

**Chairman Al Nickles called the meeting to order at 8:07 a.m.**

**Members present:** Naomi Twine, Steve Tomasula, Dan Moncher, Al Nickles, Jim Ruthsatz, Craig Stahl, Brian Allen, Michelle Reeder (Finance Director), John Orzech (City Manager)

**Ex-Officio members and staff present:** Sally Martin

#### **APPROVAL OF MINUTES**

**Upon motion of Mr. Murray and second of Ms. Twine, the members voted to approve the minutes of the July 21, 2023, meeting and dispense with the reading of the minutes. Mr. Nickles declared the motion passed.**

#### **NEW BUSINESS**

- **Review October 2023 Financials**

Ms. Reeder presented the October 2023 financials. Ms. Reeder shared that we are up in the following revenue over last year: income tax is up by \$258,000; Admission tax is up \$729,927; Lodging tax is up \$137,519; Interest earnings are up \$850,856. Interest earnings have increased as we have ARPA dollars sitting in an account. While a lot of the money is promised, we are earning interest on those dollars and are allowed to put that interest earnings in our general fund. Year to date expenditures are \$27,441,278. In 2022 we were just over \$24 million. The greatest difference will be in the transfer amount. Specifically, the admission and parking tax was collected at 8% in 2023. The expected revenue was promised to various areas, all of which are in the capital fund. Therefore, the admission and parking tax revenue is transferred from the general fund to the appropriate fund. The city currently has 247 full-time employees. Prior to the pandemic in 2019 the city ended the year with 252 full-time employees. That number dropped during COVID. We have gradually increased our number of full-time employees. One way was through the agreement with Cedar Point to hire five full-time officers. The city is still short two full-time police officers. There was also an agreement with the fire department to hire three additional firefighters. Year to date, the city has received \$29,465,889 in our general fund revenue. The city budgeted \$29,389,050. Year to date, the city has collected 100% of the revenue that was budgeted. Year to date, the city has expended \$27,441,278 of the general fund expenditures. The city budgeted \$32,823,368 in expenditures and has spent 84% of the budget. Ms. Reeder shared that while everything looks on track, there are a few areas of concern going forward such as health insurance. The city saw another year of large expenditures in the health insurance fund. Last year there was over \$6 million in claims. Years prior it was closer to \$4 million in claims. The city will most likely need to do a transfer from the general fund to the health insurance fund this year. The transit fund may also need additional funds by the end of this year. Payroll stabilization transfer will happen at the end of the year. The fund currently has \$400,000. Mr. Nickles asked if the city is going to be going out for any notes or bonds in the near future. Ms. Reeder shared they did the annual note

issuance in August of this year. Nothing is anticipated for the rest of this year. When the justice center is finished next year, the city will be looking at long-term financing options. Mr. Murray shared his observations that the city will have additional funding obligations related to police and fire pensions. Mr. Murry shared his concern with income tax only being up 2%. He asked if there was a way to find out what income tax is in other municipalities, particularly in Ohio. He added that when people look at the general fund balance, we have a target range of 15-20%, that is inflated at this point and you need to look at the annual average. Ms. Reeder shared that the city is up in withholding tax by \$175,000 compared to last year. Individual taxes are up \$139,000 and net profit saw a decline of \$93,000. It is the withholding tax that is greater than last year along with individual returns. Ms. Reeder shared financial charts that showed the revenues which were already discussed. She noted that the lodging tax looks lower than historical numbers in 2018 and 2019. Since 2020 the city has teamed with Erie County and they collect the Erie County lodging tax along with the city's municipal lodging tax. These dollars are remitted to us quarterly with the end of September being the last quarter. That gets paid to the county in October and the city will see the revenue in November. Last year it was over \$1 million in November for lodging tax.

- **House bill 33 – changes to local income tax**

Ms. Reeder shared that House Bill 33 was signed into law on July 3, 2023. This bill changes some Municipal tax rules and regulations. One change is the State put into law that you can no longer tax anyone under the age of 18. The city was not doing that and it was already in our code that we were not taxing anyone under the age of 18. There has been an extension of one month for net profit filings. The late filing penalty is now capped. Previously, cities in Ohio were able to charge up to \$150 as a late filing penalty. That has now been reduced and capped at \$25. The full ordinance reflecting the changes from House bill 33 will be presented to the city commission on November 13.

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## **PUBLIC PARTICIPATION**

Sharon Johnson shared that she had read the audit and noted major deficiencies and overestimated items. She asked if someone had an explanation. Ms. Reeder shared that the findings were a reclassification error. When the financial statements were prepared, they had them in a restricted class and when the State came in and looked at them, they determined that certain funds shouldn't be in the one class but a different one. The net position at the

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Mr. Murray, with permission of the Chair, shared his opinion on social media and encouraged anyone with questions to come to a public meeting and ask questions versus sharing misinformation on social media. He added that meeting minutes, finance reports and audits are on the city's website and easily accessible to anyone wishing to view them.

Mr. Orzech, with permission of the chair, introduced Stewart Hastings as the city's new Law Director.

**A motion was made by Mr. Murray to go into executive session for the purpose of having a conversation with the Auditors pursuant to ORC 121.22d(2). Mr. Moncher seconded the motion. Roll call: Ms. Twine, yes; Mr. Tomasula, yes; Mr. Moncher, yes; Mr. Murray, yes; Mr. Nickles, yes; Mr. Stahl, yes; Mr. Ruthsatz, yes; Mr. Allen, yes; Mr. Orzech, yes; Ms. Reeder, yes.**

#### **ADJOURNMENT**

**Upon motion of Mr. Murray and seconded by Mr. Moncher the members voted to adjourn. Chairman Nickles declared the meeting adjourned at 9:00 am.**

**NEXT MEETING:**

- December 8, 2023

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**Attest: Michelle Reeder**  
**Finance Director**

**Date:**

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**Attest: Allen Nickles**  
**Chairman**

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**Date:**

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**Date:**



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Mr. Murray, with permission of the Chair, shared his opinion on social media and encouraged anyone with questions to come to a public meeting and ask questions versus sharing misinformation on social media. He added that meeting minutes, finance reports and audits are on the city's website and easily accessible to anyone wishing to view them.

Mr. Orzech, with permission of the chair, introduced Stewart Hastings as the city's new Law Director.

**A motion was made by Mr. Murray to go into executive session for the purpose of having a conversation with the Auditors pursuant to ORC 121.22d(2). Mr. Moncher seconded the motion. Roll call: Ms. Twine, yes; Mr. Tomasula, yes; Mr. Moncher, yes; Mr. Murray, yes; Mr. Nickles, yes; Mr. Stahl, yes; Mr. Ruthsatz, yes; Mr. Allen, yes; Mr. Orzech, yes; Ms. Reeder, yes.**

#### **ADJOURNMENT**

**Upon motion of Mr. Murray and seconded by Mr. Moncher the members voted to adjourn. Chairman Nickles declared the meeting adjourned at 9:00 am.**

**NEXT MEETING:**

- December 8, 2023



**Attest: Michelle Reeder**  
**Finance Director**

**Date:**



**Attest: Allen Nickles**  
**Chairman**

**Date:**