1. Approval of the minutes of the regular meeting of October 21, 2019 and November 18, 2019.

   Documents:
   
   FNMM1021.PDF
   FNMM1118.PDF

2. Authorizing a contract with Senior Transportation Connection (STC), for the provision of senior transportation services for the period January 1, 2020 through December 31, 2020, in the maximum amount of $110,000. RC

   Documents:
   
   STCCONTRACTMEMOFORFINANCEANDADMINISTRATIONCOMMITTEE12092019.PDF

3. Authorizing the City to enter into an agreement with Cuyahoga County and the Federal Small Business Administration (SBA) to accept Round 3 SBA-Muni-County Small Business Finance Initiative funds in the amount of $150,000 and authorize an appropriation in the amount of $50,000 from the Economic Development and Housing Reserve Fund to participate in the Round 3 initiative.

   Documents:
   
   FINANCE MEMO.ACCEPT AND APPROPRIATE FUNDS.12.4.19.PDF

   To request an accommodation for a person with a disability, call the City’s ADA Coordinator at 216-491-1440, or Ohio Relay Service at 711 for TTY users.
The meeting was called to order by Chair Sean Malone at 7:30 A.M.

*   *   *   *

APPROVAL OF THE SEPTEMBER 16, 2019 MEETING MINUTES

Chair Malone stated that approval of the minutes of the September 16, 2019 were approved as recorded.

*   *   *   *

APPROVING AND AUTHORIZING EXECUTION OF A PURCHASE AGREEMENT UNDER THE CITY’S SIDE LOT PROGRAM, FOR THE SALE OF THE CITY-OWNED PROPERTY AT 3308 SUTTON ROAD, SHAKER HEIGHTS, OHIO, (PPN 735-14-005) FOR A PURCHASE PRICE OF $100.00, AUTHORIZING THE DISPOSITION OF CITY-OWNED PROPERTY WITHOUT COMPETITIVE BIDDING.

Kamla Lewis, Director of Neighborhood Revitalization, stated that this item is requesting approval and authorizing execution of a purchase agreement for the City-owned property located at 3308 Sutton
The City has received an application from Lila Campoblanco, 3304 Sutton Road, who is interested in acquiring the city owned vacant lot adjacent to her home in order to expand her lot which has no backyard. Ms. Campoblanco proposal stated that the vacant lot would be landscaped by a professional contractor at a cost of approximately $3,000 and used for a side yard.

The Neighborhood Revitalization & Development (NRD) Committee considered this application at their October 10th meeting and recommended the sale of the vacant lot located at 3308 Sutton Road (PPN 735-14-005) to Ms. Campoblanco.

Citizen Member Kolb asked about the variance in price of the lots being sold and questioned if there was a reason the cost was not more uniformed or consistent.

Director Lewis stated that at the start of the program the Neighborhood Revitalization Committee had a discussion and it was decided that the lots are so varied in size, usage, no use, buildable verses non buildable and it was determined that a set price should not be set. The City receives a proposal to acquire the land including a statement on the development plans for the lot and how it is going to benefit community.

In response to Citizen Member Kolb regarding possible future issues, Director Lewis stated that all residents before submitting a proposal are aware of other properties sold and the amount they were sold for and are involved with information sharing meetings.

Council Member Moore stated that this is a significant investment for the resident that purchases the property and that included in the purchase is future increased property taxes.

Citizen Member Cicarella suggested that possibly one of the requirements for the purchase of a vacant lot might be the planting of trees as opposed to a few bushes or other landscaping, which in turn would benefit the City.

Director Lewis stated she agreed and that an employee from the Planning Department does meet with the resident before the purchase of the lot and does encourage planting a live fence verses just a chain link.

The Finance and Administration Committee recommended approving and authorizing execution of a Purchase Agreement under the City’s Side Lot Program, for the sale of the City-owned property at 3308 Sutton Road, Shaker Heights, Ohio, (PPN 735-14-005) for a purchase price of $100.00, authorizing the disposition of City-owned property without competitive bidding.

*   *   *   *

APPROVING AND AUTHORIZING EXECUTION OF A PURCHASE AGREEMENT UNDER THE CITY’S SIDE LOT PROGRAM, FOR THE SALE OF THE CITY-OWNED PROPERTY AT 3713 STRANDHILL ROAD (PPN 736-15-092) FOR $1.00 AND UTILIZE IT AS AN EXPANDED BACKYARD.
Director Lewis stated that this item is requesting approving and authorizing execution of a Purchase Agreement for the City-owned property located at 3713 Strandhill Road, Shaker Heights, Ohio and authorizing the disposition without competitive bidding.

The City has received an application from Tim and Melissa Kalan, 3614 Glencairn Road, who are interested in acquiring the city owned vacant lot behind their home in order to expand their lot. Their proposal stated that the vacant lot would be landscaped by a professional contractor and used to enlarge the backyard at an approximate cost of $5,772.

The Neighborhood Revitalization & Development (NRD) Committee considered this application at their October 10th meeting and recommended the sale of the vacant lot located at 3713 Strandhill Road (PPN 736-15-092) to the Kalan family.

The Finance and Administration Committee recommended approving and authorizing execution of a Purchase Agreement under the City’s Side Lot Program, for the sale of the City-owned property at 3713 Strandhill Road (PPN 736-15-092) for $1.00 and utilize it as an expanded backyard.

*   *   *   *

AMENDING SECTION 141.22 OF THE ADMINISTRATIVE CODE OF THE SHAKER HEIGHTS CODIFIED ORDINANCES TO INCREASE HOCKEY PROGRAM FEES.

