October 8, 2026

Shawntaye McCurdy, Financial Consultant
Mayor Rocky Radeff
City of Sheffield Lake

Required corrections to Council 054

Ms. McCurdy and Mayor Radeff:

Council No. 054 and the accompanying October appropriation spreadsheet are grossly inadequate for an informed vote in their present form. It appears to be the musical chairs of accounting. I believe it is far past time that the city declares a fiscal emergency and hires a Certified Public Accountant to put the city's financial affairs back in order and provide written policies and procedures as ordinances for council to approve. The slow pace and the violations of the law with the over-appropriations are disgraceful and contrary to State and local law. The proposed legislation contains conflicting account descriptions, an explanation that does not match the Fire Department changes, and insufficient documentation to determine whether the administration intends the legislation to be appropriation amendments, transfers of money between funds, or both. Council should not be asked to reconstruct the intended transactions from a list of "FROM" and "TO" entries. As you know, appropriations do not equate to fund transfers. This is not sufficient information for an audit, and we do not need 2026 to be audited into the year 2028.

I strongly suggest a corrected proposal and the supporting financial schedules before Council is asked to approve it. As Chair of the Finance and Audit Committee, I cannot responsibly evaluate spending authority without knowing the available resources, existing commitments, and remaining cost of operating through December 31. In fact, no one can.

Identify exactly what Council is being asked to authorize

Section 1 of the ordinance expressly describes changes to appropriations. Nevertheless, its grouped FROM and TO entries cross fund boundaries, while the spreadsheet refers to funding from various funds within the Service Department. That explanation is inadequate. Administrative supervision of several funds does not make their money interchangeable.

The proposal contains $537,400 in increases and $458,400 in reductions, a net increase of $79,000. This imbalance is not inherently a defect in an appropriation amendment: additional spending authority may be supported by existing certified resources. But if these entries are intended to describe actual fund transfers, the transfer schedule must reconcile dollar for dollar. Every receiving entry needs an identified, equal source. The $79,000 difference cannot be treated as an unexplained transfer; it consists of $72,000 for Refuse and $7,000 for Community Center deposit refunds. (Per the 2024 Audit the Community Center deposit funds are custodial funds and do not need council's authorization to refund amounts received – the only caveat is if we are being asked to pay out more money than what was deposited.)

More specifically, the $181,600 net increase in Street Fund 202 exactly matches the combined net reductions in funds 205, 601, and 630. State plainly whether Street already has the resources to support that increase. If it does, show the calculation. If another fund is supplying money, identify the amount, source, destination, purpose, legal authority, and operative transfer authorization. Decreasing Water or Storm appropriations does not itself put money into Street.

For any actual transfer, provide reconciled cash balances immediately before and pro forma immediately after the transaction for both funds, together with restrictions, outstanding obligations, and projected year-end balances. Separately show each affected appropriation account before and after amendment. Do not present a line-item appropriation balance as though it were cash. R.C. 5705.39 limits appropriations by each fund's certified resources and purposes; interfund transfers require their own lawful basis, including the applicable requirements of R.C. 5705.14.

Correct the account codes and contradictory explanations

Proposed entry	Required correction or explanation
601.360.5126 Workers Compensation +$4,000	The August ledger identifies this code as OPERS. Workers compensation appears at 601.360.5129. Confirm the intended expense and correct the code or description in both documents.
611.370.5326 Merchant Fees +$1,500	The August ledger identifies this code as Programming & Support. Merchant fees appear at 611.370.5323. As coded, the proposal does not increase the existing merchant-fee account.
101.220.5273 Cruiser Purchase +$8,000	This account is not shown in the August report. Confirm whether it is a new Fire account and identify any expense reclassification, original posting, and corrected posting.

The Fire comment in the spreadsheet says the change covers underbudgeted salaries. The actual entries reduce grant matching by $9,000 and increase cruiser purchase by $8,000 and air cards by $1,000. There is no Fire salary increase. An explanation that describes a transaction the ordinance does not contain is not a usable explanation. Correct it and identify where the salary shortage is addressed.

