

Chairman Al Nickles called the meeting to order at 8:05 am..

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

Ex-Officio members and staff present: Sally Martin; Stewart Hasting, Law Director; Dick Brady, City Commission

APPROVAL OF MINUTES

Upon motion of Dan Moncher and second of Jim Ruthsatz, the members voted to approve the minutes of the November 3, 2023, meeting and dispense with the reading of the minutes. Mr. Nickles declared the motion passed.

NEW BUSINESS

- **2024 Meeting Dates**

Mr. Nickles noted the proposed 2024 meeting dates for the Audit/Finance Committee. Ms. Reeder shared that she will send a calendar invite out to members for the following dates: February 9, 2024; June 21, 2024; September 13, 2024; and December 6, 2024. Tentative agenda items will include: February 9 review the 2023 Financials and the 2024 Capital Plan. June 21 will include the exit conference of the Auditors. At the September 21 meeting they hope to have Mike Sudsina come in to review debt and provide an overview. The December 6 meeting will include the 2025 budget.

- **Benefits Committee Administrative Wage Recommendation**

Ms. Reeder shared that this is the annual benefits committee administrative wage recommendation. She reviewed the process which includes the benefits committee meeting. It will then be reviewed by the Audit/Finance Committee. From there it goes to City Commission for final approval. This is in regards to what the administrative employees will receive for wage increases in 2024. She added that ASFCME union employees and administrative employees are handled the same. In 2024, ASFCME employees will receive a 2% wage increase, which is what the benefits committee has proposed for the administrative employees. The total cost to give all administrative employees a wage increase in 2024 is \$64,000.

Mr. Moncher asked to clarify why Mr. Hastings was not on the list of administrative wage increases. Mr. Orzech explained that Mr. Hastings is currently in his probationary period, which is for one year.

Mr. Moncher made a motion to recommend to City Commission a 2% wage increase for all administrative employees. The motion was seconded by Jim Ruthsatz. Members voted to approve the recommendation with members of the administration

who were present abstaining from the vote.

- **Review November 2023 Financials**

Ms. Reeder shared an update on the November 2023 Financials. She shared that in revenue, income tax is slightly above where we were in 2022. Income tax revenue is \$13.1 million. At the end of November, Admissions Tax revenue was at \$9.7 million. Lodging Tax was just over \$2 million. Total revenue for the year is just over \$33 million. The city has seen an almost a one million dollar increase in interest earnings over last year. 2022 vs. 2023 Admission Tax is up \$433,000; Lodging Tax is up just over \$200,00; Income Tax is up \$150,000. Municipal Court is up \$150,00 this time in 2023 compared to this time in 2022. Regarding expenditures, Administrative Support, which handles transfers out of the general fund, had a large increase, which is primarily due to Cedar Point partnership dollars. Police and Fire are running nearly the same with Fire at \$4.6 million and police just under \$4.5 million in expenditures. The Municipal Court has remained stable. Horticulture and Public Realm has remained consistent. Looking at expenditures by category, wages and fringe benefits, at the end of November, are at \$12.2 million. In 2018, wages and fringe benefits were at \$13.4 million. Contractual Services had a slight increase as did supplies and materials. General Fund expenditures for the year are at \$31 million. Revenue for the year was \$33 million. The general fund cash balance at the end of November was \$7.9 million. We expect the cash balance to be around \$6 million at the end of this year. That's after three payrolls in December, debt payments, and normal monthly expense. At the end of November there were 248 full-time employees.

Mr. Nickles asked if there were any bills or expenditures in December that they need to be aware of. Ms. Reeder shared that there is a debt payment due and we are transferring one million into the health insurance fund. Last year there was over \$6 million in health insurance claims and expenses, which the city paid at 100% as we are self-funded. This year we are at about \$5 million and we still have to get through December.

Mr. Murray asked how they should understand the water fund and sewer fund items. Ms. Reeder explained the report, sharing that the city is not ending with a negative balance in any of the funds, as the report does not account for the revenue coming in. Ms. Reeder will look at adding an expected revenue column to the report.

Mr. Murray asked if the city is at the point to look at a rate study again. Ms. Reeder shared that she has been meeting with Public Works and Mr. Orzech on water and sewer rates.

