

**FINANCE COMMITTEE
MOTION SUMMARY
May 13, 2020**

ITEM 1. Roll Call

Chairman Hellinger called the Virtual Cisco Webex Finance Committee meeting to order at 2:35 p.m.

Members Present: Vice-Mayor Kent Shafer, Vice-Chairman Chris Jones and Chairman George Hellinger

Council Members Present: Mayor Carolyn Kay Riggle, Second Ward Lisa Keller, Fourth Ward Drew Farrell

Staff Present: Darren Shulman, City Attorney, Sean Hughes, Economic Development Director, Justin Nahvi, Finance Director, Rob Alger, City Accountant, Alycia Ballone, Budget Analyst, Kyle Kridler, Assistant City Manager, Tom Homan, City Manager

County Staff Present: Bob Lamb, Economic Development Director

ITEM 2. Approval of the Motion Summary for the meeting held April 15, 2020, as recorded and transcribed.

Motion: Vice-Mayor Shafer moved to approve the Motion Summary from April 15, 2020, as recorded and transcribed, seconded by Vice-Chairman Jones. Motion approved by a 3-0 vote.

ITEM 3. Public Comments

PUBLIC COMMENT:

Brett Latta

Via email

376 North Sandusky Street

Delaware, Ohio

Mr. Latta questioned if the transportation funding levy discussion had been tabled since COVID-19.

ITEM 4. Review of April Financial Report

Mr. Nahvi discussed the property taxes for General Fund Revenue which was slightly down due to State distributions of real estate reimbursements for the homestead exemption and owner occupancy that were not received yet through

April 2020. The County Auditor and Treasurer have requested that the property taxes due date for the second half be moved. The income tax collection was down 45% which was attributed to the due date shift from April to July. He discussed the rise in unemployment rate which began in March 2020. The projection will be updated monthly based on the County unemployment rate and will be modified after the filing deadline in July. He discussed plans to have a location set up at Mingo for filing income taxes but also encouraging residents to e-file.

The Fire/EMS Income Tax Fund has a decline in 18% from a year ago during the same period. It is estimated that a similar decline for the Fire/EMS Income Tax Fund would be 4.3% of the current revenue estimate for this line item. The Stormwater Fund are performing as expected. Customers are still paying their utility bills, but waiting for their income tax filing. The Water Fund saw an increase in meter charges. He reviewed the Year to Date Fund Report and Debt Schedule. Mr. Nahvi discussed that there have been currently six residents apply for the utility assistance program but will be sending out another insert in the May utility bill. Mr. Shulman discussed reaching out to residents that are not paying their bill to inform them of the program. Vice-Chairman Jones discussed how to help residents in multi housing or apartment complexes. Mr. Nahvi discussed the difficulty if there is a master meter and needing to work with the landlord to ensure that the credit is applied to the renter.

ITEM 5. Review of 2020 Budget Gauge

Mr. Nahvi discussed that at the June Finance meeting it will be discussed where parts in the budget reductions could be recommended to be made. He completed a payroll forecast and there have been a savings possibly related to decrease in overtime cost in police and fire since special events have ceased. Mr. Homan discussed that the current position for the City on the Budget Gauge is Budget Restraints. Mr. Nahvi discussed that the full impact of the COVID crisis will not be known until July after the income tax filing date. He discussed the recommendation to staff to restrain capital spending for 2021 and for roadway projects to not include in the CIP unless there is grant or state funding with it. Mr. Nahvi discussed the need to hold back on capital improvements, especially major paving projects and streets maintenance as there is an expected reduction in the Gas Tax Revenue. Mr. Homan discussed the current declines in Hotel Tax.

ITEM 6. Continued Discussion of Strategy for Addressing Financial Impact of COVID-19

Mr. Nahvi discussed the partial hiring freeze that has been implemented and expected to last to the next fiscal year. He discussed financial cuts that have been identified relating to fuel purchasing and the decline in fuel costs. He

discussed looking at options to a plan change for health insurance. He is looking at different scenarios to avoid layoffs but also to provide the necessary and required services to the community. Mr. Homan discussed the large cost of administrative leave which ends the week of May 18.

Vice-Mayor Shafer discussed the Revolving Loan Program that was brought up at the May 11 City Council Meeting. He discussed that Buckeye State Bank will be doing a maximum of \$25,000 and a minimum of \$10,000 for the loan. The interest rate will vary from 3% for a 36-month loan and 4% for a 60-month loan. The first six months will be interest only payments and the minimal credit score of 660. He discussed where the fund breakdown will be coming from. He discussed his recommended contribution to the program by the City. Mr. Lamb discussed that the bank was in agreement of going to a 660-credit score. Vice-Mayor Shafer discussed that if the city invested \$350,000 then only 14 loans would be needed from the City to have the money that we invest go back to the city business. Chairman Hellinger questioned when the return of money would occur back to the City. Mr. Lamb discussed that this would be a revolving loan program and there were no guarantees if or when those that invested would be repaid. Mr. Nahvi questioned if the City could invest the funds in a CD with the bank and fund the city portions to insure the money. Mr. Lamb discussed the difficulty of managing different plans with 7 or more partners.

Mr. Lamb discussed the partnership structure. He discussed submitted a letter to Jobs Ohio to ask them to match what the County has secured. The bank will review each application to determine if they meet the set guidelines and then will forward the application to a committee to oversee the program. He discussed who will be placed on the committee. Mr. Lamb discussed that applications received from the bank will be reviewed first from communities that have join the program. Mr. Hughes reached out to local businesses to determine their interest in the loan program and if they would consider applying. Mr. Lamb discussed that the idea has been around by the County for a couple of years and that the COVID-19 crisis pushed it to the forefront and that the County reached out to multiple banks on the program. Mrs. Keller questioned if the City could reestablish our own revolving loan fund. Mr. Hughes discussed that the current program with the City would not work as it is a CDBG federally funded program that is too restrictive and can take 6-9 months to complete the loan. Vice-Chairman Shafer discussed the process of emergency legislation and questioned how quickly the County needs this done. Mr. Lamb discussed that once a commitment is received by Jobs Ohio they will start accepting applications and that they will not be able to hold up applications for the City to complete their process. Mr. Shulman discussed his recommendation to not pass an ordinance during an emergency meeting to keep more transparent. Vice-Mayor Shafer and Vice-Chairman Jones discussed that the situation is unprecedented and that the goal is to get the money into the local business as quickly as possible and a decision will need to be made quickly. Mr. Farrell discussed concerns rushing the process. Mrs. Keller voiced a concern that the County has three seats on the

board and the City having a minority vote on the board. Mr. Homan discussed setting up a special meeting and a second reading at the first meeting of June. MR. Lamb discussed that he can provide a draft once approved by County but that he did not see that it would include a required percentage of money distributed to the local businesses and a guarantee of the City getting reimbursed. He does think that a discussion could include what is a Sunset law and a conversation of continuing the revolving loan fund. He discussed the benefit of the revolving loan fund to support future business needs. Vice-Chairman Shafer voiced his support to the program as the City does not have a program in place.

ITEM 7. Member Comments

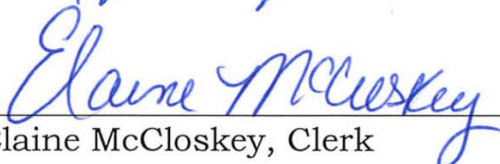
The Committee was in agreement to meet on June 17 for the next meeting.

ITEM 8. Adjournment

Motion: Chairman Hellinger moved to adjourn the Finance Committee meeting. The Finance Committee meeting adjourned at 4:08 p.m.



Chairman



Elaine McCloskey, Clerk