

**MINUTES OF THE FINANCE COMMITTEE  
JUNE 1, 2020  
MEETING HELD VIRTUALLY**

**Present:** Councilmembers Bullock, Neff, & Litten

**Also Present:** Councilmembers O'Malley, Kepple & Shachner, Clerk Bach taking minutes, Deputy Clerk Lascu, Fire Chief Dunphy, Finance Director Rancatore, Mary Leigh of Planning, Development Officer Dan Wyman, Human Resources Director Dillinger, Urban Designer Allison Hennie, Human Services Director Gelsomino, Law Director Corrigan

**Call to Order:** 6:33 p.m.

After introductory remarks and at the request of the Chair, Director Rancatore provided a walk-through of the attached document – 2020 General Fund Revenue Report- April.

Director Rancatore committed to providing a similar report monthly. He remarked that lags in numbers are COVID-related due to the building being closed. He announced that the Tax Division has opened today.

**ORDINANCE 09-2020** - AN ORDINANCE 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 at the earliest period allowed by law, authorizing the transfer and advance of certain funds.

Assistant Finance Director Schuster explained that the ordinance executes the transfers and advances approved by Council as part of the budget process in December 2019. He highlighted the following transfers and advances.

- \$172,500 to be transferred to Department of Aging per usual
- The transfers to the hospitalization and workers' comp fund represent the contributions of Court employees. This is the usual practice.
- \$500,000 from the WWTP permit fund to be transferred to debt service per usual.

Mr. Schuster explained that the only anomalous transfer is \$350,000 from Fund 510 to the debt service fund. This money was intended to be transferred in June 2019 but was not due to a clerical error that was discovered. The funds were originally meant to be transferred after the auditor recommended it.

Motion by Councilman Bullock, seconded by Councilmember Litten to recommend adoption of Ordinance 09-2020.

A roll call vote was taken as follows:

*Yeas:* Bullock, Litten, Neff

*Nays:* none

Motion passed. Ordinance 09-2020 recommended for adoption.

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The Committee returned to its discussion of the April revenue report. Councilmember Bullock highlighted that both business and individual income taxes are significantly down. He pointed out that the April 15<sup>th</sup> tax deadline was pushed back to July 15th and the City is hopeful that the numbers will improve after that date, though we are not expecting that to be the case dollar for dollar.

In response to an observation by Councilmember Bullock, Mr. Schuster explained that the reduction in licensing revenue can be explained by a change in due date of the commercial housing licenses. The Committee had further discussion of this.

Councilmember Bullock noted that he wants to try and find clues in the data to help the City figure out the most appropriate next steps for managing the financial losses.

It was noted that homestead and rollback payments were transferred from the state in May into the intergovernmental fund. These are property tax reductions for eligible populations.

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### **Update on the Shared Work Ohio voluntary furlough program**

Director Dillinger reported that the Shared Work Ohio reduces an employee's work week on a voluntary basis. The employee can collect unemployment for the portion of the week they choose to be voluntarily furloughed. The program was launched city-wide and had 180 participants. The estimated savings to the City is \$350,000. The program will be in effect until July 31. Some other points about the program:

- Public Works and administrative employees took advantage of the program in the largest numbers.
- Participation cannot create overtime for a department.
- Employees must work with their manager to schedule their time off.
- Most employees are taking off one day per week, but some are taking two.

In response to a question, Director Dillinger explained that the CARES Act authorized an extra \$600/week to supplement unemployment wages through July 31. Advocates are hopeful this will be extended but it is not likely to be extended at this same rate.

Director Dillinger explained her first-hand experience with the program as a participant. She explained that participants receive the \$600 in unemployment even for taking a one day per week furlough. Most employees in the program will be compensated more than they would in a typical work week. She explained that this is a way of leveraging federal funds to assist the City.

She stated that this program benefits the City budget and possibly avoids more draconian measures. Managers will stagger schedules so there are minimum reductions in service. It is possible that services could suffer if too many employees take furloughs. HR met with all the unions about the program and they were enthusiastic.

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### **Update on the use of CDBG COVID emergency relief dollars**

Development Officer Dan Wyman presented a slide explaining the proposed uses for the City's supplemental CDBG & ESG funds through the CARES Act. The City received \$1.18 million in supplemental CDBG funds and \$601,000 in supplemental ESG funds.

He reminded Council that in it approved the amendment to the 2019 annual action plan which was required to apply for the funds and amended the participation plan which enabled the CAC to hold hearings on an expedited schedule. He explained that the application was submitted on Wednesday. He expects a quick turnaround and for contracts to be executed by the end of June.