The proposal does not resolve all August overages

Comparing August year-to-date expenditures with revised appropriations still identifies 12 overdrawn report lines that would not be cured by this legislation. Applying Council 54 to that August snapshot would eliminate eight of those numerical overages, but leave the following four unchanged. This comparison excludes subsequent spending, amendments, and corrections.

Account	Description	August overage
101.131.5111	Finance director salary	$1,886.40
101.131.5115	Finance overtime	$259.12
101.210.5112	Police part-time	$9,784.84
101.220.5111	Fire salaries	$60,064.72
TOTAL	Not addressed by Council 054	$71,995.08

Nor does an October amendment automatically erase any earlier legal noncompliance. R.C. 5705.41 imposes appropriation and expenditure requirements; a later appropriation is not a blanket retroactive cure. Identify the city's legal level of budgetary control and reconcile these line-item variances to it, rather than assuming every report-line overage is independently a statutory violation. Any claim that prior spending was lawful should identify the authority effective when the obligation or expenditure occurred. The distinction must be documented, not asserted. If mistakes were made by the administration – own up to them – correct them – develop policies that stop it from happening in the future – then let's move on

Some reductions also exceed the August unencumbered balances. Examples include 101.111.5122 hospitalization (reduce $9,000; $0 unencumbered), 601.360.5122 hospitalization (reduce $25,000; $0 unencumbered), and 101.199.5331 grant writer (reduce $15,000; only $10,000 unencumbered). Account 207.330.5344 road striping has an $8,000 proposed reduction against only $4,000 in August revised appropriations – I cannot fathom how we would negatively appropriate something. Provide intervening amendments or valid releases of commitments. R.C. 5705.40 does not permit reductions that leave certified outstanding obligations uncovered.

Provide the budget history and a defensible year end estimate

For every amended account and every account at risk, Council needs a complete reconciliation: original 2026 appropriation; each subsequent increase, decrease, or appropriation reallocation, with date and ordinance; current revised appropriation; expenditures; outstanding encumbrances; unencumbered balance; proposed change; and resulting balance. Show estimated remaining expenses through December 31 and the resulting surplus or additional appropriation needed. Do not double-count costs already covered by encumbrances.

In January 2026, I argued publicly that the budget was miscalculated and did not fully account for the approved raises and benefits. I was told that I was wrong. Because of the enormity of the transactions that are being requested, I'd also like the directors of each department to come before council and attest to the proposed cure being provided as reasonable and adequate.

At the fund level, provide beginning cash, receipts, expenditures, transfers and advances in and out, current reconciled cash, restrictions and liabilities, certified estimated resources, and projected year-end cash. If a transfer is proposed, show its effect separately from the effect of the appropriation amendment. Refuse receipts collected by the Water Department are not necessarily Water Fund money. Likewise, refundable Community Center deposits should not be represented as unrestricted operating resources without accounting for the refund liability.

Each material variance needs a specific explanation. Was the original calculation wrong? Were positions or pay rates omitted? Were payroll costs charged to the wrong fund? Did contract prices change, a one-time expense arise, or service levels change? Identify the amount attributable to each cause. "We calculated it wrong" is an acceptable admission if that is what happened; it must be accompanied by the corrected calculation and the control that will prevent a repeat. A generic statement that an account was underbudgeted merely restates the problem.

Produce the monthly expenditure detail and department review

I will continue to renew my request for expenditure detail reports for every completed month of 2026, January through September, and October activity through the latest available posting date. Please include the corresponding monthly summaries, appropriation histories, encumbrance reports, and all correcting or reclassification entries. The detail should identify transaction dates, vendors or payees, amounts, account codes, descriptions, and purchase-order or warrant references, subject to lawful redactions. Supply searchable reports and spreadsheet exports where available.

An August year-to-date total cannot show when spending accelerated, whether an apparent spike was a one-time payment, or whether costs were moved between accounts. Council needs the monthly trajectory. If September is not closed, provide the available preliminary records now, identify outstanding reconciliation work, and state when final reports will follow.

