

Audit/Finance Committee Meeting Minutes
March 18, 2016
7:45 AM City Commission Chambers

Committee Attendees: Gardner, Nickles, Moncher, Hoffman, Ruthsatz, Solowiej, Murray, and Brady as alternate if needed

Chairman Nickles opened the meeting at 7:49 AM. He asked for a motion to approve the February 19, 2016 minutes. Moncher made a motion to approve the minutes and it was seconded by Gardner. There was no further discussion. **All ayes – motion carried.**

February Monthly Report:

Solowiej began by saying that February was looking about the same as January, and March looks to be following suit when it comes to the percentage increase in income tax collections. He also advised that expenses are up by about 2% compared to last year. Solowiej noted that he had formatted the report a little different this month and asked them to let him know if they liked or disliked the changes. Moncher mentioned that we needed to watch the number of FTE's. He did not want this number to creep up because we have money now and the city get in a situation like they had before. Solowiej reassured him that we were filling positions that had been lost over the last 10 years. Nickles then asked if we had any ideas on the number of retirements we anticipated in 2016. Solowiej advised that we knew of a few so far, Law Director Don Icsman, Electrical Inspector Steve Ritzenthaler, and Police Officer Mark Gilliam. He also advised that there were some potential retirements coming in the water and sewer departments, but nothing for certain at this time.

There was no further discussion. Ruthsatz then made a motion to accept the Standard Report and Hoffman seconded the motion. There was no further discussion. **All ayes – motion carried.**

New Business:

Issue 8

Nickles then asked for an update on Issue 8 funding/expenses. Solowiej asked the committee if they were ok with the format discussed at the previous meeting, and if they were, he would prepare that format for the next meeting with the updated 2016 figures. The committee agreed to move forward with that format. Nickles advised that Development Director Matt Lasko had given out a copy of the spreadsheet at their community development committee meeting. Solowiej reminded the committee that the spreadsheet can always be changed as we proceed in the process. Nickles agreed as long as we are reporting the information and being transparent to the public, we should be ok. Solowiej advised that he would get with Commission Clerk Kelly Kresser to have the spreadsheet put on the City's website, alongside the regular financial reports.

Capital Budget

Solowiej then explained that City Manager Wobser was unable to make it this morning and that he was originally going to go over the capital budget process with the committee. Solowiej

advised that City Engineer Klein has been working diligently on this 5 year capital plan. In the past, we have had fragments of a plan, but never one source document to go to. City Manager Wobser had previously done this type of plan when he worked for Mayor Jackson in Cleveland and the idea was to mirror that plan. Solowiej stated that it was a work in progress, since it had changed several times in the past week. It is City Manager Wobser's hope to have this plan out to city commission, sometime between now and June. Once the plan is completed, we will send a copy to all the committee members. Nickles remarked that something in a fluent, consolidated manner has always worked best for them. Klein stated he has taken the capital revenue dollars and prioritized accordingly. Historically, staff would go out and buy what they needed even though it may not have been in the plan.

Moncher asked in big numbers what were we looking at. Solowiej advised approximately \$18 million dollars, which included projects with both grant and loan funding. Solowiej noted that Klein's spreadsheet had approximately 400 lines in it to show the projects anticipated for the next five years. They have used the information from the bicentennial review process to assist in prioritizing the funds. The spreadsheet can be broken out by fund, category, or however you want to search it. Previously, each department had their own list, but they never knew what other departments were spending, which was a problem since it all came out of one pot. The hope is to have the plan out in April and bring it back in June to discuss with the committee. Nickles asked to have copies sent to committee members, when it goes out to the city commissioners. Klein advised that he would love any recommendations for 2017 from the committee. It is his hope to have this plan updated by January/February each year. Brady reiterated that the document will be updated every year and that we need to communicate to the public that it's going to continually evolve, things will be added and dropped a necessary. It was then asked if Klein and Solowiej will decide on how the projects will be financed. Solowiej agreed that funding sources may change on projects as grant funds and Issue 8 funds are made available. Moncher noted that planning and funding are not mutually exclusive. Solowiej again agreed noting as funding comes available projects may shift in priority. Gardner then asked if a similar plan could be put together to show employee counts. Something that would show where the city is going with staffing in the future. Solowiej said that he could work with Wobser on this to see what they could come up with. Gardner expressed that he was not comfortable with how staffing was currently going, because the additional staff was not in the areas he thought they should be in.

Nickles then reminded the committee that the next meeting is scheduled for June 24, 2016. He is very excited for this year and to see how things begin to progress up.

Nickles then opened the meeting up for public participation.

Public Participation:

Sharon Johnson expressed some concern regarding the sewer fund and how the low the cash balance was getting in that fund. Nickles asked if there might be projects out there that we are working on, that we need to front the money for, that may be reimbursed back into the fund. Solowiej advised him that he was correct, currently we had the Bar Screen project and the East End sewer project going on. We are paying the invoices up front and awaiting the reimbursement of these funds back. City Engineer Klein advised that we expected these low balances initially, but they should bounce back next year.

At 8:15 AM, a motion was made by Moncher to enter into Executive Session for the pre-engagement conference meeting with the external auditors. Seconded by Gardner. Roll call:

Nickles - yes, Hoffman - yes, Solowiej – yes, Moncher– yes, Murray – yes, Gardner - yes, Ruthsatz – yes.

At 8:35 AM, a motion was made to return to regular session by Hoffman and seconded by Solowiej. **All ayes – motion carried.**

Motion to adjourn made by Hoffman and seconded by Solowiej. **All ayes – motion carried.**

Adjourned at 8:35 A.M.