Alexandria Nichols, Director of Recreation, stated that the Shaker Youth Hockey program is operated by the City and includes several hockey programs, clinics and camps that serves both residents and non-residents with priority for residents. Shaker's hockey program does service youth from surrounding communities that do not have a rink. The league fees are regulated by City Ordinance. A hockey fee study was conducted with the goal of learning more about what others rinks are charging with the result determining Shaker fees are neither the highest nor the lowest. The hockey fees account for approximately 33% of the rink revenue with the last hockey fee increase in 2013.

This item was presented to the Recreation Committee on October 2, 2019 followed by an extensive discussion. Following the discussion, the Recreation Committee approved the recommendation to increase the hockey fees of approximately 5% to be implemented in the springs of 2020 for the 2020-2021 program season.

Council Member Moore inquired on the origination of the Recreation Fund and how the funds became exhausted.

Chief Administrative Officer Chaikin stated that in the past the transfers from the General Fund to the Recreation Fund were more than needed. The General Fund always subsidized the Recreation activities and started to adjust the transferred amount.

In response to Council Member Moore regarding the subsidy, CAO Chaikin stated that starting in January, the Finance and Recreation Departments worked together to track non-revenue and revenue programs and have the records to identify what program needs to be subsidized.

In response to Citizen Member Lalley regarding corporate sponsorship, Chair Malone stated that private owned rinks are in a position to cover their expenses with higher fees verses public rinks and
the committees thought on corporate sponsorship and would it be enough monies to cover the subsidy.

Council Member Williams stated that for as long as he could remember the facility never received enough in fees to pay for itself, but now that it is adjacent to the Van Aken District could put the rink into a better position. The City long ago decided a rink was an asset to the City and was willing to carry the rink knowing ice rinks were money losers.

In response to Citizen Member Cicarella regarding competition, Director Nichols stated that the competition consisted of Cleveland Heights and the Cleveland Skating Club.

In response to Citizen Member Kolb regarding the expense, revenue and subsidy; Mayor Weiss stated that revenue and expenses are trackable and that the subsidy is done on a percentage basis and is used for other programs.

In response to Citizen Member Lalley regarding resident’s participation in hockey, Director Nichols stated that participation has increased with residents.

The Finance and Administration Committee recommended amending Section 141.22 of the Administrative Code of the Shaker Heights Codified Ordinances to increase hockey program fees.

*   *   *   *

AUTHORIZING A PERSONAL SERVICES CONTRACT WITH PRECISION WILDLIFE MANAGEMENT LTD FOR THE 2019-2020 DEER MANAGEMENT PROGRAM IN THE TOTAL AMOUNT NOT TO EXCEED $68,000.

Jeffrey DeMuth, Chief of Police, stated that this item is requesting the acceptance of a proposal and authorizing a personal services contract with Precision Wildlife Management LTD for the 2019-2020 Deer Management Program for deer culling on public and private property in the total amount not to exceed $68,000.

In response to multiple resident complaints about the impact of the overabundance of deer, the Wildlife Task Force was formed consisting of residents and Council Members to study the impact of the deer population in the City. The negative impacts associated with an overabundance of deer population is well documented. The Wildlife Task Force has recommended we continue the deer culling program for the 2019-2020 season and that deer culling be permitted on private property.

This item was presented to the Safety and Public Works Committee on October 4th and after discussion, the proposal for $58,000 to cull on both public and private property was supported by a majority vote of the members.

In response to Council Member Williams regarding private property, Chief DeMuth stated that it did included all residential private property and all properties are subject to review and approval.

Council Member Zimmerman stated that he is a member of the Wildlife Task Force and attended the Safety and Public Works Committee meeting and can insure the committee that the policies of this item have been thoroughly discussed by multiple committee meetings and the only decision left to
make the financial cost of public culling or public/private culling. The contractor informed the City the deer population moved from public property to bedding down in private property and in order for the culling to be successful suggested that both public and private properties needed to be done.

Chief DeMuth stated that the contractor claimed last year is was almost impossible to draw the deer to the bait piles on the public property because their all bedded down on private property.

In response to Citizen Member Cicarella in regards to ammunition, Chief DeMuth stated that the contractor uses a 243 caliber rifle and “no risk of penetration” or “pass through” bullet.

Council Member Moore stated that the contractor takes only one shot or he does not take the shot.

Chief DeMuth stated that the contractor does a log of all culling activities and 99% of all his cull shots are from the back of a truck on top of the cab. The spotter locates the deer through special binoculars and once the contractor knows the wind speed, he is able to adjust his sights to where he needs to place the bullet exactly.

In response to Citizen Member Kolb, Chief DeMuth stated that this is a budgeted expense and gave a brief timeline of activities the contractor follows.

In response to Citizen Member Lalley regarding the neighing cities, Chief DeMuth stated that research has indicated that if unchecked a deer herd will multiple 20 to 30% every year. There have been conversations with other cities who are doing nothing, but trying to decide if it is time since their issues are becoming out of control.

Council Member Zimmerman stated that the City has made very strong efforts with the neighing cities to bring them on board with the program, but for whatever reason the other cities have not been interested in working with us.

In response to Chair Malone regarding Precision’s personnel, Chief DeMuth stated that the owner of Precision is the only shooter and he has a spotter that works with him and presently he is only culling for Shaker Heights.

In response to Citizen Member Cicarello regarding Lyme disease, Chief DeMuth stated that it is the responsibility of the Ohio Department Natural Resources and they control the herd and are opponents of hunting.