Mr. Wyman explained that the City is a member of the Cuyahoga County Housing Consortium which submitted applications in a coordinated manner. All members of the consortium agreed that a third-party was needed to administer the emergency rent and utility portion of the funds. Cuyahoga County will issue a RFP to identify such a service provider/vendor. The vendor will review all applications, verify them and process payments.

He stated that the City has received a formal proposal from Lakewood Community Services Center for their proposed portion of the funds. It will be posted to the City website tomorrow.

The Committee discussed the use of the program planning & administration line item as well as other line items.

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### **Approval of the minutes of the May 11, 2020 Finance Committee**

A motion was made and seconded to approve the minutes of the May 11, 2020 Finance Committee meeting.

A roll call vote was taken as follows:

*Yeas:* Bullock, Neff, Litten

*Nays:* none

Motion passed. Minutes approved.

Without objection, the Finance Committee adjourned at 7:30 p.m.

**City of Lakewood  
2020 General Fund Revenue Report - April**

**OPERATING REVENUE**

Account#	Description	2020 Budget	2020 YTD Collections	2019 YTD Collections	% Budget Collected
<b>Income Taxes</b>					
315 03	Withholding Tax	9,942,296	3,580,107	3,401,151	36.0%
315 02	Business Income Tax	1,450,731	332,301	510,315	22.9%
315 01	Individual Income Tax	<u>13,334,170</u>	<u>4,232,694</u>	<u>7,074,399</u>	<u>31.7%</u>
	<b>Income Tax Subtotal</b>	<b>24,727,197</b>	<b>8,145,102</b>	<b>10,985,865</b>	<b>32.9%</b>
<b>Property Taxes</b>					
311-10-00	Real Estate & Public Utility Taxes	8,067,224	4,492,838	4,434,992	55.7%
	<b>Taxes Subtotal</b>	<b>32,794,421</b>	<b>12,637,940</b>	<b>15,420,857</b>	<b>38.5%</b>
<b>Licenses and Permits</b>					
321 10	Permits	578,755	107,625	130,437	18.6%
321 20	Licenses	878,753	69,810	278,491	7.9%
321 30	Applications	-	2,000	3,350	>100%
321 40	Building & Housing	40,401	5,050	375	12.5%
321 50-99	Stormwater Management	-	4,000	-	>100%
322	Public Works	-	1,535	6,848	>100%
323	Human Services	1,255	-	-	0.0%
324	Other	-	<u>4,500</u>	<u>3,435</u>	<u>&gt;100%</u>
	<b>Licenses and Permits Subtotal</b>	<b>1,499,164</b>	<b>194,520</b>	<b>422,936</b>	<b>13.0%</b>
<b>Intergovernmental</b>					
335 10 10	Homestead	163,175	-	70,071	0.0%
335 10 20	Rollbacks	<u>921,975</u>	-	<u>458,337</u>	<u>0.0%</u>
	<b>Property Tax Subsidies Subtotal</b>	<b>1,085,150</b>	-	<b>528,408</b>	<b>0.0%</b>
335 20	Local Government Fund - State	196,000	56,413	-	28.8%
335 30	Local Government Fund - County	1,971,488	592,921	573,533	30.1%
335 50	Cigarette Tax	-	-	-	#DIV/0!
335 55	Liquor & Beer Permits	102,357	15,286	18,027	14.9%
334	State - Various	692,300	18,292	-	2.6%
337	Other Intergovernmental	-	155,102	-	>100%
316	Hotel Taxes	<u>15,637</u>	<u>3,657</u>	<u>3,478</u>	<u>23.4%</u>
	<b>Intergovernmental Subtotal</b>	<b>4,062,932</b>	<b>841,671</b>	<b>1,123,446</b>	<b>20.7%</b>
<b>Charges for Services</b>					
341	Gen Government Charges & Fees	579,380	188,976	204,303	32.6%
342	EMS Transport*	1,093,231	358,779	NM	32.8%
344	Refuse	23,019	5,140	6,051	22.3%
345	Health (Vital Stats-Birth/Death Certs)*	55,348	15,545	100	28.1%
349	Other Charges for Services	<u>112,337</u>	<u>38,792</u>	<u>35,278</u>	<u>34.5%</u>
	<b>Charges for Services Subtotal</b>	<b>1,863,315</b>	<b>607,232</b>	<b>245,732</b>	<b>32.6%</b>
350-359	<b>Special Assessment</b>	<b>16,700</b>	<b>6,456</b>	-	<b>38.7%</b>
<b>Fines and Forfeitures</b>					
361	Lakewood Municipal Court	1,098,573	377,587	377,460	34.4%
363	Parking Citations	<u>289,635</u>	<u>71,353</u>	<u>105,318</u>	<u>24.6%</u>
	<b>Fines and Forfeitures Subtotal</b>	<b>1,388,208</b>	<b>448,940</b>	<b>482,778</b>	<b>32.3%</b>
370	<b>Investment Earnings Subtotal</b>	<b>1,000,000</b>	<b>306,558</b>	<b>432,381</b>	<b>30.7%</b>
<b>TOTAL YTD GENERAL FUND OPERATING REVENUE</b>		<b>42,624,740</b>	<b>15,043,317</b>	<b>18,128,130</b>	<b>35.3%</b>
<b>Miscellaneous and Other Financing Sources</b>					
380	Miscellaneous (Asset Sales, Donations)	130,386	165,306	74,462	126.8%
390-391	Reimbursements (P Card Rebates)	651,795	181,197	116,717	27.8%
392	Transfers-In, Indirect Cost Reimbursement	<u>1,713,712</u>	<u>933,238</u>	<u>864,460</u>	<u>54.5%</u>
	<b>Other Financing Sources Subtotal</b>	<b>2,495,893</b>	<b>1,279,741</b>	<b>1,055,639</b>	<b>51.3%</b>
<b>YTD 2020 GENERAL FUND REVENUE</b>		<b>45,120,633</b>	<b>16,323,058</b>	<b>19,183,769</b>	<b>36.2%</b>

