

MINUTES OF THE FINANCE COMMITTEE
October 26, 2020
Online Broadcast Meeting

Present: Councilmembers Bullock, Litten, & Neff

Also Present: Councilmembers Kepple, Rader, & Shachner, Finance Director Rancatore, Director Corrigan, Director Leininger, Chief Dunphy, Chief of Staff Storey, a couple members of the public, Clerk Bach, & Deputy Clerk Lascu taking minutes

Start time: 7:00 p.m.

AGENDA

Approval of the minutes of the October 5, 2020 meeting of the Finance Committee.

Councilmember Litten made a motion, seconded by Councilmember Neff to approve the minutes.

A roll call vote was taken as follows:

Yeas – Bullock, Litten, Neff

Nays – None

Motion passed. The minutes were approved.

SUBSTITUTE ORDINANCE 20-2020 - 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, to establish appropriations for current expenses and other expenditures of the City of Lakewood, State of Ohio, for the fiscal year ending December 31, 2020. (Referred to Finance 10/19/20)

Chairman Bullock gave a brief overview of the necessity of Ordinance 20-2020 and the mechanics of the coronavirus appropriation.

Director Rancatore stated that the Finance Department has been appropriating out of coronavirus fund and moving expenditures into it as well. These actions give much needed relief to the city's budget. \$5.3 million have been applied through 3 CARES Act payments. They have been spread out between the general fund and police & fire pension funds. He noted that the administration submitted a substitute ordinance based on revised communications from the state on how to spend CARES Act money. The Finance Department determined that diverting rent relief to the salaries of first responders was a safer expense of coronavirus relief funds.

Chairman Bullock asked if \$1.8 million in the ordinance is new funding. Director Rancatore replied that it was and that it is passed through the state to Lakewood, the local government.

Chairman Bullock noted that there was no change in funding levels on that day and that they would be used to defray the city's costs. He explained why the change in use of funding is safer.

Director Rancatore noted the \$27,000 in Exhibit B (the cost of PPE) was changed from \$154,000 of rental relief. This change was based on new guidance on the use of federal funds. The appropriation was applied towards police and fire salaries. Director Rancatore added that his department remained unsure whether rental relief would qualify as a COVID-related expense so it chose to allocate money towards the safety forces.

Councilmember Neff asked if this would be the last distribution of federal dollars. Director Rancatore answered yes and explained that it was first distributed using the local government fund formula. Other appropriations of federal dollars were done on a per capita basis and shared with other counties. Councilmember Neff asked if the monies need to be spent by the end of the year and Director Rancatore clarified that they were already spent and that the city would be able to spend more.

Chairman Bullock highlighted the process of allocating expenses from other funds into the coronavirus relief fund to take pressure off of other funding sources.

Chairman Bullock asked what the latest estimated deficit is. Director Rancatore noted that the city is down a couple hundred thousand comparing this year to last year, adding that the city may be short on revenue by the end of 2020. He added that the administration took financial austerity measures to preserve the general fund, which allowed it to come back from being \$4 million down.

Chairman Bullock made a motion, seconded by Councilmember Neff to recommend the adoption of Substitute Ordinance 20-2020 by full council.

A roll call vote was taken as follows:

Yeas – Bullock, Litten, Neff

Nays – None

Motion passed. Substitute Ordinance 20-2020 was recommended for adoption by full council.

Chairman Bullock adjourned the meeting without objection.

The meeting was adjourned at 7:22 p.m.