Chair Malone asked what is the proper size of a private lot for culling.

Council Member Moore stated that most of the decision on this topic was about safety and it is up to the contractor to determine whether a private property is safe. The contractor has his parameters that are defined and it has been determined that the contractor will make that decision on a private lot being safe.

In response to Chair Malone, Council Member Zimmerman stated that the parameters are that the City is hiring an expert to perform the culling whose entire business and background is performing this type of work. The City has made a decision to cull and know that they have hired the right person.
to perform the job and are comfortable with his experience and expertise. The contractor will not take a shot unless he knows that it is safe.

In response to Council Member Williams regarding the Shaker Heights Country Club refusing culling, Mayor Weiss stated that they were not interested because presently there are not many deer on the property.

The Finance and Administration Committee recommended authorizing a personal services contract with Precision Wildlife Management LTD for the 2019-2020 Deer Management Program in the total amount not to exceed $68,000.

*   *   *   *

AUTHORIZING THE CITY’S APPLICATION FOR AND ACCEPTANCE OF A GRANT IN THE TOTAL AMOUNT OF UP TO $50,000 FROM THE CUYAHOGA COUNTY DEPARTMENT OF DEVELOPMENT 2020 SUPPLEMENTAL GRANT PROGRAM FOR PEDESTRIAN AND BICYCLE IMPROVEMENTS AT THE CHAGRIN BOULEVARD-LYNNFIELD ROAD INTERSECTION.

Ann Klavora, Principal Planner, stated that this item is requesting authorizing the application for and acceptance of a grant from the Cuyahoga County Department of Development 2020 Supplemental Grant Program in the amount of $50,000 to fund pedestrian and bicycle improvements at the Chagrin Boulevard-Lynnfield Road intersection.

The Cuyahoga County Department of Development has allocated $1M for the Supplemental Grant Program (CDSG) and will award up to twenty grants of $50,000. The Supplemental Grant Program is a competitive grant that makes awards to help strengthen cities, encourage regional collaboration and improve quality of life for county residents. CDSG applications are open to all 59 Cuyahoga County communities and 501(c)(3) community development corporations. All grant projects must meet a community development need related to the health or welfare of the community. Last year, the Planning Department applied for and received $50,000 to make landscape improvements in the Van Aken District RTA busway area.

The 2020 grant application will request funding to install enhancements at the Chagrin-Lynnfield intersection to make it easier for pedestrians and bicyclists to cross Chagrin Boulevard. The heavy volume of traffic through the intersection (approximately 15,000 cars/day) makes crossing the street difficult and dangerous without a traffic signal.

This project was presented at a public meeting discussing the grant program on September 23. Sussex neighborhood residents in attendance voiced support for the project. This request was also presented to the Safety & Public Works Committee on October 4, where it was unanimously approved.

In response to Council Member Williams, Ms. Klavora stated that the $50,000 is strictly for construction and the $50,000 is maximum the City can apply for.

Council Member Zimmerman suggested that the memo be changed for the Council meeting from difficult and dangerous to stating that that intersections problem could be alleviated with a traffic signal.
Citizen Member Lalley asked is the City was spending a lot of administrative time applying for this grant, when the solution of a traffic signal doesn’t seem to very satisfying in the end.

Ms. Klavora stated that this particular grant and the requirements are fairly minimal.

Chair Malone asked if this is temporary solutions and will be revisited.

Ms. Klavora stated that presently they are working with the Police Chief on this and will learn more when they have a dedicated public with the neighborhood to find out in more detail what the situations are. There are a lot of options and we are leaving open select the best option.

The Finance and Administration Committee recommended authorizing the City’s application for and acceptance of a grant in the total amount of up to $50,000 from the Cuyahoga County Department of Development 2020 Supplemental Grant Program for pedestrian and bicycle improvements at the Chagrin Boulevard-Lynnfield Road intersection.

*   *   *   *

AUTHORIZING AN AMENDMENT TO THE PROFESSIONAL CONSULTANT CONTRACT WITH WEBER MURPHY FOX FOR ADDITIONAL FUNDS IN AMOUNT OF $35,874 FOR THE COMPLETION OF THE PHASE 2 DETAILED DESIGN DOCUMENTS FOR THE CITY HALL SPACE STUDY AND PLAN.

Cameron Roberts, Planner, stated that this item is a request to modify an existing professional services contract to initiate Phase 2 of the City Hall Space Study and Plan project, which aims to co-locate the Building and Housing Inspection Department by re-organizing department locations and functionality within City Hall.

The original contract for Weber Murphy Fox (WMF) was signed in July 2018 after a competitive RFP process for the not-to-exceed amount of $31,280 for completion of Phase 1: fit plans and cost estimates. The contract was amended twice to allow WMF to explore cost reduction options. Phase 1 of the project is now complete at a total cost of $38,980.

In response to Council Member Williams regard the total cost, Mr. Roberts stated the final cost would be $72,291.

The Finance and Administration Committee recommended authorizing an amendment to the professional consultant contract with Weber Murphy Fox for additional funds in amount of $35,874 for the completion of the Phase 2 detailed design documents for the City Hall Space Study and Plan.

*   *   *   *

DISCUSSION REGARDING THE POTENTIAL TO REFUND THE 2012 URBAN RENEWAL BONDS.