\*Recorded in Hospital Fund in 2019; NM=Not Meaningful Year to Year Comparisons

## Shared Work Participants & the Estimated Savings, by Fund

Fund	Participants			*GF Department/Division	Total	PT
	Total	PT	Amount			
				Animal Control	2	
CDBG	3		\$7,594	Building	11	
Family to Family	5	2	\$10,809	Community Relations	1	
General Fund*	102	6	\$202,185	Engineering	2	
Human Services	7	3	\$11,845	Finance	5	
Parking	3	1	\$5,115	Fleet	9	
SCMR	15		\$30,217	Forestry	3	
Sewer	13		\$25,703	HR	3	
WWTP	17		\$32,905	Human Services	5	1
Water	<u>13</u>		<u>\$23,744</u>	Income Tax	6	2
<b>Total Participants &amp; Estimated Savings</b>	<b>178</b>		<b>\$350,117</b>	IT	1	
				Law	6	2
				Mayor	1	
				Muni Court	6	
				Parks	16	
				Planning/Dev	1	
				Refuse	22	
				Vital Stats	<u>2</u>	1
				<b>Total GF Shared Work Participants</b>	<b>102</b>	

Estimates do not reflect any necessary adjustments due to operational needs & include wages, and pension & Medicare costs.

Total = All Employees

PT= Part-Time Employees (Less than 40 hrs)

**City of Lakewood CARES Act Funding  
Proposed Uses**

**CDBG-CV**

<b>Program</b>	<b>Administering Organization</b>	<b>Amount</b>	<b>Target Population</b>	<b>Avg Benefit (\$)</b>	<b>Projected Beneficiaries</b>
Emergency Rent & Utility Assistance	Third Party Provider (TBD) <sup>1</sup>	\$465,871	Low-Moderate Income Households (51-80% AMI)	\$3,100	150 Households
Emergency Food Assistance & LCSC Service Delivery Model Transformation	Lakewood Community Services Center (LCSC)	\$105,145	Very-Low, Low- & Low-Moderate Income Households (0-80% AMI)	N/A	15,000 Persons (6 Months)
Small Business Assistance	City of Lakewood	\$465,870	< 5 Employees & Low-Moderate Income Business Owner <sup>2</sup>	\$2,500	175-200 Businesses
Program Planning & Administration	City of Lakewood	\$150,000	N/A	N/A	N/A
<b>Total</b>		<b>\$1,186,886</b>			

**ESG-CV**

Emergency Rent & Utility Assistance	Lakewood Community Services Center (LCSC)	\$541,062	Very-Low & Low-Income Households (0-50% AMI)	\$2,700	175 Households <sup>3</sup>
Program Planning & Administration	City of Lakewood	\$60,000	N/A	N/A	N/A
<b>Total</b>		<b>\$601,062</b>			

<sup>1</sup> Cuyahoga County has issued an RFP seeking organizations capable of administering Emergency Rent & Utility Assistance on a regional basis.

<sup>2</sup> Restrictions imposed by CDBG activity eligibility requirements.

<sup>3</sup> ESG-CV Emergency Rent & Utility Assistance: \$475,000 (Cash Assistance) + \$66,062 (LCSC Overhead) = \$541,062