

Chairman Al Nickles called the meeting to order.

Members present: Steve Tomasula, Dan Moncher, Al Nickles, Craig Stahl, Naomi Twine, Michelle Reeder (Finance Director).

Ex-Officio members and staff present: Sally Martin and Aaron Klein, Director of Public Works.

APPROVAL OF MINUTES

Upon motion of Ms. Twine and second of Mr. Moncher, the members voted to approve the minutes of the December 9, 2022 meeting and dispense with the reading of the minutes. Mr. Nickles declared the motion passed.

NEW BUSINESS

- **2022 Financial Review**

Ms. Reeder shared that the major revenue sources included income tax, lodging tax and admission tax. Regarding income tax, during 2022 the city received about \$2.5 million more than 2021. In 2021 admissions tax was about \$4.6 million in revenue and increased to \$9.4 million in 2022. The city has budgeted \$8.4 million in admissions tax for 2023. Lodging tax in 2022 was just over \$1.8 million, which is historically higher than what we have seen. Total general fund revenue for 2022 was \$31,914,787. Top five departments in general fund expenses include Administrative Support, which includes the transfer amounts, the fire department (just over \$5 million in expenses last year), police department (about \$4.9 million in expenses last year), Horticulture Services (about \$1.3 million last year), and Municipal Court. Ms. Reeder shared the breakdown of expenses by category which included wages and benefits, transfers, contractual services, and supplies and materials. Mr. Nickles asked when the city goes out for the bond rating again. Ms. Reeder shared that they are currently in discussion about that. Before the city issues a lot of debt, they will be looking at doing long-term financing for the Justice Center towards the middle of the year or third quarter. She added they will be getting the bond rating looked at again before issuing the debt. Expenditures for 2022 were \$30,853,838. Looking at cash balance, in 2014 the city was at about \$4.2 million. At the end of 2022 the city had a cash balance of about \$5.9 million. At the end of 2022 there were 240 full-time employees. Payroll stabilization balance was \$403,364. In 2022, the total General Fund Transfers were \$9,474,605.

- **January 2023 Financials**

Ms. Reeder shared that Income Tax for January came in lower than what the city has historically seen. Income Tax is broken down into three categories: withholding, individual and net profit. Withholding is the amount that the employer withholds and sends to RITA on the city's behalf. Individuals is what individuals file. Net profit returns are business filings on their profit or loss for the year. On average, withholding has been about \$8.4 million (69%), Individual \$1.6 million (14%) and Net Profit \$2.1 million (17%).

In 2022, the city saw about a \$2.5 million increase in income tax dollars. That increased amount was not budgeted for 2023 to stay conservative. There was about \$14.4 million in general fund revenue in 2022. The budgeted amount of revenue for 2023 is \$13.4 million. According to legislation, all income tax dollars have to be distributed to the General Fund (88.75%), Capital Fund (5%) and Debt Retirement Fund (6.25%).

Ms. Reeder shared the January 2023 major revenue sources. There was a large decrease in income tax, which Ms. Reeder believes is due to a timing issue. General Fund in January of 2022 was \$1.8 million while January of 2023 was \$1.6 million. We saw a decrease in income tax but saw an increase in other areas. Top five departments for general fund expenses included police, fire, Horticulture & Public Realm, Administrative Support (largely due to transfers) and Municipal Court. Top expenses by category included wages and salary, contractual services, supplies and materials and transfers/others. Total expenditures for the month of January was about \$1.7 million, which is a slight increase over 2022. Employee counts for January remain the same at 240 employees.

Mr. Tomasula asked if she felt that the city was fully staffed and if not, what it would take to get there. Ms. Reeder shared that back in 2003 the city had 291 full-time employees. She added that police dispatch made up some of that difference. She went on to add that there are some departments that are slim. For example, the police department is trying to hire five additional officers. The city is pretty much fully staffed compared to what we had budgeted this year. Mr. Murray asked if the city has budgeted out what it would look like post ARPA, in terms of balancing the revenues and expenses. Ms. Reeder shared that it hasn't been looked at completely. They know it is going to be concerning. Salaries will be the biggest concern. ARPA funds are available through 2024 and the city has until 2026 to spend it. The city has about \$900,000 of the ARPA funds budgeted this year to help offset salaries, wages and fringe benefits. The city is also looking at health insurance expenses, as 2022 was a bad year. The city is implementing a wellness program for 2023. Ms. Reeder added that the city is self-funded for health insurance. The city currently works with a brokerage service. In regard to property and casualty insurance, the city went through it in 2020 and went out for a full bid and saved about \$220,000 the first year.

- **Capital Plan Questions**

Aaron Klein, Director of Public Works, presented information regarding the 2023 Capital Plan. 2019 was the last time a Capital Plan was presented to the City Commission. This was due to the unknown regarding revenues in 2020, 2021 and 2022. However, staff did review the capital plan each year to make sure they were still in line with finance, the city manager and commission. The purpose of the plan is not only for a public document but it's also for financing for internal use. Mr. Klein highlighted the funding sources for the Capital Plan. He also showed a summary by category including neighborhoods,

provisions, recreation, sewer, streets, technology, and water. Each project is assigned to a category. The plan is also broken down to show which department or division is responsible for different projects. Mr. Moncher asked if state or federal funding will be available for the Amtrack Station project. Mr. Klein pointed out that the \$1.8 million for the project is through grants that they are looking to obtain. Mr. Murray asked how this capital plan, which is about \$140 million, compares to the 2019 plan, which was about \$100 million. Mr. Klein shared the total in 2019 was almost \$46 million. The total for all five years was \$134.5 million. This capital plan is \$176 million.

Upon motion of Mr. Moncher and second of Mr. Stahl, the members voted to recommend the Capital Plan to the City Commission. Roll call: Mr. Tomasula – Yes, Mr. Moncher - Yes, Mr. Murray – Yes, Mr. Nickles – Yes, Mr. Stahl – Yes, Ms. Twine – Yes. Mr. Nickles declared the motion passed.

PUBLIC PARTICIPATION


- None

NEXT MEETING:

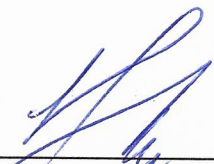
- June 23, 2023

ADJOURNMENT

Upon motion of Mr. Moncher and seconded by Mr. Tomasula the members voted to adjourn. Chairman Nickles declared the meeting adjourned.



Attest: Michelle Reeder
Finance Director
Date: 7/21/23



Attest: Allen Nickles
Chairman
Date: 7/27/23