



SHAKER HEIGHTS

COUNCIL MINUTES December 17, 2018

The Council of the City of Shaker Heights met in regular session at 6:13 p.m., Mayor David E. Weiss presiding.

Council members present: Ms. Williams, Mr. Williams
Mr. Zimmerman (arrived at 6:24 p.m.)
Mr. Malone, Mrs. Moore
Mr. Roeder, Mrs. Senturia

Council members absent: None

* * * *

Audio of this meeting may be found [here](#) through March 17, 2019.

* * * *

At 6:14 p.m. it was moved by Mrs. Senturia, and seconded by Mr. Roeder that Council go into an executive session to discuss the purchase, sale or the development of real property where premature disclosure of information would give an unfair competitive or bargaining advantage to a person, or otherwise adversely affect the general public interest.

Roll Call: Ayes: Ms. Williams, Mr. Williams
Mr. Malone, Mrs. Moore
Mr. Roeder, Mrs. Senturia

Nays: None

Motion Carried

* * * *

At 7:05 p.m. Council returned to the regular meeting.

* * * *

It was moved by Mrs. Moore, and seconded by Mr. Williams, that the minutes of the special meeting of November 12, 2018, be approved as recorded.

* * * *

The Mayor invited members of the audience to comment on any of the agenda items.

David Lewis, representing Lewis Electronics located on Lee Road, commented on the expansion of a day care center. He feels they have a legitimate business, should be respected and feel welcome, but he is concerned about safety. He does not want to hold up their permit but believes there are about 40 tow operations a day being done in the nearby public right-of-way. The tow trucks get paid by the mile and they are not always driving slowly. The flatbed trucks and the adjacent daycare with cars coming in is not the greatest mix. He is hoping they can do something to remedy the potential safety hazard.

* * * *

Ordinance No. 18-107, by Mrs. Moore, accepting a proposal and authorizing a contract with McGowan Governmental Underwriters/Argonaut in the total amount of \$341,384 for property casualty insurance, and declaring an emergency.

Sandra Middleton, Human Resources Manager, stated that the property casualty insurance is included in risk management as well as self-insurance for health care, and self-insurance for workers' compensation. Property casualty insurance includes general liability, automobile, public officials and law enforcement. The City has additional coverage for terrorism, cyber-crime, and Finance Director Bond. The City also has an umbrella policy for \$10 million. The City currently uses McGowan Governmental Underwriters for all major lines of property casualty insurance with Argonaut Insurance as the carrier and American Agricultural Insurance for the umbrella coverage. This year we received proposals for property casualty insurance and hired a consultant to review the proposals and make recommendations. A request for proposals was sent to four agencies and we received one response, from McGowan. Our consultant, Compensation Analysis, contacted the three agencies that declined to submit a proposal and found three underlying reasons. The condition of the City dams was the overriding reason although we provided an abundance of information, including the capital improvements that would be done by the Northeast Ohio Regional Sewer District in 2019. Another reason was the recent high end losses. They also cited the lack of a spreadsheet for tracking small claims handled by the City. Our consultant indicated that most markets are experiencing a 5 to 12% increase. Our consultant recommends that we accept proposals on a three to five year basis versus waiting as long as we did last time. They also suggested a real property evaluation of all property in the City. The proposal submitted by McGowan included a 6% increase over 2018 in the amount of \$341,384. This amount included an increase in the number of autos in our fleet, an increase of flood and earthquake insurance, an increase for building ordinance and law, and an increase for contractors' equipment. The ad hoc liability and property insurance subcommittee of the Finance and Administration Committee reviewed the report from our consultant and recommended accepting the proposal from McGowan. There was further discussion by the Finance and Administration Committee about the conditions of the dams as well as types of claims the City handles. This item is requested as an emergency and with a suspension of the rules in order to sign the contract by January 1, 2019.