Frank Brichacek, Interim Finance Director, stated in 2003 and 2009 the City issued Urban Renewal Bonds to finance public improvement projects (primarily Sussex Courts and Fire House No. 1) in the Sussex
and Shaker Towne Centre areas of the City. Those bonds were refunded in 2012 and 2016 to take advantage of favorable interest rates at that time. Interest rates are currently moving downward creating the potential opportunity to refinance the 2012 refunding issue, thereby reducing the City’s annual TIF debt service requirement. This is significant as currently the TIF PILOT payments from these projects are not sufficient to fully finance the annual debt service requirement, forcing the General Fund to finance the shortfall. As such, any reduction in the annual TIF debt service requirement will free up General Fund resources for other City needs.

Matthew Stuczynski, MAS Financial Advisory Services, LLC, updated the Committee on current trends in the debt market and reviewed potential refunding options available to the City should interest rates continue to move in a downward trend. He noted that while current rates are not yet at a level to justify refunding at this time, it would serve the City well to prepare for the opportunity, should the refunding provide a material savings to the City. Mr. Stuczynski reviewed a proposal that was prepared by Fifth Third Securities on October 4, 2019 as an example of the potential savings that refunding the existing bonds could provide. He also noted that the analysis also demonstrates the volatility of the market as the savings potential that existed on October 4th did not exist today due to changes in interest rates. As the existing bonds have a call provision in the next year, Mr. Stuczynski recommended that the City begin to plan now if the opportunity to refund the debt should occur in the future.

In response to Council Member Williams, Mr. Stuczynski stated that these are 725 bonds or general obligation/urban renewal bonds. Section 725 is a section of the Ohio Revised Code that authorizes the issuance of urban renewal bonds.

Citizen Member Lalley asked Mr. Stuczynski just how long he was suggesting this open window of opportunity.

Mr. Stuczynski stated that it would be till the call date typically which would be December 1, 2021, but no more than two years.

In response to Mayor Weiss, Mr. Stuczynski stated the legislation would cover all types of potential sales and the authorization to advance refund the Series 2012 bonds and would leave open the method of sale.

Citizen Member Lalley stated that parameters should be considered to provide the Mayor and Administration with decision making guidance since the City is in the process of hiring a new Finance Director. Mr. Stuczynski stated that the Government Finance Officers Association of America’s standard for debt refinancing is a savings of at least 3.0% and that generally most local governments will consider debt refinancing when a 3% to 5% savings can be achieved. After discussion, the consensus of the Committee was to recommend that the authorization include a recommendation that the refinancing authorization include a requirement that the debt refinancing result in at least a 3.0% savings to the City.

Mayor Weiss stated that the hiring process is moving along, but the City would not want to miss an opportunity because of that. The Mayor further stated that the Administration would be working closely with the Mr. Stuczynski, the City’s financial advisor, throughout the process.

After hearing Mr. Stuczynski’s presentation, the Finance and Administration Committee agreed with the idea of refunding the existing TIF debt issues should conditions favorable to the City exist in the future provided that the debt refinancing result in at least a 3.0% savings to the City. If the interest rate environment warrants a refunding, an ordinance authorizing the refunding will be presented to City
Council without returning to the Finance and Administration Committee for further review. The City will then be in a position to act without delay before market conditions change.

After further discussion, the Finance and Administration Committee recommended to City Council that the 2012 Urban Renewal Bonds be refunded should future market conditions become favorable to the City.

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There being no further business, the meeting was adjourned at 9:18 a.m. The next meeting will be November 18, 2019.

__________________________________________
Frank J. Brichacek
Finance and Administration Committee
Finance and Administration Committee Minutes  
Monday, November 18, 2019  
7:30 A.M.  
Conference Room B

Members present:  
Council Member Sean Malone, Chair  
Council Member Earl Williams, Jr.  
Council Member Rob Zimmerman  
Council Member Nancy Moore  
Citizen Member Linda Lalley  
Citizen Member Anthony Moore

Others present:  
Mayor David E. Weiss  
Chief Administrative Officer Jeri Chaikin  
Frank J. Brichacek, Interim Finance Director  
Cheryl Arslanian, Assistant Finance Director  
Patrick Sweeney, Chief of Fire  
Laura Englehart, Director of Economic Development  
Sandra Middleton, Human Resources Manager  
Frank Goforth, League of Women Voters

The meeting was called to order by Chair Sean Malone at 7:33 A.M.

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APPROVAL OF THE OCTOBER 21, 2019 MEETING MINUTES

Chair Malone stated that approval of the minutes of the October 21, 2019 meeting are being held until the December meeting.

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PROPOSED TAX INCREMENT FINANCING ON WENDY’S PROPERTY.

Laura Englehart, Director of Economic Development, stated that the City engaged in discussion with the School Board for several months on this TIF proposal. On November 7th the School Board approved the Wendy’s TIF and authorized entering into the School Compensation Agreement. The City is actively working to attract and create new economic development opportunities and uses tax increment financing (TIF) as a tool to promote additional development of properties on Warrensville Center Road/Chagrin Boulevard. To help encourage and facilitate such future development, the City can leverage demolition and construction of a new Wendy's by establishing a TIF and directing proceeds into a fund for future development activities. The TIF allows improvements to a certain parcel(s) of real property that is used for public purpose, requires the owner of the improved parcel to make service payments in lieu of taxes, establishing a municipal improvement tax increment equivalent fund.
The Neighborhood Revitalization and Development Committee recommended approval of these items on October 10, 2019. Upon recommendation by this Finance and Administration Committee, City Council will consider this item at its meeting this evening, November 18, 2019.

