

Minutes of the Finance and Audit Committee
SHEFFIELD LAKE, OHIO
May 19, 2020

This regular meeting of the Finance and Audit Committee was held Tuesday, May 19, 2020. Chairman Cizl called the meeting to order at 7:00 PM.

ROLL CALL OF MEMBERS:

Present: Rosso, Cizl, Wtulich, Radeff, Kovach, Gee, Erdei, Stark, Mayor
Bring, Finance Director Smith, Law Director Graves

Absent: None

Attending: Superintendent Hastings

PRESENTATIONS: None.

FINANCE DIRECTOR'S REPORT:

Finance Director Smith advised I have been listening to webinars daily in place of the conferences I usually go to. I listened to one today about the interest rates and how they are dropping and talking about making them negative. Basically, we just won't make any money on our investments. Short term shouldn't be a big deal. However, when we borrow money in August for our annual note, I usually like to pay off in big chunks but I'm thinking we are not going to pay off as much, which will keep more in this year's budget. Our rate will be lower and if they do go negative, we will actually make money by borrowing money. I feel that we are not going to make any rash moves either way. We are going to be very frugal. I am working on the 2021 budget and it is going to be very tight. We can add and adjust it later, next year. I think next year is going to be as bad or worse. Rita updates us monthly. We are losing about \$260,000 to date. Last year to this year's numbers. We have Ohio Public Works loans that we have had for numerous projects that we pay about \$50,000 a year or more on. Those are all zero interest. They have decided to negate our July payment. We have the ability to pay in December, but if we like for no penalty, we can add it to the end of the loan. We don't carry a lot of debt and that is to our benefit. Councilwoman Stark states talking about Rita, didn't Rita extend that you had to still file in July? Finance Director Smith replies yes. Councilwoman Stark asks will we see any uptick when July comes? Finance Director Smith replies no, we have already lost \$260,000 to date, estimated, that we will never see again. What we will see is the people who should have filed in April and now know they can wait until July. This is more businesses, etc. It's just delaying our funds. President Rosso asks the money we have lost already, how did we lose income tax from last year? Finance Director Smith replies it's withholding taxes, current tax. Also, the bonus \$600 everyone is getting on unemployment is going to be federally taxed. Chairman Cizl states for clarification, we are down \$260,000 from last year?

Finance Director Smith replies to date. Chairman Cizl asks by December it could be compounded? Finance Director Smith replies yes. Mayor Bring states I have been hearing that 40% of people in bigger companies will be working from home. They won't have to pay things like car, phone, gas, etc. A good thing is they are talking about moving from the city back into the suburbs. That would be good for us. Finance Director Smith states our largest employers being Ford, Apples and the schools don't do much from home. I don't think it's gonna be enough to make that big of a hit.

OLD BUSINESS: None.

NEW BUSINESS: None.

MEETING ADJOURNED: With no further business before this committee,
*Motion by Kovach/Second by Erdei to adjourn at 7:12 pm.

CLERK OF COMMITTEE AFFIRMATION: This meeting of the City Committee of the City of Sheffield Lake, Ohio was held and conducted under all rules and regulations governing the Sunshine Laws of the State of Ohio as they apply. All meetings are recorded and available in Council's office.

CLERK OF COUNCIL

Brandy Randolph

I, Brandy Randolph, duly appointed Clerk of Committee of Sheffield Lake DO HEREBY CERTIFY that this is a true and exact copy of the minutes of the Finance & Audit of May 19, 2020.

CHAIRPERSON

Mark Cizl

COUNCIL PRESIDENT

Rick Rosso