Council member Mr. Malone stated that this item was reviewed and unanimously approved by the Finance and Administration Committee. The ad hoc committee was created

earlier this year when it was determined that the City would be seeking proposals. They hope the ad hoc committee will continue to look at other risk management issues in general. The proposal was thoroughly considered with the consultant and by the Finance and Administration Committee. Although we were disappointed that we did not receive more bids, the increases are in line with the market especially considering we are purchasing additional insurance. We are optimistic that the lack of bids will not be replicated in the future since there are plans in place to fix the dams. The expectation is that next time we bid, which will be in a shorter time frame, we will see more proposals.

Council member Mr. Roeder thanked the ad hoc committee. He is glad this was bid since it has been 12 years since the last time and it is a large dollar amount. He asked what we can do so that next time we get a higher response rate. There are plans for the dams and he understands we are now tracking the claims the City handles. Hopefully, we will have a better chance of getting more proposals.

Council member Mr. Williams asked about the dams and if there are other cities we could join with for insurance to improve our risk profile.

Ms. Middleton stated that we sought insurance proposals for the City, not in conjunction with any other cities. The report from our consultant indicated that nationally dams are a concern with some of the recent tragedies.

Mr. O'Brien, the representative from Compensation Analysis, stated that there are clearly other cities that have dam exposure. Hurricanes and flooding in other areas have had a huge impact on property underwriting. We are a victim of the potential problems associated with the dams not having been repaired in some time and the reality that property underwriters have a dim view of dams. There are several different pools of cities but most of them would deal with the same agencies that we submitted requests for proposals.

It was moved by Mr. Malone, and seconded by Mrs. Moore, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 18-107 be placed upon its final enactment.

Roll Call:	Ayes:	Ms. Williams, Mr. Williams Mr. Zimmerman, Mr. Malone Mrs. Moore, Mr. Roeder, Mrs. Senturia
	Nays:	None

Motion Carried

Moved by Mr. Malone, and seconded by Mrs. Moore, that Ordinance No. 18-107 be enacted as read.

Ordinance No. 18-109, by Mr. Williams, amending Ordinance 17-92, which amended various sections of the Shaker Heights Codified Ordinances concerning the reorganization of the Building and Housing Inspection Departments, in order to make certain technical corrections, and declaring an emergency.

William M. Ondrey Gruber, Law Director, stated that last year the City merged the Building Department with the Housing Inspection Department to create one department. In doing that we updated the related ordinances as needed. However, there were some technical errors that have now been corrected.

It was moved by Mr. Williams, and seconded by Ms. Williams, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 18-109 be placed upon its final enactment.

Roll Call:	Ayes:	Ms. Williams, Mr. Williams Mr. Zimmerman, Mr. Malone Mrs. Moore, Mr. Roeder, Mrs. Senturia
	Nays:	None

Motion Carried

Moved by Mr. Williams, and seconded by Ms. Williams, that Ordinance No. 18-109 be enacted as read.

Roll Call:	Ayes:	Ms. Williams, Mr. Williams Mr. Zimmerman, Mr. Malone Mrs. Moore, Mr. Roeder, Mrs. Senturia
	Nays:	None

Ordinance Enacted

* * * *

Ordinance No. 18-110, by Mrs. Moore, amending the Codified Ordinances of the City of Shaker Heights to conform to current state law, and declaring an emergency.

William M. Ondrey Gruber, Law Director, stated that this item is for the annual update of the Codified Ordinances to include changes to state law that are incorporated in our ordinances that have occurred over the past year.

Council member Mrs. Moore stated that this item was reviewed and unanimously approved by the Safety and Public Works Committee.

It was moved by Mrs. Moore, and seconded by Mr. Williams, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 18-110 be placed upon its final enactment.