- **2024 Budget Presentation & Discussion**

Ms. Reeder shared the draft budget was available on the website beginning on November 1, 2023. The plan is to have the budget to the City Commission at the first meeting in January. The second reading would take place at the second meeting in January. Ms. Reeder provided an overview of the 2024 budget. 2024 wage increase will include a 3% for police, 2% for fire, AFSCME and administration. Police expenditures increased for the five additional officers that are budgeted to fill the positions to cover Cedar Point. Cedar Point does compensate the city for the five officers. There is an increase in fire for the three firefighters that came out of the fact finding report in 2022. For 2024 there is a 10% increase in health insurance. The Parks & Public Realm (grounds, greenhouse and public realm) and Horticulture Division (forestry) will fluctuate a little, but combining those budgets will be the similar to budgets when both were under one account. There is about an \$8.5 balance in the American Rescue Plan Funds (stimulus funds). The capital plan will be brought back this year. General Fund revenue for 2024 is estimated at \$30.8 million. Forty-two percent of the estimated revenue will come from income tax dollars. Admissions Tax will account for around 29% of general fund revenue. Departmental Revenue will be near 10%. Most of the departmental revenue coming back is through the police department for items such as the Cedar Point partnership, school resource officers, etc.. Property taxes only make up about 6% of the general fund revenue. Lodging Tax revenue will be around 6%. Local government and state government funds received will be 3%. Interesting Earnings will be 2%. Miscellaneous revenue and the parking tax will each bring in 1% of the general fund revenue. The budget for the general fund expenditures for 2024 is estimated at \$30.7 million. There are 35 different funds for expenditures. All funds combine for a \$115 million total budget in 2024. For comparison, in 2023 the total city budget was at \$90 million. The big difference is the sewer fund and the ARPA funds that will be expended in 2024. Looking at the budget breakdown by department, the police and fire departments are going to be the largest budgets. Administrative Support is another large spender, but it is due to the transfers. The total budget for the general fund in 2024 is \$30.7 million. At this time last year the city was at \$29.3 million. Looking at number of full-time employees, there are 253 employees budgeted for 2024. There were 257 employees budgeted for 2023. Ms. Reeder reviewed the transfers coming out of the General Fund. In 2023, there was a \$500,000 transfer budgeted for Transit. In 2024, a \$750,00 transfer is budgeted. On July 1, 2024, Transit will make a switch to an Urban System instead of a rural system. Going to an Urban Systems means transit will have portions of their budget funded from the federal government vs. from the state. Parks & Rec had \$350,000 budgeted in 2023. In 2024, \$275,000 will be budgeted. Public Art is set by ordinance, where they get 1% of the Admissions Tax dollars from the previous year. What is received by the city in Admissions Tax dollars in 2023, 1% needs to go to the Public Art program the following

year. Programming is also set by ordinance, which 10% of Lodging Tax goes to Programming. Housing will remain the same at \$400,000 and Economic Development Grants will remain the same at \$500,000. Issue 8 dollars will remain at \$1.5 million. These dollars will go to streets, parks, facilities, vehicles, and planning projects. There is a separate report on Issue 8 dollars that goes out four times a year. Admissions Tax and Parking Tax is estimated at \$4.5 million. Fire Pension and Police Pension funds only have levy dollars going in there. Anything above what the levy brings in the city has to fund the difference. Payroll Stabilization is budgeted for \$175,000. At the end of November, the fund had \$426,535. Ms. Reeder shared a slide on Historical General Fund Expenses and Cash Balances. Ms. Reeder also shared a slide that reviewed the American Rescue Plan Act Funds (ARPA). She covered legislated projects that will receive ARPA funds including the Justice Center design, street resurfacing, affordable housing project, Butler Street, Warren Street, Sprau Park, vehicles/equipment/facilities, Library restoration. Future projects include street resurfacing, All Wheels/skate park, payroll, tennis courts, Pathway, Southside Plan.

Mr. Nickles thanked Ms. Reeder, her staff and all of the department heads for assisting with putting together the budget. Mr. Orzech added that Ms. Reeder and Ms. Martin work tirelessly on the budget and they do a phenomenal job.

Mr. Murray shared that income tax has flattened out which is of concern. He asked Ms. Reeder if she had thoughts on what accounts for that. He also asked if it would be of value to review the results from the National Resource Network to see how the city has done vs. what the study was projecting. Ms. Reeder shared that the study mainly looked at employee count. She added that the recent addition of five police officers was fully funded and the addition of the new firefighters hopefully reduces overtime. She shared that she can go back and review the report. In regards to income tax, Ms. Reeder shared that she is going to be conservative on income tax. The withholding dollars have been up, but there are concerns with people working from home. There are also new restrictions on penalties that can be charged. Some businesses have been reducing hours or laying off employees. Overall, the number is conservative to be safe. Mr. Tomasula asked about department wish lists or requests that were denied that could possibly be approved if revenue exceeds expectations. Ms. Reeder shared that one department asked for an additional employee and they were denied. She added most of the larger dollar items show up in the Capital Plan, this budget is the operations & maintenance budget, which takes of the basic needs.

Mr. Moncher made a motion to recommend the 2024 Budget as presented to the City Commission. Mr. Tomasula seconded the motion. Roll Call: Mr. Tomasula – yes; Mr. Moncher – yes; Mr. Ruthsatz – yes; Mr. Murray – yes; Mr. Nickles – yes; Mr. Allen – yes; Mr. Stahl – yes; Mr. Orzech – yes; Ms. Reeder - yes.

PUBLIC PARTICIPATION


None

ADJOURNMENT

Upon motion of Mr. Murray and seconded by Mr. Moncher the members voted to adjourn. Chairman Nickles declared the meeting adjourned at 9:07 am.


NEXT MEETING:

- February 16, 2024



Attest: Michelle Reeder
Finance Director

Date: 2/16/24



Attest: Allen Nickles
Chairman

Date: 2.16.24