In response to Council Member Zimmerman regarding the increases, Director Englehart stated that since the construction of the new Wendy's was not completed an appraisal could not be done, so the City took 80% of the cost of construction as the assumed future valuation. It was also agreed upon with the schools that after a year if the estimated value is not achieved, discussion would be reopened ensuring they did not lose any increments.

Mayor Weiss stated that the County appraises the property, so there is no separate analyzes done. The values were estimated for purposes of negations and discussions with a safeguard put in place for any varies and the County will perform the normal appraisal of the property.

In response to Council Member Williams regarding the value set on this building, Mayor Weiss stated that the City does not have the actual value.

Citizen Member Lalley stated she was concerned about the TIF process regarding the percentage splits and the possibility of reinforcing the concept that this is more a City project and less a School, Library and City project.

Mayor Weiss stated that the schools were totally involved in the discussions and negations. The flipping concept was done intentionally in conjunction with the schools with the idea being front end load the TIF, so that the City could create the pot faster so that we could accelerate economic development and then have the flip back the other direction. The discussions consisted on how we both could achieve as quickly as possible.

Director Englehart stated there are two types of TIF. One allows the City to give the money to private developer to assist with a specific development and the other type of TIF being used here is only to be used for public improvements.

Citizen Member Lalley stated that many in the school community view the TIFs as pure tax abatement and suggested better communications to educate the public on the actual TIF process and other information sharing.

In response to Chair Malone regarding possible future TIF projects, Mayor Weiss stated that the City is constantly looking at opportunities.

The Finance and Administration Committee recommended the proposed Tax Increment Financing on Wendy’s Property.

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AUTHORIZING AN EXTENSION OF TIME FOR REPAYMENT OF A LOAN TO THE SHAKER HEIGHTS DEVELOPMENT CORPORATION.
Director Englehart stated that this item is a request to extend the term of a loan to the Shaker Heights Development Corporation in the amount of $27,700 for costs associated with a contract for professional fund development and related services for an additional three years until January 1, 2023.

This item was presented to the Neighborhood Revitalization and Development Committee on November 13th and review only in the absence of a quorum. The committee requested a future comprehensive update from the SHDC on their new strategic plan, which will be scheduled.

Citizen Member Lalley stated that if the corporation is experiencing difficulties, questioned converting the loan to a grant.

Mayor Weiss stated that has been considered and a decision was made to research further back to the why and how of this loan before making any further decisions.

Director Englehart stated that the loan supported professional services to help Shaker LaunchHouse Institute to raise funds. The loan amount was $27,000 not including the 1% interest rate.

The Finance and Administration Committee recommended authorizing an extension of time for repayment of a loan to the Shaker Heights Development Corporation.

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**AMENDING SECTION 136.06 OF THE ADMINISTRATION CODE OF THE SHAKER HEIGHTS CODIFIED ORDINANCE RELATIVE TO THE COMPULSORY RETIREMENT AGE.**

Sandra Middleton, Human Resources Manager, stated that this is a request to amend Section 136.06 of the Administrative Code of the Shaker Heights Codified Ordinance to give firefighters and law enforcement officers the opportunity to request up to three (3) twelve month waivers of the mandatory retirement age to extend employment to the age of sixty-three subject to a fitness for duty examination and the employee’s prior performance reviews and that the Mayor be authorized to grant waivers.

Citizen Member Moore inquired that, in regards to the firefighters in the event of a conflict between the language in the collective bargaining agreement and the administrative code which would govern or is the exact same language be incorporated in both documents?

Ms. Middleton stated that the labor attorney stated the contract would take first position over the City’s code, but the City is going to use exact same language in both.

In response to Council Member Moore regarding retirement, Ms. Middleton stated that they would not be retiring and being rehired so no change in regards to City’s contribution to retirement.

In response to Citizen Member Moore regarding an appeal process if an officer or firefighter’s waiver is denied, Ms. Middleton stated that there is no appeal process in the collective bargaining agreement. It is totally at the discretion of the City, but if an officer or firefighter can pass the physical and their past performance is good, the City will approve the waiver.
In response to Chair Malone regarding the physical, Ms. Middleton stated the physical can be performed by any Doctor. At the time of the physical the Doctor is required to fill out a form provided by the City explaining the physical requirements of the position and verification is required by the Doctor that the employee has passed all requirements.

Council Member Moore asked was there a reason why this decision has surfaced now.

CAO Chaikin stated that the 60s are now the new 45 and the City does not want to lose the older employees experience.

Mayor Weiss stated that many cities do not have a mandatory age limit. The City felt this was a good balance to make sure that members of the safety forces can continue to perform at the level that the City needs and expects and yet not force an individual out just because of age.

The Finance and Administration Committee recommended amending Section 136.06 of the Administration Code of the Shaker Heights Codified Ordinance relative to the Compulsory Retirement Age.

*   *   *   *

There being no further business, the meeting was adjourned at 8:03 a.m. The next meeting will be December 9, 2019.

________________________________________
Frank J. Brichacek
Finance and Administration Committee
Memorandum

To: Members of Finance and Administration Committee

From: Alexandria Nichols, Recreation Director

cc: Mayor David E. Weiss
    Chief Administrative Officer Jeri E. Chaikin

Date: December 9, 2019

Re: Senior Transportation Connections (STC) Contract Proposal

Since 2009 the City of Shaker Heights has been contracting with Senior Transportation Connections (STC) for the provision of senior transportation services. Between 150 and 250 people register for this service annually and most use it for medical appointments transportation. Although not all registered people use the service, STC transports senior residents on over 4,000 one-way trips per year. Table 1 below details the number of one way trips in 2019 based upon the ride type through the end of October.