Allemas and Loving Cup to make sure they are compliant, and they are. He is still investigating the site issues. The site was developed as a combined site with Walgreens as well as the Chagrin/Lee Building. The investigation is taking a little longer because we have to review the shared parking. We also have to look at the Post Office operation and their conditional use permit. It is possible the investigation could impact the consideration of the daycare, however, the Post Office has their own driveway. The daycare drop off is from the courtyard of the building and the Post Office trucks are not in that area. The flatbed trucks could be a conflict for pedestrians. To her knowledge, there has not been any material changes in fact since the investigation. Mr. Feinstein is still looking into the original conditional use permit for the Post Office operation. The complaint seems to be about their operation.

Director Gruber stated that it is important to point out that the space in which they are expanding into had been previously used for a daycare. He is not aware of any changes in the factual circumstances of the courtyard.

Director Braverman stated that the courtyard is not impacted by the Post Office operation.

Mayor Weiss clarified that if the Post Office is not in compliance they need to be in compliance with their previous approval. We are simply investigating whether they are in compliance with their conditional use permit.

Council member Mr. Zimmerman stated that he is prepared to approve this on first reading but asked if there is anything that would give the City pause to let it remain on first reading and delay it until the investigation is complete.

Mayor Weiss stated that the investigation with respect to the Post office will continue. They are either in compliance or they are not.

Director Braverman stated that she feels this is unrelated because the Post Office has their own driveway and the children attending the daycare are dropped off in the courtyard where the Post Office vehicles are not permitted. There is no reason for them to be in the courtyard.

Council member Mr. Malone asked about the space where the daycare will be expanding and if Council can add additional conditions since this is a conditional use permit. He is concerned about Building Code violations in that space.

Director Braverman stated that Allemas used the space that Loving Cup now occupies as well as the Liberty Tax space. When Loving Cup took over they did not want that much space. It was leased to Liberty Tax, which is no longer there. It is contiguous to their current space on the inside and only accessed through the inside. We would require compliance with the Building Code as well as an occupancy permit for the new space, but we can also add that as a condition.

Mayor Weiss stated that he has had conversations with a variety of people about traffic on Lee Road. As we move forward with the development of Lee Road we will continue

to look at those, but he does not believe that is the issue before us tonight for this particular action.

Council member Mr. Roeder asked about the Post Office operation, confirmed that it has been operating for some time in this location, and that there are stipulations with the conditional use permit. The City is investigating to make sure they are following them.

Director Braverman stated that there is a Post Office repair facility in the same building, but the entrance is on Lee Road.

Director Gruber stated that it may be better to envision a letter "U" with the daycare on the bottom and right side and the post office on the left side. The inner portion of the letter "U" is the courtyard where the daycare pickup and drop off is located. To the left of the "U" is where the Post Office driveway parking is located, so their vehicles are adjacent to Lewis Electronics. The Post Office and daycare are really in separate areas.

Director Braverman stated that if someone is approaching the daycare walking down Lee Road they could come in contact with a tow truck exiting the drive on Lee Road. If you are being dropped off in a van or other vehicle you would enter through the courtyard and not come into contact with the Post Office operation.

Mayor Weiss stated that there is a building which separates the courtyard where the children are picked up and dropped off. On the other side of the building is the access for the Post Office repair operation.

Council member Mr. Roeder asked if there is the potential for new information to be discovered from the investigation. He understands that is not the focus of this item but also does not want to overlook anything when a little more examination might provide a better solution.

Director Braverman stated that if there is a violation with the Post Office, we could revoke their conditional use permit or require compliance. A violation of the Post Office will affect the Post Office more than the daycare.

Council member Mr. Zimmerman asked if it is important for the daycare to have this passed tonight so they can begin construction.

Mayor Weiss stated that the action that Council is being asked to take tonight will not have any impact on the resolution on the safety issue. We would be asking an applicant to delay their action when nothing that we are doing will impact them. If the Post Office is not in compliance then they will need to be in compliance. Delaying this application has no impact on resolving those safety issues. In some ways Council would be penalizing the wrong person.

