

Audit/Finance Committee Meeting Minutes
February 22, 2019
7:45 AM City Commission Chambers

Committee Attendees: Gardner, Tomasula, Wobser, Ruthsatz, Solowiej, Moncher, and Lloyd.

Moncher called the meeting to order at 8:04 A.M. and introduced Steve Tomasula, who is taking David Hoffman's spot on the committee. Moncher then asked for a motion to approve the minutes from the last meeting. Gardner made the motion, with a second from Tomasula. There was no further discussion. **All ayes – motion carried.**

Moncher then turned the meeting over to Solowiej to present the next three agenda items. Solowiej did not have much to report for January, since we were only one month into the year. He also advised that all three of the union contracts had been settled. Moncher then asked about the variation in interest income from this year and last and Solowiej advised that it was a timing difference in the reporting of January's interest. We have benefitted with the good interest rates we have been receiving over the last couple of years. He realizes though that the federal rate hike is slowing down and may effect our rates slightly going forward. Moncher also asked if the budget would reflect the payroll increases and Solowiej advised that it would. Moncher suggested that Solowiej review the setup of the cash page for new member Tomasula and Solowiej advised that he and Tomasula had already met a couple times before the meeting to review the sheets and setup a plan for future training sessions over the next 12 months to get him familiar with how the city operates.

Solowiej then advised the committee that he and Wobser were working on finalizing the 2019 budget. It was taking a bit longer than expected, so they were forced to push the initial timeline back a bit. The new timeline is to hold the public hearing and first reading on the budget at the first City Commission meeting in March. We will then hold a finance committee meeting on 3/22/2019, which will allow the committee to make comments or recommendations on the budget for City Commission. A second reading will then be held at the 3/25/19 meeting for final approval by the City Commission. Moncher offered to call an extra meeting of the finance committee if it was necessary for the budget review process. Solowiej felt that we could get it all done at the 3/22/19 meeting. He believed we would have plenty of time to go over it, since we were having the pre-audit conference today instead of at that meeting.

Moncher then opened the meeting up to the public. Johnson questioned if Solowiej would be adding a row to his sheet for the transient rental tax that would now be coming into the city. Solowiej advised that it would be included in the Hotel/Motel tax line item. Moncher suggested changing the name of the Hotel/Motel tax line item to Lodging Tax instead to encompass both revenue streams and Solowiej agreed that he would.

Johnson then inquired about the \$140,000 that was ear marked marketing in the first budget proposal. She was wondering what types of things these funds would be used for. Solowiej explained that in the ordinance it requires that 10% of all lodging tax collected will be used for

marketing/programming of the city. Wobser advised that they are in the process of formulating a plan for this program. The bicentennial plan promoted increasing programming dollars to promote the city. They are looking at creating more events to be held within the city to bring people in to stay at our hotels, eat at our restaurants, and support local business. They are researching possible capital purchases that would promote these types of events, like a stage or ice skating rink. Basically, they will be using the growth in the bed tax money to sponsor these events and make us a destination spot for visitors. Moncher referenced what we had done in 2018 with the bicentennial and all the events that were provided to the public. Wobser explained as they have these events they would evaluate each of them to see what worked and what doesn't work, so they can create a successful program. McKenzie Spriggs will be the point person on this project, so if she has questions or concerns she is more than welcome to get with her on them. Johnson wanted to know who she should contact on getting actual dollars spent on this program and Wobser advised either Spriggs or Solowiej could get her that information. Moncher suggested creating a Programming report to track these expenditures like the one we have for Issue 8 and Solowiej agreed.

Johnson then asked if the finance committee would have a discussion on the budget before it is approved by commission, because they have in the past. Solowiej explained again that time would not allow for them to meet before the first reading, but they would meet before the second reading. Wobser advised that this had been a busy month for him and that is the reason for the extra time needed to complete the budget. Johnson was still concerned that the public would not be able to provide input on the budget based on this timeline. Solowiej reviewed the process one more time for her. There will be a public hearing on 3/11/19 where the public can speak prior to the first reading vote. The finance committee will meet on 3/22/19 to discuss the budget, where again the public can speak if they wish. Finally, the public can speak prior to the second reading at the 3/25/19 commission meeting. Solowiej feels the public should have plenty of opportunities to speak on the budget.

Motion was made by Ruthsatz to go into executive session to meet with Rea & Associates to conduct the 2018 pre-engagement meeting with the auditors and Gardner seconded. Roll call: Moncher- yes, Tomasula- yes, Solowiej – yes, Wobser – yes, Gardner– yes, Ruthsatz- yes, Lloyd - yes

A motion was made to return to the regular meeting by Ruthsatz and seconded by Gardner. Roll call: Moncher- yes, Tomasula- yes, Solowiej – yes, Wobser – yes, Gardner– yes, Ruthsatz- yes, Lloyd - yes

Motion to adjourn made by Ruthsatz and seconded by Gardner. **All ayes – motion carried.**

Adjourned at 8:45 A.M.