Table 1 Ride Categories

<table>
<thead>
<tr>
<th>Trip Type</th>
<th>2019 Trips</th>
<th>Percentage of Rides</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dialysis</td>
<td>430</td>
<td>10.44%</td>
</tr>
<tr>
<td>Education</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Employment</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Group Shop</td>
<td>508</td>
<td>10.94%</td>
</tr>
<tr>
<td>Medical</td>
<td>2615</td>
<td>65.53%</td>
</tr>
<tr>
<td>Personal</td>
<td>294</td>
<td>9.77%</td>
</tr>
<tr>
<td>Community Building</td>
<td>180</td>
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</tr>
<tr>
<td>Shopping</td>
<td>57</td>
<td>2.14%</td>
</tr>
<tr>
<td>Volunteer</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Special Trips</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Adult Day Care</td>
<td>33</td>
<td>0.12%</td>
</tr>
<tr>
<td>Total Rides</td>
<td>4117</td>
<td></td>
</tr>
</tbody>
</table>

Compiled from STC data for one-way trips from January through the end of October 2019, the majority of the trips are for medical appointments, personal rides, and group shopping. The service area for senior transportation medical appointments includes Cleveland Clinic Main Campus, University Hospitals Main Campus, and other medical facilities located in Solon, Willoughby Hills, Euclid, and Warrensville. Personal trips and group trips go to most surrounding communities with
consideration for other locations when applicable. For example, a resident requested to have personal trips to University Circle to volunteer at a museum. Riders pay a $1.00 donation per one way for medical, individual, and group trips. A $5.00 fare, per one way, is in place for the personal trips. The City is not proposing increased rider fees and is not recommending changes to the cost to residents for 2020. Users of senior transportation are permitted a maximum of two round trips per week.

Table 2 shows the changes in rides for the last four years. The number of rides shown are through the end of the third quarter of each year. Rides were on a downward trend but are showing an increase for 2019.

Table 2 Ride Categories

<table>
<thead>
<tr>
<th>Trip Type</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dialysis</td>
<td>164</td>
<td>157</td>
<td>234</td>
<td>430</td>
</tr>
<tr>
<td>Education</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Employment</td>
<td>208</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Group Shop</td>
<td>733</td>
<td>601</td>
<td>458</td>
<td>508</td>
</tr>
<tr>
<td>Medical</td>
<td>2642</td>
<td>2414</td>
<td>2644</td>
<td>2615</td>
</tr>
<tr>
<td>Personal</td>
<td>174</td>
<td>174</td>
<td>398</td>
<td>294</td>
</tr>
<tr>
<td>Community Building</td>
<td>563</td>
<td>258</td>
<td>189</td>
<td>180</td>
</tr>
<tr>
<td>Shopping</td>
<td>3</td>
<td>6</td>
<td>99</td>
<td>57</td>
</tr>
<tr>
<td>Volunteer</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Special Trips</td>
<td>0</td>
<td>20</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Adult Day Care</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4492</td>
<td>3630</td>
<td>4028</td>
<td>4117</td>
</tr>
</tbody>
</table>

STC has been undercharging for trips and in 2020 they are proposing changes in the contract. The proposed fares for individual and medical trips is increasing to $30.00, per one way, while group trips is increasing to $9.75 and personal trips increasing to $20.00. Another contractual change is the fuel escalation charge. In previous contracts, there was a fuel escalation clause that provides STC the right to modify fees depending on the cost of fuel starting when fuel costs exceed $3.00 per gallon.

STC is proposing to reduce this fuel escalation charge to $2.50. STC, by contract, will check pricing Friday for the upcoming week and they use AAA to get the average price of fuel. When fuel prices exceed $2.50, the cost per ride and type, increases $0.25 per one way up to $2.75 per gallon. Above $2.75 the fares increase $0.50 from the base cost per one way ride by type. The potential impact on the budget for the fare and fuel escalation changes is expected to increase spending by approximately 10%. The 2019 budgeted amount for STC was $100,000 and the proposed 2020 budget for this contract is $110,000.

Table 3 details the fees changes over the past three years and the proposed fee increase for 2020.
Table 3 Three Year Fee History

<table>
<thead>
<tr>
<th>Fare Type</th>
<th>2017 Fees</th>
<th>2018 Fees</th>
<th>2019 Fees</th>
<th>2020 Proposed Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>$ 9.25</td>
<td>$ 9.50</td>
<td>$ 9.50</td>
<td>$ 9.75</td>
</tr>
<tr>
<td>Medical</td>
<td>$ 22.50</td>
<td>$ 23.00</td>
<td>$ 24.50</td>
<td>$ 30.00</td>
</tr>
<tr>
<td>Individual</td>
<td>$ 22.50</td>
<td>$ 23.00</td>
<td>$ 24.50</td>
<td>$ 30.00</td>
</tr>
<tr>
<td>Personal</td>
<td>$ 17.50</td>
<td>$ 18.00</td>
<td>$ 18.00</td>
<td>$ 20.00</td>
</tr>
</tbody>
</table>

This item was presented to the Recreation Committee on December 4, 2019 and questions and responses from this meeting are included below.

Question: How much is the City spending on the STC contract for this year?
Answer: To date, the City has spent nearly $92,000 on senior transportation services. There is one month remaining so it is unlikely this will exceed the budgeted $100,000.

Question: What other communities provide transportation through STC?
Answer: There are many communities in northeast Ohio using STC for senior transportation. Some of the Cities include Solon, Orange Community Education and Recreation, University Heights, and Lakewood. Communities not contracting senior transportation, like Beachwood and Warrensville Heights, are doing it in-house.