In response to a question from Council member Mr. Zimmerman, Director Braverman stated that the children at the daycare participating in before and aftercare are housed in the lobby area. This expansion is to have a more permanent location. She does not know how a delay will impact them.

Council member Mr. Williams asked staff to provide any future updates to Council on this matter.

Council member Zimmerman made a motion to approve this item and suggested that it remain on first reading.

Council member Mrs. Senturia stated that she feels Council is a little off track. Important issues were raised but she is absolutely sure the daycare is taking a close look at safety issues and monitoring their own business. This is a business that had used this entire space as a daycare in the past. She has not heard anything that makes her think it is not ready to go to vote. She trusts the business has done its own research to be sure the safety of the children comes first. It is a daycare. They do their homework long before it comes to Council. She is comfortable moving forward tonight.

Council member Mr. Williams asked if the Police Department has looked into any safety issues.

Director Braverman stated that if there was a traffic issue the Police Department would be made aware of it.

Council member Ms. Williams asked how long the Post Office repair facility has been in operation. She agrees this is a little off topic because even if there is a safety issue, it is not anything the applicant can address. It will need to be addressed with the Post Office.

Director Braverman stated the Post Office has probably been here 20 years.

Council member Mr. Roeder stated that he believes his colleagues have made good arguments about this, but the prism he is looking through with his office at The Dealership is that the traffic here is very tricky. He understands this may be punishing the daycare which is why he asked how important a delay could be. He sees this as a larger discussion on overall safety in that area. He feels delaying this by one meeting to look at it specifically does not sound like a bad decision.

Council member Mr. Zimmerman stated that at the end of the day it is a matter of comfort for him if we take a little more time to look at this.

Council member Mr. Malone stated that he is concerned that there is no representative from the daycare present as to whether this would cause an issue with their renovation plans. For that reason he is inclined to agree with Council members Ms. Williams and Mrs. Senturia that the safety issues would affect the conditional use permit for Loving Cup. He would also like to have staff provide updates to Council on any potential problems. He does not believe we have enough information to hold off on their approval.

Council member Mr. Zimmerman stated that he is inclined to withdraw his motion and allow someone else to move this action so Council can vote to see where they stand.

It was moved by Ms. Williams, and seconded by Mrs. Senturia, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 18-112 be placed upon its final enactment.

Council member Mr. Malone stated that this item was reviewed and approved by the Finance and Administration Committee. The chart provided shows increases back to 2001 have been anywhere from 2% to 8% annually. It appears this 15% increase is an outlier and hopes that in future years we can expect smaller increases. He understands this was due to large scale infrastructure improvements at the CCBH. It is good to hear there is a Shaker resident on the CCBH Board and he hopes we can have input in the future. It is important to remember that we have no other options. The savings are very substantial even with this increase.

Mayor Weiss added that although we do not have any other options, other municipalities are also reviewing these fee increases.

It was moved by Mr. Malone, and seconded by Ms. Williams, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 18-115 be placed upon its final enactment.

Roll Call:	Ayes:	Ms. Williams, Mr. Williams Mr. Zimmerman, Mr. Malone Mrs. Moore, Mr. Roeder, Mrs. Senturia
	Nays:	None

Motion Carried

Moved by Mr. Malone, and seconded by Ms. Williams, that Ordinance No. 18-115 be enacted as read.

Roll Call:	Ayes:	Ms. Williams, Mr. Williams Mr. Zimmerman, Mr. Malone Mrs. Moore, Mr. Roeder, Mrs. Senturia
	Nays:	None

Ordinance Enacted

* * * *

Ordinance No. 18-116, by Mr. Malone, authorizing an extension of the purchase option for 3393 Warrensville Center Road contained in the First Amendment to the Development and Use Agreement with Van Aken Shopping Center Ltd. until March 31, 2019, and declaring an emergency.

