

MINUTES OF THE FINANCE COMMITTEE
April 20, 2020
Online Broadcast Meeting

Present: Councilmembers Bullock, Litten, & Neff

Also Present: Councilmembers Kepple, Rader, & Shachner, Mayor George, Acting Finance Director Rancatore, Law Director Corrigan, City Planner Katelyn Milius, Development Officer Dan Wyman, Program Manager Mary Leigh, Rick Sicha & Marsha Mall (consultants for the city in its consolidated plan to HUD), a couple members of the public, Clerk Bach, & Deputy Clerk Lascu taking minutes

Call to Order: 5:30 p.m.

AGENDA

Approval of the minutes of the April 13, 2020 Finance Committee.

Chairman Bullock made a motion, seconded by Councilmember Litten to approve the minutes from the Finance Committee's previous meeting.

A roll call vote was taken as follows:

Yeas – Bullock, Neff, Litten

Nays – None

The motion passed. The minutes from the Finance Committee's previous meeting were approved.

RESOLUTION 2020-18 - A RESOLUTION to take effect immediately provided it receives the affirmative vote of at least two thirds of the members of Council, or otherwise to take effect and be in force after the earliest period allowed by law, authorizing and directing the Mayor to submit Lakewood's FY20-FY24 Five Year Consolidated Plan, as approved by the Citizens Advisory Committee (CAC), to the U.S. Department of Housing and Urban Development (HUD) which includes dollar allocations and activities to be funded with federal Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and HOME Investment Partnership Program (HOME) resources during the abovementioned five-year period and incorporates the City's FY20 Annual Action Plan which serves as the City's application to HUD for FY 2020 CDBG, ESG, and HOME funds. (Referred to Finance Committee 3/2/20)

Chairman Bullock gave an overview of the five year Consolidated Plan and spoke about its purpose. The plan centers on expanding affordable housing opportunities and promoting community development through parks and infrastructure improvements. He noted that the Community Advisory Committee (CAC) also had heard the plan. Dan Wyman indicated that the CAC met this past week and reviewed the data behind the plan, which added value to the process.

The committee reviewed population, demographic, and housing statistics, but noted that they may not give an accurate picture of current day Lakewood, as the statistics came from 2011-2015 data from HUD.

Chairman Bullock made a motion, seconded by Councilmember Litten to recommend Resolution 2020-18 to the full Council for adoption.

A roll call vote was taken as follows:

Yeas – Bullock, Neff, Litten

Nays – None

The motion passed. Resolution 2020-18 was recommended to the full Council for adoption.

Communication from Mayor George and Councilman Bullock regarding evaluating additional economic assistance to relieve the impacts of the coronavirus pandemic. (Referred to Finance 4/6/20)

Review of month-end financial reports from March 31, 2020.

Acting Director Rancatore reviewed the city's 2020 first quarter financial reports, which was largely unaffected by the COVID-19 crisis. Approximately 55% of the city's revenue is generated from income tax. January and February 2020 were outstanding for income tax collection. The city has received its portion of property tax from the county. Future property tax payments may be deferred. April revenues are expected to be way down from past years due to the crisis and subsequent statewide shutdown.

Councilmember Litten inquired as to whether any of the city's expenses have decreased at all during the crisis. Director Rancatore indicated that there were no significant decreases, as the general fund budget is largely comprised of city personnel, which is a fixed cost. For example, Police and Fire personnel make up 55% of the city's budget. Director Rancatore noted the major savings that would come in this manner would largely result from layoffs or furloughs.

Councilmember Rader asked whether the city has gone to bond yet on its capital projects and how the process has been impacted by the crisis. Director Rancatore indicated that the city had 6-8 weeks ago, previous to his onboarding.

Referencing Councilmember Litten's line of questioning, Chairman Bullock asked whether the question was whether if the city would layoff employees in the future or until it would layoff employees in the future. Director Rancatore indicated that the administration could find some salary savings outside of layoffs, such as not filling positions, limiting overtime, etc. Chairman Bullock expressed an ideal desire to not decrease any services during this crisis.

Capital expenses are being examined and some have the potential to be deferred. Mayor George expressed that the Wagar Park renovation, Lakewood Park parking lot resurfacing, and other

projects that have gone out to bond will continue as planned. However, projects that rely on state capital budget funds may be deferred, as the state government has yet to pass a capital budget for this year.

Councilmember Shachner asked whether there were plans to postpone or delay projects. Mayor George indicated that the sidewalk replacement program will be delayed at least a month. The Belle Ave. sewer project and the Clifton-Prado project may also be delayed from this year as well. Mayor George indicated that a roofing contract was delayed at Board of Control earlier in the day and that she was also considering delaying the mulching of the parks if they were not going to be used this year.

The committee discussed the layoffs of Cleveland Heights' Parks and Recreation Department staff and if similar ones could be expected in Lakewood. It was clarified that Lakewood's Recreation Department falls under the school system's budget. The city's Parks staff's is comprised of fewer seasonal employees than other municipalities, so layoffs would be less effective for budget purposes.

Councilmember Neff asked for an updated list of projects that the city has prioritized and will use to determine which projects would be delayed. She also asked if there is a hypothetical plan for furloughs and what that might look like if necessary. Mayor George indicated that there is a list that can be provided. While she referred to furloughs as a last resort, she added that she has formed a small internal team to forecast what that might look like if needed. Considering there was a \$7 million carryover from last year's budget, Mayor George stated that she believes that the city will be able to weather the crisis without furloughs.

Chairman Bullock requested that Council be consulted on any large financial decisions that affect the city's budget.

Councilmember Litten inquired as to whether there were any grants from other levels of government for which the city was applying. Mayor George stated that the city has reached out to the county. The last round of federal stimulus money only applied to city's over 500,000 in population and counties over 500,000. The only city in Ohio with more than 500,000 people is Columbus. Cuyahoga county received some direct funds as well. Letters have been sent to Senators Brown and Portman and Representative Kaptur. Various mayors associations have been lobbying representatives on the federal level to provide direct stimulus to municipalities.

Councilmember Rader asked if furlough decisions require Council approval. Mayor George stated she does not believe any Council approval is required to reduce budgetary spending, however she stressed the importance of being mindful of the city's contracts with it unions.

Chairman Bullock requested a set of written principles to guide any potential furlough procedures. Mayor George indicated that he could draft them and the administration and Council could discuss them.

Chairman Bullock made a motion, seconded by Councilmember Litten to adjourn the meeting.

A roll call vote was taken as follows:

Yeas – Bullock, Neff, Litten

Nays – None

The motion passed. The meeting was adjourned.

The meeting was adjourned at 6:30 p.m.