



FINANCE COMMITTEE MEETING

Thursday, February 26, 2026 at 6:00 PM

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Members of Finance Committee

Dean Edwards
Andrew Dickey
Terry Kretz
Ken Yant, Finance Director
Kevin Laughlin, City Administrator

CALL TO ORDER:

ROLL CALL:

APPROVAL OF MINUTES:

- November 6, 2025 Meeting Minutes

TOPICS/ISSUES:

- 1) NOMINATION OF CHAIR

NEW BUSINESS:

OLD BUSINESS:

ADJOURNMENT:

November 6, 2025

City of Northwood Finance Committee Meeting Minutes

CALL TO ORDER

The meeting of the Northwood Finance Committee was called to order by Chairman Fahrbach at 06:30 PM on November 6, 2025 in the Council Chambers and via Live Stream.

ROLL CALL

The roll was called by Clerk Popovitch and those in attendance were as follows: Louis Fahrbach, Mark Stoner, Pat Huntermark, Finance Director Ken Yant and City Administrator Kevin Laughlin.

APPROVAL OF MINUTES

August 21, 2025 Meeting Minutes

MOTION: Councilor Stoner made a motion to **Approve**; seconded by Councilor Fahrbach. **ROLL CALL:** **Yes:** Councilor Fahrbach, Councilor Stoner; **No:** None; **Abstain:** Councilor Pat Huntermark
RESULT: *Passed (2-0)*

TOPICS/ISSUES

ORDINANCE 2025-42 AN ORDINANCE ESTABLISHING AND ADOPTING A GENERAL FUND RESERVE POLICY, AND DECLARING AN EMERGENCY.

- Committee members discussed the establishment and funding of specific reserve funds, including a “Rainy Day Fund” and a potential Payroll Stabilization Fund.
- The Rainy Day Fund, outlined in the city ordinance (Sections 5A–G), allows transfers to the Capital Improvement Fund, Economic Development Fund, debt reduction, one-time necessary expenses, projects highlighted by Mayor and Council, emergency-related expenses, and short-term capital financing. Committee emphasized that funds placed in a specific account must be used only for the designated purposes. Past experiences with TIF funds, such as when the Alcoa TIF debt was paid off early leaving approximately \$500,000–\$700,000 in the account, highlighted the need to carefully allocate funds to accounts with clearly defined, allowable uses; the city had to obtain a court order to release the remaining funds, which were then transferred to the Economic Development Fund
- Members confirmed that funds in these accounts would remain invested.
- Discussion included establishing a Payroll Stabilization Fund to cover city employee liabilities such as accrued vacation and sick leave, currently estimated at approximately \$892,000. The committee discussed funding strategies, including gradual allocation versus full funding, and likened the liability to an annuity payment that would not be due all at once. Anticipated retirements and department staffing were considered in planning potential payouts.
- The committee reviewed projected revenue shortfalls for 2025, estimating a deficit between \$500,000–\$700,000 due to reduced income tax collections, while noting that collections are currently higher than last year. Additional considerations included potential impacts from hiring full-time firefighters and reductions in Local Government Fund allocations from the county.
- The committee emphasized the importance of the Rainy Day Fund as a financial safeguard for unforeseen expenses, likening it to a savings account to ensure funds are available for designated purposes.

Recommendation:

The Finance Committee recommended funding the Rainy Day Fund at approximately \$4 million, representing roughly 50% of General Fund expenses. **MOTION:** Councilor Huntermark made a motion to **reccomend to council** ; seconded by Councilor Stoner. **ROLL CALL:** **Yes:** Councilor Fahrbach, Councilor Stoner, Councilor Huntermark; **No:** None; **Abstain:** None

RESULT: *Passed (3-0)* The recommendation will be forwarded to City Council for consideration.

Review of 2026 Budget

- The committee reviewed the proposed 2026 budget, including a brief overview of key highlights: returning to the normal income tax allocation of 70% General Fund, 20% Capital, and 10% Capital Replacement, and projecting a 7% increase in income tax revenue over 2025.
- To balance the budget, the proposal currently does not fund a new police officer or street department position and suggests reducing some part-time fire hours. The impact of 27 payrolls in 2026 was discussed, with consideration of shifting to a 24-payroll schedule (1st and 15th) to save approximately \$145,000.

November 6, 2025

- Fund balances were reviewed, including allocations for the \$4 million Rainy Day Fund, leaving a General Fund balance of approximately \$3.739 million. The committee also discussed setting aside savings from the dispatch contract for future full-time firefighter positions.
- Healthcare costs were addressed, with the current budget based on last year's figures plus an estimated 5% increase. Quotes from insurance providers are pending, and Council will need to determine how any increases will be allocated between employees and taxpayers.
- Committee members discussed including additional positions in the budget: one police officer (\$100,000), one street department worker (\$90,000), and an Economic Development Director (\$125,000). These are ongoing annual costs and may require adjustments to fund balance or capital improvement funds.
- Committee members discussed the proposed clock tower project, which is currently included in the 2026 budget and funded through the General Fund. Questions were raised about whether the project should remain in the budget as proposed or be deferred in favor of using those funds for staffing needs, such as an additional police officer, street department employee, or an economic development position.

It was noted that future TIF (Tax Increment Financing) revenues are expected to begin in approximately two years, with the Wallick development area contributing by 2026. One suggestion was to allocate the eventual TIF revenues toward existing debt payments within the Capital Improvement Fund. Doing so could free up General Fund dollars currently being used for debt service, which might then be redirected toward personnel or other operational needs.

Members also discussed the option of delaying the clock tower project and setting aside funds incrementally, as has been done in past capital projects like the fire station and overpasses. No formal recommendation was made, and it was agreed that further direction would be sought from City Council before making any amendments to the budget.

NEW BUSINESS

OLD BUSINESS

ADJOURNMENT

06:59 PM

ATTEST: Emily Popovitch
Clerk

APPROVED: Louis Fahrbach
Chair