William M. Ondrey Gruber, Law Director, stated that the City entered into an agreement with RMS in 2016 for the Van Aken development project. In the development and use agreement the City agreed to sell among other properties, the major portion of the former Qua Buick property located at 3393 Warrensville Center Road to RMS for \$750,000. When Fresh Market decided to leave the Cleveland market and not pursue a lease RMS asked the City to change the development and use agreement to allow it to retain the right

to develop the property for another use for up to two years. They had an 18-month option with an extension for 6 months which expires on December 20, 2018 pursuant to the amendment of the first development and use agreement with RMS. As part of that option RMS agreed to pay the City's portion of demolition costs that exceeded the amount provided in grants for demolitions. The County Land Bank performed the demolition. The overage the City would have had to pay was paid by RMS and in return the City gave RMS the option for the two-year period. If the option expires the City has to repay that \$93,000 immediately. At the request of RMS and so the City does not have to repay this amount, it is recommended that Council approve an extension of the purchase option until March 31, 2019. At that time the City and RMS can determine how to move forward.

Mayor Weiss clarified that all other terms and conditions remain the same.

Council member Mr. Malone stated that this is important for both the City and RMS at this juncture. He would like to see some thought given by RMS and/or the City for a time and place for public input on what to do with the Qua site. It is a sensitive topic but given that there was so much public input on Phase 1 of RMS' development and this is an area where the City still has control, it would be nice to hear some public feedback and thoughts for Phase 2 and beyond for Van Aken. He supports the 90-day extension.

Mayor Weiss stated that the Administration agrees with having RMS present to Council and the public about the status of the overall project including a discussion about the Qua site.

It was moved by Mr. Malone, and seconded by Mr. Williams, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 18-116 be placed upon its final enactment.

Roll Call:	Ayes:	Ms. Williams, Mr. Williams Mr. Zimmerman, Mr. Malone Mrs. Moore, Mr. Roeder, Mrs. Senturia
	Nays:	None

Motion Carried

Moved by Mr. Malone, and seconded by Mr. Williams, that Ordinance No. 18-116 be enacted as read.

Roll Call:	Ayes:	Ms. Williams, Mr. Williams Mr. Zimmerman, Mr. Malone Mrs. Moore, Mr. Roeder, Mrs. Senturia
	Nays:	None

Ordinance Enacted

* * * *

Robert H. Baker, Finance Director, gave a presentation on the final 2019 budget. He stated that 2018 actual revenues were \$535,000 less than the budget. Some revenues go up and some go down. The income tax revenues of the City of Shaker Heights for 2018 are \$553,565 less than 2017 revenues. This is the first time since the tax increase that income tax revenues have fallen instead of growing. Operating expenditures have gone down by over \$1,700,000. There are three things involved in that. The Police Department was budgeted to be fully staffed as of January 1, 2018 but only recently became fully staffed and although they were fully staffed, today they have a few vacancies. That has produced a large under spending in the Police Department budget. We have a variety of other programs where we appropriate money but the programs may or may not happen in a given fiscal year. The combination of under spending for personnel by some departments and not spending for some programming in other departments have produced a significant under spending. The fiscal system is closed for anything other than personnel spending so the departments can't spend any more than they have already. There is only one more pay this year and we know that amount. We know how much has been spent. The transfers out to support other funds are going to increase by over \$1 million. Our surplus has grown from \$350,000 to \$460,000. That is where we will end the year. Primarily we are increasing the Recreation Fund subsidy by \$200,000. Last year and this year's budget had \$1 million. Next year we are proposing \$1.5 million but we need to increase them this year by another \$200,000. We eliminated a proposed \$250,000 transfer to the Economic Development Fund. We slightly increased street lighting with costs going up. We reduced the General Capital transfer from \$3,550,000 to \$3,169,000 because the cash available in the General Capital Fund is larger so we are choosing to spend down some of the money in the fund. Council has approved vision loans to businesses moving in or expanding in Shaker Heights. The employees pay withholding tax to the City and that repays the Economic Development Fund for the loan. Almost all of our loans have been repaid. The amount of money we need to transfer back to the Economic Development Fund is about \$101,500.