Have each responsible department director review the actual expenditures, remaining purchase commitments, staffing and payroll assumptions, contracts, and expected year-end costs. Provide written confirmation of the forecast, its assumptions, and any unresolved exposure. Where a director position is vacant, identify the official who actually performed the review and the basis for the estimate. Finance must reconcile those departmental estimates to the ledger and avoid duplicate or omitted costs.

The attached schedule identifies additional accounts that require this review. Some already receive proposed increases, but an increase alone does not establish adequacy through year-end. Seasonal costs and annual payments require explanation; they are not excuses to dispense with a forecast.

Please provide the corrected legislation and supporting records before any vote on Council 054. For preparation for the October 20 Finance and Audit Committee meeting, I request the complete response by October 15. If records cannot be provided by then, identify each missing item, the reason, and its delivery date. Council should not be asked to substitute confidence in an estimate for evidence supporting it.

Respectfully,
Jon Morrow
Council Member
Chair, Finance and Audit Committee
City of Sheffield Lake

Attachment A Additional accounts requiring year end review

August 2026 snapshot, with Council 054 applied arithmetically. These are selected warning indicators, not findings that future overexpenditures are certain. “Available” means appropriation remaining after August expenditures and reported encumbrances, not cash. Later activity must be reconciled before a vote.

Account and purpose	August revised appropriation $	August YTD spent $	August available $	Proposed change $	Available after change $
101.121.5118 Mayor admin assistant	35,000.00	28,058.49	6,941.51	1,700.00	8,641.51
101.199.5114 General custodian	5,000.00	4,189.14	600.00	0.00	600.00
101.199.5134 Final disposition costs	3,173.23	3,157.41	15.82	0.00	15.82
101.199.5232 General purpose audit	15,000.00	13,566.40	1,433.60	0.00	1,433.60
101.210.5245 Police HR software	5,000.00	4,920.00	80.00	0.00	80.00
101.210.5272 Police equipment and repairs	93,700.00	85,257.96	4,937.76	12,000.00	16,937.76
101.210.5274 Police custodian	5,000.00	4,344.50	600.00	0.00	600.00
101.220.5124 Fire Medicare	18,000.00	16,477.30	1,522.70	0.00	1,522.70
101.320.5118 Building Clerk	43,000.00	37,040.18	5,959.82	6,100.00	12,059.82
101.510.5124 Parks Medicare	2,600.00	2,088.09	511.91	150.00	661.91
202.330.5272 Street equipment and repairs	20,000.00	19,837.61	148.67	8,500.00	8,648.67
601.360.5130 Water uniform maintenance	4,500.00	3,987.54	0.00	500.00	500.00
611.370.5323 Sewer merchant fees	3,000.00	2,743.68	256.32	0.00	256.32
630.380.5650 Storm engineering and professional services	50,000.00	40,500.00	5,000.00	0.00	5,000.00

Priority checks: Fire Medicare receives no increase despite only $1,522.70 remaining and $2,309.19 spent in August. General and Police custodian accounts each have only $600 unencumbered and no increase. Sewer merchant fees have $256.32 left; the proposed $1,500 is attached to a different account code. Confirm remaining Storm engineering invoices against the $5,000 unencumbered balance.

A simple annualization of January–August expenditures (YTD × 12 ÷ 8) exceeds appropriations after the proposal by approximately $5,387.74 for the Mayor’s administrative assistant, $6,460.27 for the Building Clerk, and $6,715.95 for Fire Medicare. These are screening estimates, not requested appropriation amounts. Staffing changes, payroll timing, seasonality, one-time charges, and remaining commitments must be incorporated into the directors’ forecasts. Audit and software balances may reflect completed annual bills rather than ongoing shortages.

Sources: Council #054.docx, Section 1; October appropriation comments.xlsx, Notes; Aug 2026 Expense report.pdf, August revised appropriations, expenditures and encumbrances. Legal references: R.C. 5705.39, 5705.40, 5705.41 and 5705.14; Ohio Adm.Code 117-2-02(C)(1). Current text: codes.ohio.gov.