

February 26, 2026

City of Northwood Finance Committee Meeting Minutes

CALL TO ORDER

The meeting of the Northwood Finance Committee was called to order by City Administrator Laughlin at 06:00 PM on February 26, 2026 in the Council Chambers and via Live Stream.

ROLL CALL

The roll was called by and those in attendance were as follows: Dean Edwards, Andrew Dickey, Terry Kretz, Finance Director Ken Yant, and City Administrator Kevin Laughlin.

Councilor Edwards nominated Councilor Dickey to serve as chairman seconded by Terry Kretz. All members voted in favor. Councilor Dickey was appointed as Chairman.

APPROVAL OF MINUTES

November 6, 2025 Meeting Minutes

Discussion was held regarding approval of prior meeting minutes. As none of the current committee members had been present at the previous meeting, it was agreed to table approval of the minutes pending clarification of procedure.

TOPICS/ISSUES

Nomination of Chair

NEW BUSINESS

Year-End 2025 Financial Summary

The Finance Director reported that the City ended 2025 with a deficit of \$818,215, which was covered by the General Fund balance.

Beginning General Fund balance: \$9,010,795

\$4,000,000 transferred to the Budget Stabilization (Rainy Day) Fund

Ending General Fund balance: \$4,192,579

Income Tax Collections

Income tax collections for 2025 were:

\$308,000 higher than 2024 collections. However, \$547,000 below the 2025 budgeted projection (which anticipated an additional \$850,000 in revenue) It was noted that while collections increased compared to the prior year, they did not meet projected expectations.

Discussion included:

A potential anomaly in 2023, which was described as an abnormally high collection year that does not align with overall trends. Revenue has generally trended downward since that year. The Finance Director will prepare a breakdown of income tax collections by category (withholding, residential, business) for further review. A 10-year revenue trend chart will also be prepared for the Committee. It was noted that some municipalities in the region have reported similar declines in collections.

RITA and Municipal Net Profit Filings

Discussion was held regarding income tax administration through the Regional Income Tax Agency (RITA). The Finance Director stated there is no clear evidence directly tying revenue declines to RITA administration. It was further explained that businesses may opt to file Municipal Net Profit returns with the State of Ohio. In such cases, payments are remitted to the City through the state. Refunds issued after overpayment of estimated taxes can impact annual collections. One large business refund of approximately \$200,000 was cited as an example of such fluctuation. RITA has issued non-filer notices and is conducting delinquency collection campaigns as part of standard procedures.

Debt and Capital Obligations

Annual Debt Payments (Approx. \$1 million per year) include:

Enclave infrastructure (streets, water, sewer)

Community Center debt

OWDA loan for demolition of the former mall property. The OWDA loan is scheduled to be paid off by the end of 2027.

Debt payments are made from the Capital Improvement Fund and Debt Service Fund, not the General Fund.

Budget Stabilization (Rainy Day) Fund

The Committee discussed the Budget Stabilization Fund policy. The fund currently contains \$4 million. Use of funds requires Council appropriation. A written policy governs allowable uses. A copy of the City's policy will be provided to Committee members for review.

TIF and Development Revenue

Discussion was held regarding Tax Increment Financing (TIF) revenue related to The Bridges development. Estimated 2026 TIF revenue: approximately \$89,000. When fully realized, combined TIF revenue from Phases 1

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and 2 and additional development is projected to approach \$300,000 annually. Additional revenue (approximately \$300,000) is anticipated from the Wallach development once property valuations are updated. It was noted that property valuations operate on a three-year cycle, and revenue increases will occur as values are updated by the County Auditor. Phases 1 and 2 of The Bridges are within the TIF district. Phases 3 and 4 are located within a Community Reinvestment Area (CRA). The long-term intent of the TIF structure is for increased property values to generate revenue sufficient to cover bonded infrastructure debt.

OLD BUSINESS

ADJOURNMENT

06:20 PM

ATTEST: Emily Popovitch
Clerk

APPROVED:
Chair