

TO: Village Council and Mayor Brown
FROM: Finance Committee, Rob Bartlett - Chair
RE: Process for Village Spending in Excess of \$5,000
DATE: December 20, 2021

The Finance Committee met on Thursday, October 7, 2021 at 3:00 pm to discuss the requirement in the Village's code book that any spending in excess of \$5,000 requires Council approval. Present at the meeting were Finance Committee members Rob Bartlett, Kelly Rankin and Joe Stelzer, Assistant Administrator Allison Uhrig and Mayor Bill Brown.

Section 31.030 in Mariemont's code book states "The Mayor shall have the ability to enter into contracts not in excess of \$5,000 and to incur expenditures for the benefit of the village for amounts not to exceed \$5,000 without the approval of Council. Any expenditures in excess of said amount shall require legislative approval". This report is to document the "pre-approval" process before goods are ordered or services contracted. All expenditures are still subject to a final approval by Council when Council is asked to okay paying the bills.

Ms. Uhrig has done an excellent job creating and distributing a form to the Department Heads for any non-emergency spending that exceeds \$5,000. To build on that, Council's expectation is that if competitive pricing is available, then at least two bids or prices should be obtained before presenting the proposed spending in writing to council. If there is a possibility that some of the cost may vary, then a "not to exceed" number can be approved. If it looks like the approved spending is going to be exceeded, then the Department Head will need to ask Council for a new spending limit. Of note: this process excludes any regular on-going items such as payroll, employee benefits, utility bills, waste collection, lawncare, Village Solicitor bills, income tax refunds and loan payments.

For large capital projects, Council will determine if the project costs will be approved in total or if specific bids will need to be approved for different sections of the project. Also, if an item exceeds \$5,000 and was included in the original budget appropriation, then only a vote is required of Council to approve the spending. An example would be the projects that are approved as part of the Permanent Improvement Fund or if we are planning to purchase trees or pay for tree removal services, then those should be called out in the original budget. Per our Village Solicitor, if an item comes forward that was not included and called out in the original appropriation and it exceeds \$5,000, then a resolution is required to approve the spending. An example of this would be the new mulching service that the Village contracted for part way through 2021. Also, if any spending is going to cause the original appropriation in a department to be exceeded, then an ordinance will be required to change the appropriation amount for that department.

The Finance Committee recommends that Council approve the above process and that the Village Solicitor also draw up the necessary additions to Section 31.030 to allow the Mayor to approve any emergency spending that may exceed \$5,000, where an emergency is defined as something necessary to preserve the public peace, health, safety or welfare of the Village.

Respectfully Submitted,

Rob Bartlett, Chairman

Kelly Rankin, Vice-Chairman

Joe Stelzer, Member