

CITY OF SANDUSKY COMMISSIONERS - SPECIAL SESSION
PUBLIC HEARING – 2011 BUDGET

March 10, 2011

Page | 1

President Dan Kaman called the meeting to order at 6 p.m.

The following Commissioners were in attendance: Dan Kaman, Dick Brady, Julie Farrar, Dave Waddington, Diedre Cole and Pervis Brown.

City staff present: Don Icsman – Law Director & Acting City Manager, Hank Solowiej – Finance Director, Kelly Kresser – Commission Clerk, Connie Nicholson – HR Specialist, Scott Miller – General Services Director, Paul Ricci – Acting Fire Chief, Jim Lang – Interim Police Chief, Todd Roth – Director of Planning, Engineering & Design and Tom Whitted – IT Manager.

Hank Solowiej provided background information about the overall budget as presented. He said one final public hearing will be held for the 2011 budget on Monday, March 28. Prior to this date, the budget recommendations will appear in the newspaper and the necessary legislation will be prepared for consideration.

Hank Solowiej said the first budget was presented on November 1, 2010, as required by the charter. He said from that point forward, members of the Audit/Finance Committee met monthly to prepare the revenue estimates for 2011. He said the second version of the budget has been distributed which includes final numbers from 2010 and noted legislation must be passed by the end of March approving the budget. He said the first page of the budget document is a one-page executive summary of the general fund, estimated revenues and expenditures and a projected ending balance. Hank Solowiej said this number is important when getting the city's bonds rated.

Hank Solowiej said revenue estimates have been provided with four years of actuals along with data from 2010. He said the next pages of the proposed budget include activity from each department, by category, which ties back to the first page, or executive summary. He said there is a page showing activity for state highway funds and a page indicating the city's debt service obligation. He said the revenue estimates for all other funds are included in the budget packet.

Hank Solowiej said it is important to note the numbers included in the projected 2011 revenue estimates have been scrutinized by members of the Audit/Finance Committee. He said the income taxes have been reduced or budgeted at three percent (3%) less than the 2010 actuals, in accordance with data provided by the Regional Income Tax Administration. He said tourism revenues have been estimated based upon the numbers for the past few years, although they have been reduced slightly because of the higher (than projected) revenues in 2010. He said the economy and the weather will affect these dollars. He said the estate tax numbers have been estimated according to information provided by the Erie County Treasurer's Office. He said projected revenues from local government funding and estate taxes have been reduced, and changes are expected because of HB 3; the state budget begins July 1.

Hank Solowiej said the general economic conditions are good and there are positive indicators for economic development and job growth. He said the city is doing better so far this year than it was last year at this time. He said the city should continue to take a very conservative look at revenues. He said there have been concerns raised about crude oil and census data information which may impact some of the numbers.

Hank Solowiej said as far as expenditures, he gives credit to the department heads for their hard work and effort. He said this is a manageable budget and is estimating ending the year at \$3.2 million. He said the city has historically demonstrated that if adjustments need to be made in June or July, they will be.

Dan Kaman said he appreciated the work done by the department heads during the past year and is glad to see the city is currently "in the black". Dan Kaman said he would like to leave the city in a better position than it was in when he came on the city commission. Dave Waddington said he attended several of the Audit/Finance Committee meetings and said if the city stays conservative in 2011, he believes the year will end "in the black". Hank Solowiej said the budget will be updated in June or July to prepare for end of the year projections. He said monthly income tax updates will be starting up again. Dave Waddington said he is worried about the future of local government funds and estate taxes. He said the city will have to watch this closely going into 2012. Hank Solowiej said these two issues are definitely on his radar.

CITY OF SANDUSKY COMMISSIONERS - SPECIAL SESSION
PUBLIC HEARING – 2011 BUDGET

March 10, 2011

Page | 2

Pervis Brown asked if it looks as if the city will balance out by the end the year 2011 on a positive note and Dan Kaman indicated it does.

Sharon Johnson, 1139 Fifth Street, asked how the strategic planning items figure into the budget and Hank Solowiej said the budget, as presented, is for the day-to-day operating expenses and does not include special projects or initiatives. He said these would be covered under capital funding, grants, or other types of projects. Sharon Johnson asked if the overpass expenses will come from the city's budget and Hank Solowiej said the city will borrow money for its 5% share (approximately \$721,000) as this is not covered in the operating budget.

Wesley Poole, 1939 East Oldgate, asked if there was uncollected money in the Sandusky Municipal Court and Hank Solowiej said projections were based upon what was expected to be collected this year. He said the court costs have been adjusted to ensure their budget can be balanced.

Hank Solowiej said the budget will be formally presented to the city commission at their meeting on March 28. He said another public hearing will be held on March 28, and the budget will be published in the newspaper prior to this date.

Julie Farrar said she is comfortable with the budget as presented and has no problems with it being returned, with legislation, on March 28.

Upon motion of Dave Waddington and second of Julie Farrar, the commission voted to adjourn. All Ayes. At 6:16 p.m., Dan Kaman announced adjournment of the public hearing for the 2011 budget.

Kelly L. Kresser
Clerk of the City Commission

Daniel J. Kaman
President of the City Commission