

Audit/Finance Committee Meeting Minutes

March 23, 2018

7:45 AM City Commission Chambers

Committee Attendees: Stahl, Nickles, Hoffman, Allen, Solowiej, and Wobser.

Nickles called the meeting to order at 7:53 A.M. He then asked for a motion to approve the minutes from the last meeting. Hoffman made the motion, with a second from Stahl. There was no further discussion. **All ayes – motion carried.**

Solowiej then presented the committee with the February 2018 report. He explained that the City's revenues were coming in strong, with an increase of 7%. Income tax revenue was up 4.6% and hotel/motel tax revenue up 17%. He noted that the reserve balance was at \$4.1 million which was better than last year. Nickles asked Director Klein if the amount of snow plowing and salt was up this year compared to the prior two years. Klein advised he would have to look those numbers up for him and get back to him. He would also get him numbers on the pot holes that were repaired, because that was quite high last year. Hoffman then made a motion to accept the report and Stahl second that motion. There was no further discussion. **All ayes – motion carried.**

Director Klein then updated the committee on the Capital Plan for 2018. He explained that the planning process had not changed from prior years and that they were currently updating the previous plan. They were not quite ready to provide handouts to the committee yet, but would send them out to them when they were available. Klein indicated that he would be presenting the plan to City Commission at the 2nd meeting in April. He advised that the Shoreline Drive/Jackson Street Pier projects were still in the preliminary design phase so they were trying to tighten up that number. It was determined that the waterline on Shoreline Drive needed to be replaced, so they were working to re-vamp the numbers for that project.

Last year the Capital Plan was at approximately \$16.2 million dollars, this year it will be between \$18 and \$21 million dollars due to large projects like the Jackson Street Pier project. The majority of these projects have been bid out and there are not a lot of new initiatives being added at this time. He advised they have good numbers on the Central Park project, the Sandusky Bay Pathway, and the sidewalk program already. The new public art program is one of the new initiatives. He also explained that he had reviewed the water and sewer rates to make sure that there would be enough revenue coming in to cover any water and sewer projects that were included in the plan. His review of those funds indicated that they were looking healthy now, to cover those projects. It was Director Klein's hope to have the plan adopted at the last commission meeting in April, which would give him 3 weeks to get comments from the finance committee on the plan. Director Klein reminded the committee that the plan is a fluid document and projects could be pushed back if funding did not come in as planned.

Nickles then asked the committee if they had any questions for Director Klein. No questions were presented, but Nickles asked Director Klein to send the report to the committee members when he had it available. Director Klein explained to the committee that the biggest problem the City faces when it comes to street repairs are those streets made of concrete. Many of those streets are not up to standards. Unfortunately, the City went for so long not having the funds available to maintain those streets properly which enabled them to decline rapidly. Now that funds are available, it is his hope to get those problems resolved. Nickles then asked Director Klein on an update of the American Crayon property. He advised that all that was left to do is plant grass on the property

and they were waiting until spring to get that done. Currently, they are just grading the land in preparation of that planting. Wobser advised we then needed to figure out what to do with the property when it was all done.

Nickles then opened the meeting up to the public.

Public Participation:

None

Motion was made by Hoffman to go into executive session to meet with Rea & Associates to conduct the 2017 pre-engagement meeting with the auditors and Stahl seconded. Roll call: Nickles - yes, Hoffman - yes, Solowiej – yes, Wobser – yes, Allen – yes, Stahl - yes

A motion was made to return to the regular meeting by Solowiej and seconded by Stahl. Roll call: Nickles - yes, Hoffman - yes, Solowiej – yes, Wobser – yes, Allen – yes, Stahl - yes

A brief discussion ensued regarding the City’s short-term notes and the projected new short-term notes to be issued later this fall.

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

Adjourned at 8:37 A.M.