Question: In the past there was conversation about joining the Community Partnership on Aging (CPA), a consortium that provides a variety of senior services. Is the City still considering this?
Answer: Following the senior service questionnaire and a review of services available through CPA there was no identifiable gap in services the City of Shaker Heights was providing. Additionally, CPA provides a similar complement of services to their constituents that Shaker does for residents so there was no clear reason to join this consortium. For example, CPA partners with STC on transportation and since contracts are similar, there was no benefit from joining the consortium.

Question: Who are the STC users?
Answer: People using STC through the City are required to be residents 60 years or older. Many of the users no longer drive due to age, physical, or visual impairments. RTA’s paratransit is an alternative service but residents prefer STC because of the shorter pick-up windows and the personalized service by the drivers. Ride sharing services are another option but most seniors have not adopted this level of technology for this to be a viable option for transportation services.

Question: Will the City have enough in the budget to cover the cost for the increased costs in the STC contract?
Answer: It is hard to predict ridership levels it is estimated the City will spend approximately $10,000 more in 2002 than was budgeted in 2019. If the change in costs is accompanied by increased rides, Council will be asked to appropriate more money for this service.
Partnering with STC evolved out of a need for efficiency. Many years ago the City had a robust senior service department that included City owned vans, drivers and transportation schedulers. This was an expensive endeavor and the City worked with other communities to form TC3. This consortium reduced costs for transportation services for seniors and ultimately evolved into Senior Transportation Connections. STC is able to efficiently provide a regional fleet of vehicles from large passenger vans, to smaller handicap accessible vehicles. There is an eastside garage that makes ease of service the eastside communities very efficient. STC has always been responsive to community needs and pleasant to work with.

One of the senior service goals is to provide transportation services for senior Shaker residents that are financially or physically unable to do so on their own. This service is critical for those residents who want to age in their homes but do not have transportation services. STC has provided excellent service to the City and its residents since 2009. The Recreation Committee recommends that this contract is approved by City Council and it is requested that the Finance and Administration Committee recommend to Council the approval of the contract with STC for the period of January 1, 2020 through December 31, 2020 with a cost to not exceed $110,000. This amount is included in the 2020 proposed budget for senior transportation.
Memorandum

To: Members of Finance and Administration Committee
From: Katharyne Starinsky, Senior Economic Development Specialist, ED Department
cc: Mayor David E. Weiss
Chief Administrative Officer Jeri E. Chaikin
Director of Economic Development Laura Englehart
Date: December 4, 2019
Re: Accept Round 3 SBA-Muni-County Small Business Finance Initiative Funding ($150K) and appropriate $50K from the Housing and Economic Development Reserve Fund to replenish the SBA Shaker Partnership Loan fund

The City of Shaker Heights was one of two cities to successfully pilot the first round of the SBA-Muni-County Small Business Finance Initiative (the Muni-SBI Program) in 2014. In Shaker, we call the loan the SBA Shaker Partnership Loan. To launch the pilot program, the City and Cuyahoga County each committed $250,000. Of that initial $500,000 fund, $143,654 remains. With the knowledge that there are three possible projects in the pipeline for the first quarter 2020, to be able to continue support small business growth throughout the remainder of the year, we applied to receive Round 3 funds ($150,000) from the County. The Round 3 County awards for Shaker Heights, Lakewood and Cleveland Heights are subject to final approval by the Cuyahoga County Board of Control, which will be reviewed on December 16, 2019, as well as a required contribution by the City of $50,000. Total Round 3 funding ($200,000) in addition to the remaining Pilot funds ($143,654) will bring our available loan funds to $343,654. These funds are a critical part of growing the business ecosystem in the City.

The Economic Development Department requests that the Finance and Administration Committee recommend to Council:

1. That the City enter into an agreement with the County and SBA to accept Round 3 SBA-Muni-County Small Business Finance Initiative funds in the amount of $150,000.
2. Appropriate $50,000 from the Economic Development and Housing Reserve Fund to participate in the Round 3 initiative.
PILOT PROGRAM SUCCESS
Since the program’s inception in 2014, the City has completed twelve Muni-SBI loans resulting in $356,346 in forgivable loans, which resulted in $2,425,009 in total financing.

<table>
<thead>
<tr>
<th>Business</th>
<th>Projected Job Creation</th>
<th>Lender</th>
<th>Total Forgivable Loan Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juma Gallery LLC</td>
<td>1 FT, 5 PT</td>
<td>Citizens</td>
<td>$40,000</td>
</tr>
<tr>
<td>J. Pistone's Market &amp; Gathering Place</td>
<td>2 FT</td>
<td>Huntington</td>
<td>$19,012</td>
</tr>
<tr>
<td>Protem Healthcare</td>
<td>50 FT, 100 PT</td>
<td>Ridgestone</td>
<td>$78,465</td>
</tr>
<tr>
<td>Marc Anthony Spa</td>
<td>18 FT, 14 PT</td>
<td>Faith Community Credit Union</td>
<td>$37,500</td>
</tr>
<tr>
<td>Sparks Beauty Supply</td>
<td>1 FT, 3 PT</td>
<td>ECDI</td>
<td>$10,347</td>
</tr>
<tr>
<td>Core Life Chiropractic</td>
<td>1 FT, 2 PT</td>
<td>Huntington</td>
<td>$23,938</td>
</tr>
<tr>
<td>Luster, A Gift Boutique</td>
<td>2 FT, 2 PT</td>
<td>Huntington</td>
<td>$19,915</td>
</tr>
<tr>
<td>Spice for Life</td>
<td>1 FT, 2 PT</td>
<td>Key Bank</td>
<td>$11,250</td>
</tr>
<tr>
<td>Banter</td>
<td>4 FT, 3 PT</td>
<td>Huntington</td>
<td>$14,612</td>
</tr>
<tr>
<td>Nature's Oasis</td>
<td>10 FT, 12 PT</td>
<td>Huntington</td>
<td>$71,250</td>
</tr>
<tr>
<td>Master Marr's Taekwondo</td>
<td>2 FT, 2 PT</td>
<td>Huntington</td>
<td>$22,057</td>
</tr>
<tr>
<td>Around the Table Yarns</td>
<td>2 FT</td>
<td>Key Bank</td>
<td>$8,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>94 FT, 145 PT</strong></td>
<td></td>
<td><strong>$356,346</strong></td>
</tr>
</tbody>
</table>

