

Audit/Finance Committee Meeting Minutes

Friday, June 18, 2021
City Commission Chambers

Committee Attendees: Nickles, Stahl, Murray, Ruthsatz, Wobser, Orzech and Reeder.

Nickles began the meeting at 8:05 a.m. He then asked for a motion to approve the minutes of the last meeting. Stahl made the motion with a second from Orzech. All voted in favor.

Reeder then presented the May financial reports to the committee. She advised that the general fund cash balance was \$5,202,000 at the end of May. We have gained over \$800,000 in the general fund since the beginning of the year. We have been able to reduce our expenditures, which total \$6.3M while we have received nearly \$7.2M in revenue. At the end of May we had 222 Full time, in comparison we had 253 full time employees in January 2020. We are actively fulling positions and have been going through the Civil Service process to back fill our police and fire positions.

Income tax receipts are up 3% compared to May of 2020, which is about \$120,000 in additional income tax dollars. We have seen businesses actively recruiting employees and paying increased wages. We have seen Cedar Point offer jobs starting at \$20 an hour. Admission tax and lodging tax revenue are nominal currently, as this is the off season for tourism. Strategically, we have not funded anything into our self-funded insurance plan yet this year, as we wait for the summer tourism revenue to arrive, prior to funding. We have budgeted \$1.7M from the general fund for health insurance expenditures this year. We will begin funding the health insurance in June of this year. The payroll stabilization fund balance is at \$157,784, currently we have about \$176,000 in eligible payroll stabilization expenditures. We budgeted an additional \$210,000 to be funded into this account into year. We will do transfers at the end of this year, to transfer the eligible expenditures to the payroll stabilization fund. The goal of the finance committee is to keep a healthy balance in the payroll stabilization fund at year end. A targeted ending fund balance of \$400,000 for the payroll stabilization fund was discussed.

The City of Sandusky was awarded \$18,091,098 in American Rescue Plan stimulus funds. We received half of the awarded amount in May of 2021, and will receive the other half in May of 2022. The US Treasury has given guidance on eligible uses of funds, and there are quarterly reporting requirements. We will have upcoming discussions concerning the best uses of these funds. There are four categories of where these funds can be used. The first category is Responding to the public health emergency and the negative economic impacts of COVID, 2nd category is premium pay for essential workers, 3rd category is revenue reduction (we have \$8.9M is eligible lost revenue that can be used for government services) and the 4th category is water, sewer and broadband infrastructure. Nickles asked if there were any other known stimulus dollars available. Reeder stated there have been talks about additional stimulus funding for infrastructure projects. As a reminder, Reeder stated that we have already committed \$2M of our American Rescue Plan funds to our local street resurfacing project this year, which were from the revenue reduction category. Wobser stated we are actively looking for any available funds. As a recent example, Wobser has discussed with Congresswoman Marcy Kaptur's office the possibility of \$4M grant from the transportation bill to benefit the Sandusky Bay Pathway. Funding has not been awarded yet, but this is just an example of the opportunities that may exist that we are actively pursuing.

Reeder stated that RITA has reached out concerning their administrative subpoena program. Since 2011, the City has only asked RITA to send a non-filing letter to each taxpayer that we believe has not filed. RITA has a follow-up program to this non-filing letter, that they call their administrative subpoena program. Nickles asked what reporting will be available, as we want to make sure we have a way to measure the return on

investment. RITA has typically charged \$7 for each subpoena, as personnel came on-site for the subpoena program. Due to COVID the administrative subpoena program will be handled through the mail, and they are only charging \$1 per administrative subpoena. Discussion was made that it seems the price is right this year, and it will be great to clean up our records.

Reeder updated the Committee on meeting procedures. Today's meeting was optional if members wanted to be in-person or virtual. Starting July 1st all members that want to discuss or vote on matters, must do so in person. Nickles discussed that he would like to cancel the meeting in July. The next scheduled meeting will be August 20th. Nickles asked if there was an update on the status of the audit. Reeder explained LGS has had staffing issues, and they estimate the financials to be complete by the end of July.

Ruthsatz and Nickles briefly discussed Cedar Fair attendance. Ruthsatz questioned the date of audit extension, which is currently extended through August 2nd.

Murray commented he is concerned with the Municipal Court revenue and is concerned they are not cutting expenses adequately. Murray wants to make sure they are not subsidized by the general fund. They have not needed subsidized for the last seven years, and he wants to make sure that continues.

Murray motioned to adjourn the meeting at 8:33 a.m.