

# Audit/Finance Committee Meeting Minutes

## June 16, 2020

### 8 AM City Commission Chambers

Committee Attendees: Nickles, Stahl, Tomasula, Murray, Ruthsatz, and Reeder

Nickles called the meeting to order at 8:02 AM. He began by asking for a motion to accept the minutes from the 5/15/2020 meeting. Stahl made the motion and Tomasula second the motion. There was no discussion. **All ayes – motion carried.**

Reeder then began to review the financials through June 15, 2020. She advised that the city was holding their own at this point, but thought we might see some changes in July. She had run some reports through RITA to see what they had collected so far in June to be paid in July and they were only at around \$300,000. She advised that expenses were down from \$10.5 million last year to about \$9.1 million this year. A good portion of this decrease is due to the salary cuts that have been made to date. She is hopeful that no more salary cuts will need to be made, but we will have to wait and see how things continue. She is happy to see that Kalahari is opening up this week and Sports Force is not far behind them. So she is hoping to see the tax dollars come in. Nickles reminded the committee that the government had changed the income tax due dates due to COVID, which could postpone our receipts. The new date is July 15, so hopefully we will begin to see an increase beginning in August and after. Reeder reassured the committee that the city was not burying their heads in the sand and were ready to make more cuts if needed. Nickles then asked Reeder if the city had tapped into the Payroll Stabilization fund yet and Reeder explained that the entry had not been made yet. She anticipated entering the 27<sup>th</sup> payroll in July. She also reminded the committee that there are some retirements and attrition that will hit our system later in the year. Nickles asked Reeder if she could pull together some estimates on what these payout numbers might be for the next meeting and Reeder agreed she would.

Nickles then asked Reeder, Murray, and Brady what the city needed from the committee. Reeder joked to bring all your family and friends to Cedar Point when it opens. Nickles remarked how glad he was that the committee and the city had setup the Payroll Stabilization Fund many years ago, for an instance just like this. It is going to help the city out with the crisis. Nickles thanked the committee members for being part of these meetings and showing their support to the city. Stahl reminded the committee that even though Cedar Point is opening back up, it will only be at partial capacity. He asked Tomasula the percentage he thought they would be allowed to enter the park. Tomasula estimated between 25 – 30%. Stahl asked how long he thought that limit would be in place. Tomasula explained it would depend on how re-opening went. Cedar Fair has two parks opening on July 2<sup>nd</sup>, one in Cincinnati and one in Texas. They plan to see how things go and as they feel more and more confident in the safety of the guests they will consider increasing capacity. Tomasula advised the committee that he has been having conversations with Reeder to help her develop the best revenue estimates possible when it comes to their payments to the city, in an attempt to help her make the best decisions during this tough time. They want to be good partners with the city.

Murray then had three questions. The first being how the gold pass extension between this year and next would affect the city. Tomasula explained that they were in the process of calculating a formula on how to distribute the tax dollars between this year and next. He explained that it would not be an exact number but an estimate to predict where they will end up. Murray's second question was to Reeder regarding the spreadsheet she had sent out showing that income taxes were 70% less than what

was collected last year at this time. How is that going to play out by year-end? Reeder explained that it is hard to pinpoint exactly where we will be this year due to the pandemic and the income tax filing date being extended. Murray advised that it looked like withholding year to date was \$600,000 compared to \$900,000 from last year. He estimated that being down by 33%. He thought that was a stark number. Reeder advised that it was individual income tax that he was seeing down. The withholding tax was at \$3.6 million last year and is at \$3.478 million currently. The number of individual tax returns are down, but she is hoping that is just delayed revenue and it will come in shortly. Nickles then asked Tomasula if Cedar Point had seasonal employees working over there, if they were not, that would cause a decrease in withholding. Tomasula advised they did not have seasonal employees over there yet, but thought they should start hiring them in the next couple of weeks and should have everything back up and running by July. Nickles also noted that he thought some of the higher paid executives were taking pay cuts this year to help with the crisis and Tomasula advised that this was true. Some were taking 25% pay cuts, while others were taking 5% pay cuts. He thought salaries should return to normal next year. Murray's third question was regarding a newspaper article Andy Oriel had wrote saying that the city had already loss half of its annual revenue and he wondered if this was correct. Reeder explained that she had not seen Andy's article, so she was not sure what he was referring too, but noted that our income tax is definitely delayed, and we would have to wait and see how admissions tax and lodging tax played out. She was sure there would be a decrease in revenue, since businesses have been shut down. Brady advised that he thought Andy had been using the spreadsheet that was done up at the beginning of the crisis before we knew Cedar Point would be opening back up. Brady also took the opportunity to thank the committee members for coming to these monthly meetings as often as they do. Their input is greatly appreciated. He explained they would continue to monitor the situation and is thrilled that Cedar Point will be opening back up and eliminates the dooms day situation. Nickles agreed and advised he feels much more hopeful in this situation than he did back during the 2008 recession.

Nickles reminded the committee that the next meeting will be held on July 17, 2020 at 8:00 a.m. The meeting was then adjourned at 8:28 a.m.