These projects have furthered the revitalization of Shaker’s commercial districts and have resulted in job creation, increased income tax revenue, and the expansion of Shaker’s target industry areas. Significantly, nine of the twelve forgivable loans were made to help start businesses in the greater Van Aken District; six were made to businesses owned by Shaker residents; eight were awarded to new-to-Shaker and/or start-up businesses; four were made to existing businesses for expansions.

PURPOSE
The purpose of the SBA Shaker Partnership Loan is:
- To foster and accelerate small business entrepreneurship through startups and expansions within the City of Shaker Heights, thus promoting the growth of these businesses, creating new jobs and increasing income tax generation to benefit the community as a whole.
- To close the financing gap created when small businesses lack sufficient equity to qualify for conventional bank financing, by providing these entrepreneurs with a credit enhancement performance grant/forgivable loan.
- To support businesses in securing a SBA-guaranteed bank loan that is coupled with quality technical assistance from a Small Business Development Center (SBDC) to strengthen business health.

PROGRAM OVERVIEW
When a qualifying small business prospect is interested in starting or expanding in Shaker Heights, City staff determines if the business could consider the SBA Shaker Partnership Loan to finance their project. The program requires the following:
- The business must contribute 10% equity;
• The SBA Shaker Partnership Loan program funds additional supplemental equity in the form of a performance grant/forgivable loan for 15% of the project cost up to a maximum amount of $50,000 or up to $100,000 for targeted designated sectors, including design, engineering and high-tech (the Performance Grant);
• An SBA-guaranteed bank loan provides the remaining 75% of project costs.

The Shaker Heights Performance Grant is subordinated, put on standby, and forgiven over a three to five-year period. The borrower is required to obtain technical assistance through a Small Business Development Center (SBDC) of their choosing. The City also requires the business to provide income tax projections that meet or exceed the City’s contribution to the Performance Grant over the contract term, which is typically in-line with their lease timeframe, usually three to five years.

STRUCTURE & TARGET MARKET
The Pilot program has been so successful that much of its structure will remain for the Round 3 program, including eligibility, the application process, program administration, and maintaining a high maximum Performance Grant for target industries. As with the Pilot program, target markets will include, but not be limited to, the following:
• Healthcare, IT, Professional Services, Engineering, Design (light industrial/assembly possible)
• Home based businesses and high tech entrepreneurial stage II companies moving into maker/office space
• Amenities like retail and restaurants in core commercial districts

We will update our approach with Round 3 funding to reflect the changing economy and business mix in Shaker Heights due in part to the opening of the new Van Aken District. Most significantly, now that the Van Aken District has lower availability of commercial real estate, in Round 3 we will emphasize attracting businesses to the Chagrin+Lee area. Strengthening the Chagrin+Lee commercial district is a top economic development priority for the City. Working in partnership with Shaker Heights Development Corporation (SHDC), we are taking a proactive approach to business growth in the Chagrin+Lee commercial district by assisting businesses that are ready to grow out of The Dealership and strategically helping to rehabilitate underutilized properties for business expansions. Round 3 funding will provide a needed tool to help advance these efforts.

Furthermore, businesses that hold County certifications such as Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Small Business Enterprise (SBE), and/or are recognized by the SBA as Veteran-owned businesses will be given priority consideration. Also, in line with City Council’s recently enacted additional provisions to its anti-discrimination laws, priority consideration will also be given to the LGBTQ community.

PROGRAM IMPACT
The SBA Shaker Partnership Loan has already and will continue to foster and accelerate small business entrepreneurship through startups and expansions within the City of Shaker Heights. As a result, new jobs will be created, existing jobs retained, and increased income tax generation will benefit the community as a whole.

The value of the SBA Shaker Partnership Loan to a business is significant because the Performance Grant (1) reduces the amount of equity needed up front for a business to secure a SBA-guaranteed
loan, providing greater access to capital; and (2) requires technical assistance from a SBDC, resulting in a more robust, healthy business and business community.

CONCLUSION
The SBA Shaker Partnership Loan is an important part of the business ecosystem in the City. It has provided access to capital for new and existing small businesses that may not have located in Shaker or opened at all if not for the SBA Shaker Partnership Loan program. To continue this program, the Economic Development Department requests that the Finance and Administration Committee recommend to Council:

1. That the City enter into an agreement with the County and SBA to accept Round 3 SBA-Muni-County Small Business Finance Initiative funds in the amount of $150,000.
2. Appropriate $50K from the Economic Development and Housing Reserve Fund to participate in the Round 3 initiative.