

SPECIAL FINANCE COMMITTEE MEETING
October 5, 2020 – 6:30 PM

Present: Councilwoman Meany, Councilman Pelunis, Councilman Zelwin, Director Rubino, Mayor Kraus, Director Gibbs, Chief Vedder, Councilman Shimits

Councilman Zelwin presided

PRESENTATION TO COMMITTEE

UPDATE ON THE UTILIZATION OF THE CITY'S CARES ACT FUNDING ALLOCATIONS

Director Rubino stated the remainder of the CARES Act funding distribution needs to be appropriated. He presented the details of how the money has been used to date. The first portion of the CARES Act funding was appropriated in July. The amount was \$216,000 and was put into a special fund that was created for this sole purpose. Additional funding will be received and will bring the total of the CARES Act funding to \$1.14 million for the City. All of the revenue received must be appropriated by City Council in order to obligate and spend the money. So the additional funding of \$927,411 that will be received needs to be appropriated now.

The first round of distribution of federal CARES Act funds consisted of two distributions of \$213,106 and \$106,552 for a total of \$319,658 as authorized by Ohio Legislation HB481. House Bill 614 just passed and will provide another \$820,858 to the City. The Federal Government authorized the distribution of COVID relief funding for large government units as part of the CARES Act. There was a direct distribution of funding to large governments (>\$500,000). Only six local governments qualified for this level of funding. Most local governments are smaller (<\$500,000) and depend on state level distributions and that is what Ohio did with House Bill 481 and 614. The first round of Ohio HB481 distributed funds totaled \$375 million in two distribution. The money was distributed based on local government funding calculations. The next round of funding distribution from HB614 will be based on a per capita basis so Solon will get a larger portion of the \$650 million of funding.

There are guidelines on how the federal relief money can be spent as issued by the United States Department of Treasury and provision in the state legislation. One restriction is that all the money received must be incurred by November 20, 2020. Ohio required local governments to create a specific fund to manage the distribution of this money. (Solon Fund 271). Any funds that are not obligated by November 20, 2020 must be returned to the County Auditor (County Fiscal Office) and will be redistributed by November 25, 2020. There is a small chance that Solon will receive additional funding if other communities do not spend down all of their funds and are obligated to return money for redistribution. Also, any money that is not spent by December 30, 2020, not incurred, must be returned to the County Auditor by February 1, 2021.

With the requirement to identify funding uses by December 30 and the flexibility to use the funds through February 1, 2021 Solon has identified the Fire Station 1 interior rehabilitation project for use of these funds. All City funding reporting goes through the State of Ohio Office of Budget Management.

Solon is using a Citywide coordinated effort to identify and track COVID related costs incurred by all departments. Departments are making modifications and procuring equipment and supplies to respond to COVID so by tracking these activities the expenses can be covered by the CARES Act funding being received. Funding is also being targeted to special projects and equipment. The goal is to maximize the relief on operating budgets and

position the City's operations to be COVID resilient well into 2021 and beyond. This included PPE, air filtration, plexiglass protective barriers, etc. The City is looking to reimburse the costs on these eligible expenses. The goal is to use every dollar received. Public safety payroll is eligible but has not been included at this point.

As of now \$996,082 (87%) funds have been committed. This includes the Fire Station project. This category includes all activities identified for use, not necessarily spent yet. \$257,082 (23%) funds have been encumbered. \$114,737 (10%) funds have been spent with a balance of \$144,434 (13%) remaining.

To date 87% of the funding has been used for building modifications and improvements. For instance approximately \$90,000 of air purifiers have been ordered, received and installed in the department working areas. Also, 9% of the funding has been used for PPE including cleaning supplies and disinfectant. The City is currently looking at UV disinfectant systems for police and fire vehicles.

Councilwoman Meany stated that \$87,984 was spent on air purifiers and wanted to clarify that this cost is included in the numbers stated. Director Rubino confirmed that the expenses are included.

Director Rubino stated that pending CARES Act eligible projects also include Fire Station 1 interior rehabilitation, citywide installation of touchless bathroom fixtures, citywide UV retrofitting of HVAC units, and mobile UV disinfecting units for Police and Fire.

Councilwoman Meany asked when the City received the second round of funding of \$106,552. Director Rubino stated that the money was received in early September and was a surprise when it was received. HB481 used the Local Government Fund formula. The State controlling board distributed these funds but relies on the County Auditors to distribute the money because the Budget Commission already has the system to distribute the money.

Councilwoman Meany also asked if this money can be used to test employees as more return to the work environment. Director Rubino stated the testing supplies would need to be procured prior to yearend. This may be difficult as tests and testing kits are in low supply and require the help of the local health agency to determine how to deploy the tests. There is currently no policy as to how the majority of the departments would deploy tests. The Senior Center is actively using a program that is driven by State guidelines.

Councilman Pelunis stated he is happy to be receiving these funds to help offset the budget shortfalls. Councilwoman Meany and Councilman Zelwin agreed. Councilman Zelwin also stated he is happy that the City is receiving this money and taking a large capital project off the books to be funded outside City funds and is happy the firm being used has Solon residents that help run the firm. He stated that this firm also updated the exterior of the Bull Home.

1. BUDGET AMENDMENT TO THE SOLON CORONAVIRUS RELIEF FUND (NO 271) –
ADDITIONAL APPROPRIATION

Councilwoman Meany motioned to prepare legislation to approve the proposed amendment to the 2020 Appropriation Ordinance for the City's Coronavirus Relief Fund (No 271) under emergency. Second by Councilman Pelunis.

ROLL CALL: AYE: Meany, Pelunis, Zelwin
 NAY: None

Motion Carried

- **PROCUREMENT UPDATES PURSUANT TO ORDINANCE 2020-55**
Council acted quickly to set this in place and it has helped a great deal to coordinate the procurement of the equipment and materials to respond and then use the CARES Act Funding.

Councilwoman Meany asked if the states will be given more money by the Federal Government. Director Rubino stated he is hopeful more funding will be given but is not clear on what the timing would be. He stated that Senator Portland would like to extend the spending deadlines since much of 2021 will probably be spent responding to COVID-19 as well.

Councilman Zelwin stated that Solon is lucky to have Director Rubino and his skilled handling of this situation.

ADJOURNMENT

Motion by Councilwoman Meany, second by Councilman Pelunis to adjourn the meeting at 6:56 PM

ROLL CALL: AYE: Meany, Pelunis, Zelwin
 NAY: None

Motion Carried

K Nelson, Secretary