

Audit/Finance Committee Meeting Minutes
October 20, 2017
7:45 AM City Commission Chambers

Committee Attendees: Moncher, Stahl, Gardner, Hoffman, Nickles, Murray, Solowiej, and Wobser.

Nickles called the meeting to order at 7:50 A.M. Nickles asked for a motion to approve the minutes from the last meeting. Moncher made the motion, with a second from Hoffman. There was no further discussion. **All ayes – motion carried.**

Solowiej then started the meeting with the September 2017 financial report. He advised that the general fund revenues were up about 2% compared to last year at this time. He was estimating that increase to go up to 2.5% through October. Income tax revenues were also up 2% and Nickles noted that there may be a timing issue due to the government changing tax dates. Solowiej also noted that admissions tax was down a bit but hoped that would even out with a few nice weekends in October. Hotel/motel tax is up about 3.0% and expense numbers are under the year to date budget numbers. He advised the committee that he didn't see anything to be alarmed or concerned with, since October was still looking good. Nickles then wondered since we were coming to the end of the year if we knew where we were at with new staff. Solowiej explained that we were anticipating 2 to 3 new people for next year. In the budget, we had estimated 248 full time employees and we are currently at 245 full time employees. He noted the Asst Fire Chief as a position we had budgeted for half a year this year and that has not been filled to date. Moncher then made a motion to accept the report and Gardner second that motion. There was no further discussion. **All ayes – motion carried.**

Solowiej then updated the committee about the recent note sale. There were 4 bidders that participated in the note sale. Oppenheimer, TD Securities, Keybank Capital, and Jefferies & Company. Jefferies & Company was the winner. The net interest cost was 1.28% for the highest bidder and 1.135% being the lowest bidder. Solowiej believes these low rates were attributed to the successful meeting with our Moody's representative. He noted that the bidders asked a lot of good questions and had a lot of knowledge about the City of Sandusky. Moncher remarked that the sale was well marketed since the rates came in fairly close. Solowiej agreed and was very happy on how the process had worked.

Solowiej then notified the committee that the 2016 audit had been released on September 26, 2017. It should be available online for anyone to review. He also advised them that the city would be receiving the Auditor of State award again this year. This award is given to municipalities that are in compliance with established auditing guidelines and noted that only about 5% of Ohio municipalities receive this award. Solowiej was unsure if there would be a formal presentation for this award, but would find out and advise the committee of the time and date of any such presentation.

Solowiej then reminded the committee that November 1 was the deadline for the first version of the 2018 budget. He and the city manager were still working on it, but he would send it out when it is available. Nickles asked if that budget would contain the 2-3 employees previously discussed and Solowiej advised that it would. Wobser explained that each of his department heads were reviewing how to make their departments function most efficiently. He explained that they are giving him their wish list and he will review it and make adjustments as needed.

Moncher then asked Solowiej if there was an update on the Issue 8 funds. Solowiej explained that there will be an updated report through October at the next meeting. Moody's had remarked how transparent we were being with these Issue 8 dollars. They thought no one else was doing what we are in this manner. Solowiej advised that all of the 2017 housing dollars had been committed by July 4th. They have been tracking the private investment dollars as they relate to these funds and found the ratio to be 10 to 1.

Nickles then reminded the committee that the next meeting was going to be on December 15, 2017. Solowiej proposed the committee review the provided meeting dates for next year at that meeting and make any necessary changes at that time. The dates are not set in stone, and can be changed as needed throughout the year.

Gardner then commented to the committee that he had been at a wedding over the summer in New York City's Central Park. He noticed how much prettier the parks in Sandusky were compared to this well know NYC park. He realized how lucky the city is to have such beautiful parks and wanted to compliment the city staff on a job well done.

Stahl also wanted to compliment city staff on excellent customer service. He sits on the Mental Health and Recovery board which owns the VOA building. He explained that the Customer Accounting Office had called them to let them know that they might have a potential leak because there the consumption jumped significantly from the previous month. They were able to go out and fix what was wrong right away. He knows that they do that a lot for customers and wanted to thank them for their efforts.

Nickles then opened the meeting up to the public.

Public Participation:

Johnson asked Wobser what positions he was looking to add in 2018. He advised he was still reviewing all of the department's budgets, so he was not exactly sure what would be added yet. He explained that they were looking into adding a youth recreation position. Currently they have a part time employee that he is hoping to make full time, so there wouldn't be a huge impact on the budget. They are looking to partner with someone to provide an afterschool program for students.

Johnson then asked what our current Moody's rating was and Solowiej answered that it was still an AA3 rating as it has been in the past. He then explained that we have an MIG-1 rating for our notes, which is the highest level available for notes.

Johnson then asked if the city was prepared for interest rates to go up. Nickles explained to her that notes are setup for a one year period of time and are re-bid each year. Since we have a good rating, we should have no problems getting the best rates available.

Motion to adjourn made by Moncher and seconded by Solowiej. **All ayes – motion carried.**

Adjourned at 8:10 A.M.