

Chairman Al Nickles called the meeting to order at 8:00 a.m.

Members present: Richard Brady, Dan Moncher, Al Nickles, Jim Ruthsatz, Brian Allen, Craig Stahl, John Orzech (City Manager), Michelle Reeder (Finance Director).

Ex-Officio members and staff present: Sally Martin, Stu Hastings (Law Director)

APPROVAL OF MINUTES

Upon motion of Mr. Moncher and second of Mr. Ruthsatz, the members voted to approve the minutes of the July 12, 2024 meeting. Mr. Nickles declared the motion passed.

NEW BUSINESS

- **August Financials**

Ms. Reeder shared the city recently had the Moody rating. The city's rating stayed the same at A1, which is a stable rating. The city also had them rate the notes the city just did. The city received the highest rating possible, which is MIG 1. The interest rate on the notes was 3.313%. Interest rate for the Justice Center debt was 4.133%.

The city saw an increase in revenue from 2023. Largest increase was in income tax, a difference of \$439,000. Income tax is up in our withholding and our individual tax. The city is down a little in admissions tax, with a difference of \$61,000. Lodging tax was up \$136,000 and interest earnings were up \$139,000. Revenue is at \$23.6 million that was collected through the end of August. This is up about \$1.5 million compared to the same time last year. It is to be noted that there was \$900,000 in an advance. In December of last year we had to advance \$900,000 to state grants because there was a grant that was pending and the city cannot have a fund be negative at the end of the year. The advance from the general fund came back this year. In actuality, revenue is up about \$600,000. At the end of August the city has collected 77% of the revenue that is expected to be received. August is when the city receives the second half of property taxes. There has been an increase in property taxes received this year over last year. The city only receives a small portion of property taxes. At the end of August there are 251 full time employees. Payroll Stabilization Fund has a balance of \$591,922.20. The city is working on the 2025 budget. There are a lot of anticipated retirements in 2026, therefore the payroll stabilization fund may be needed to supplement the retirements. At the end of August, expenses were at about \$21.2 million, compared to 2023 which was \$20.5 million. The city is at about 69% of budgeted expenditures. General fund cash balance is at \$7.5 million, which is similar to last year. Ms. Reeder shared a graph that recapped the major revenue sources, expenditures and general fund cash balance. Mr. Nickles noted that the general fund cash balance helped the city's bond rating, to which Ms. Reeder concurred. Ms. Reeder shared a slide which showed the breakdown of the 251 full-time employees. Mr. Ruthsatz asked if police and fire are fully staffed. Ms. Reeder shared that there are two openings in fire and three openings in police. Mr.

Allen asked regarding admissions tax, is the drop truly reflective. He added he is aware that with tax payments there could be a timing issue. Ms. Reeder shared admission tax has been the same since the 8% increase, so nothing is skewed, it is an actual drop. She added that anything collected in July will be sent to the city in August.

- **Future Financial Statement Prep**

Ms. Reeder shared the contact with Rea and Associates is expiring. They had a three-year contract for financial statement prep. The city is soliciting quotes and will provide an update to the committee. Mr. Moncher asked if Rea and Associates could submit a quote. Ms. Reeder shared Rea and Associates are allowed to submit a quote.

- **2025 Budget**

Ms. Reeder shared the next meeting of the Audit/Finance Committee is December 6, 2024. Between now and then the first draft of the 2025 budget will be out. It is required to be out by November 1. The budget should be reviewed and discussed at the December 6 meeting. The budget will then go to the city commission for approval, hopefully at the first meeting in January.

- **Union Contracts**

Ms. Reeder shared that all three union contracts – police, fire and AFSCME – are all up for renewal.

PUBLIC PARTICIPATION

- None

ADJOURNMENT

Upon motion of Mr. Allen and seconded by Mr. Moncher the members voted to adjourn. Chairman Nickles declared the meeting adjourned at 8:14 am.

NEXT MEETING:

- December 6, 2024



Attest: Michelle Reeder
Finance Director

Date: 12/5/24



Attest: Allen Nickles
Chairman

Date: