

Ms. Mollard seconded the Motion. Vote: All Aye.

**RESOLUTION NO. 250806B2**

**A RESOLUTION TO ADOPT AN UPDATED INVESTMENT POLICY**

1) Purpose. The purpose of this policy is to ensure that all public funds are prudently managed in accordance with the stated fundamental investment principles of Plain Township, Franklin County, Ohio. The Fiscal Officer, Board of Trustees, and all Township staff shall adhere to this policy, O.R.C. Chapter 135, and all other applicable laws and regulations at all times. This policy has been approved and adopted by the Board of Trustees, and a copy has been filed with the Auditor of State as required by law.

2) Fundamental Investment Principles. The Fiscal Officer, Trustees, and all other persons who are responsible for investing public funds have responsibilities to the Township and the taxpayers for the proper stewardship of public funds. Such persons shall follow the "prudent person" standard. The prudent person standard requires the Fiscal Officer, Board of Trustees, and other persons responsible for investing funds to (1) exercise care, skill, and experience that a prudent investor would use to manage his or her personal financial affairs, and (2) ensure preservation of principal while maximizing income and growth and minimizing risk.

3) Investment Objectives.

a) Principal Preservation. The Township's primary investment objective is preservation of principal. To meet this objective, portfolio diversification shall be established and

maintained to ensure that losses in individual security values do not exceed the income generated by the remainder of the portfolio. It is recognized that occasional measured losses, though undesirable, are inevitable, and such possibility shall be considered in evaluating diversification decisions and investment strategy.

b) **Asset Liquidity.** The Township's second investment objective is maintenance of liquidity of assets. Once cash flow requirements have been determined, maturity date selection shall be determined by market conditions and interest rate forecasts.

c) **Income Maximization.** Income maximization is the Township's third investment objective. To accomplish this objective, the investment portfolio shall be managed with the goals of producing income returns that equal or exceed the market's average rate of return for allowable securities. High financial risk is unacceptable.

d) **Cost Minimization.** The Township's fourth objective is to minimize transaction costs. To meet this objective, relationships with securities dealers, investment bankers, and other entities providing investment services shall be carefully managed to secure high quality services while simultaneously minimizing costs.

#### 4) **Personal Conduct and Qualifications.**

a) **Standards of Conduct.** The Fiscal Officer, The Board of Trustees, and the Township staff must be aware of the nature of their responsibility for investing public funds under their control. The Fiscal Officer, the Board of Trustees, and the Township staff are prohibited from taking direct or indirect interest in any of the investments made by the Fiscal Officer, and from receiving payments, bonuses, or other compensation for investment services in excess of their designated Township compensation. The Fiscal Officer, the Board of Trustees, and the Township staff are prohibited from dealing with any banker, broker, dealer, securities dealer, or other person or entity that has any business or financial relationship (direct or indirect) to any Trustee, the Fiscal Officer, or any member of the Township staff with the ability to participate in investment decisions. This is to ensure that any potential conflicts of interest are eliminated.

b) **Continuing Education.** The Fiscal Officer or a designee thereof will annually complete continuing education programs relating to investment of public funds provided by the Treasurer of State and/or the Auditor of State.

5) **Transactions.** A copy of this policy shall be provided to all bankers, brokers, dealers, securities dealers, and other persons and entities who are involved with the investment of public monies. Other interested parties may receive a copy of this policy upon request. No banker, broker, dealer, securities dealer, or other person and entity shall provide services to the Township without first having reviewed, signed, and agreed to abide by the terms and conditions of this policy. While every effort will be made to obtain appropriate discounts, entities with which the Township elects to engage for the purpose of investment of public monies shall be selected to achieve the best possible transaction executions. The fact that an entity provides statistical and market information and services shall be

considered in the selection process. All entities selected shall be authorized to do business within the State of Ohio and have all required licenses and be in good standing with all government and regulatory bodies which have the authority to regulate the activities of such entity. A periodic review of the entity's capital and disciplinary standing shall be conducted, and necessary changes in the list of approved entities will be approved by the Fiscal Officer.

All securities orders shall be placed according to accepted investment practices. All receipts confirming securities transactions will include the trade date, par value, maturity, interest rate, price, yield, settlement date, description of securities provided, entity, amount due, and third-party custodial information where applicable. Confirmation receipts shall be received within seven business days after the trade, and payment for investments shall only be made upon receipt of securities. Certificates of Deposit shall be purchased only from commercial banks or domestic savings and loans covered by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation pursuant to Ohio Revised Code Chapter 135.18. The Fiscal Officer must have a Depository Agreement with such institution prior to making such a purchase.

6) Authorized Investments. The following investments constitute appropriate investments:

a) Star Ohio. The State Treasurer Access Reserve of Ohio (STAR Ohio); and

b) Other. Other investments as permitted under the Ohio Revised Code Chapter 135.

7) Prohibited Investments. Any investments other than an authorized investment under the foregoing paragraph 6 shall be a prohibited investment.

8) Collateralization of Deposits. All deposits of public funds shall be collateralized pursuant to O.R.C. 135.18 and 135.181.

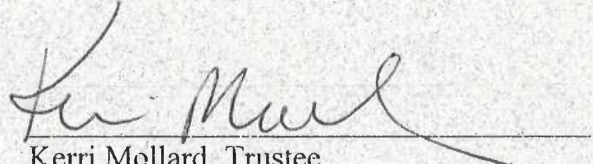
9) Reporting. The Fiscal Officer shall maintain a ledger of all purchases and sales and an inventory of all investments acquired. The inventory shall include a description of each investment, including its type, cost, par value, maturity date, settlements date, and coupon rate, where applicable. This record shall be presented as part of the monthly bank reconciliation to the Board of Trustees for review and approval.


10) Acceptance. We, the undersigned, wish to do business with Plain Township. We have reviewed this Investment Policy and, to the extent applicable to the undersigned, agree to abide by its terms and conditions.

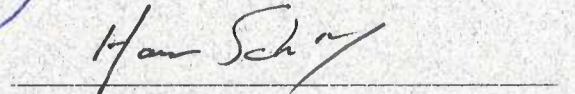
## ADJOURNMENT

Ms. Mollard made a motion to adjourn the meeting at 8:22 a.m. Ms. Beckett-Hill seconded the motion. Vote: All Aye

**BOARD OF TRUSTEES:**

  
Kerri Mollard, Trustee

  
Jill Beckett-Hill, Trustee

  
Hans Schell, Trustee

  
Bud Zappitella, Fiscal Officer