Robert H. Baker, Finance Director, stated that the 2019 budget revenues were based upon 2% growth over 2018. At the end of September 2018 we had \$1.1 million more of income tax revenue than we had in 2017. With that amount he estimated a 2% growth in 2018 revenue over 2017 and 2% on top of that for 2019. No one anticipated that instead of more money from the income tax in 2018 there will be substantially less revenue in 2019 than presented in the Budget Book. The Budget Book assumed we would end 2019 with \$725,000 revenues over expenditures. Given the reduction in revenues we are now estimating \$7,200. We will be tracking revenues for the first six months very closely. He is hopeful that we will recover some or all of the revenues we received in 2018, in 2019. There is no way to know whether that will happen. The initial budget had a 2% salary growth for all City employees. That has been eliminated in the budget. The Recreation Youth Coordinator will remain part-time. We have eliminated money for the Disaster Recovery Plan, Lee Road streetscape pilot plan, point of sale process review, and tax relief research. The livestream system for Council meetings is being postponed and that money is being added to street repairs. We will closely monitor income taxes. In the past it was not an issue but so much is riding on what we achieve. If income recovers as he believes they will come back to Council with a revised budget in June or July.

Mayor Weiss stated that he feels all of the projects we have been discussing over the last several months are very important. No one knew we would have the reduction in the collection of income tax receipts so we have had to make adjustments along the way.

Our hope is that we will see a nice uptick in early 2019 so he views this as a preliminary budget that we will hopefully be updating soon and reinstating some of these initiatives that we would very much like to have.

Council member Mr. Williams asked about the State of Ohio allowing for a temporary budget of 90 days, although we must have a budget in place by April 1. This revised budget has opportunities for us to look again at our figures but he asked if we are constrained by any State laws to live within what we have adopted or if we can amend it without being in violation.

Director Baker stated that once we adopt this budget we can only expend monies that the Budget Commission has approved as resources that are available. Next week we will be filing with the County our Certificate of Resources which is how much money Shaker Heights has in existing accounts and will be collecting in taxes. Once the County approves it that is our limit on spending. As we go through the year we can file an amendment to our Certificate of Resources and if the County approves it we will be able to increase the size of the budget based upon additional resources. That has always been true. A temporary budget only lasts 90 days under State law. Our full year's budget being presented tonight can last the entire year, but as revenues increase as we hope, we can amend it to spend additional money.

Council member Mr. Malone stated that he will vote to approve the budget but as a caveat he emphasized that while we are all optimistic he feels the cost-of-living adjustment is an important gesture to employees, so he would have instead deferred some capital spending projects, put less into the reserve, or drew down a small amount of the reserve. He believes that the decrease in revenue is due to individuals deferring their tax payments as a result of the new federal tax law. He looks forward to a discussion in the new year about the reserve and the proper use of it as well as economic development. To him this highlights how dependent we are on individual tax payments. Until we can break free from that somewhat and increase our tax base we may see the dependence on the fluctuations in revenue. Overall he thinks this is a very reasonable way to address the problems in uncertain times. Council appreciates the process and getting to see the information earlier.

* * * *

Ordinance No. 18-117, by Mr. Williams, amending Ordinance No. 17-124, an Ordinance making appropriations for the current expenses and other expenditures of the City of Shaker Heights, Ohio for the year ending December 31, 2018, as amended by Ordinance No. 18-36 No. 18-45, No. 18-54, No.18-71, No. 18-77 and No. 18-93 to amend appropriations in Fund No. 101, the General Fund and other funds, and declaring an emergency.

Robert H. Baker, Finance Director, stated that this item is to make sure that every department and every fund has an appropriation large enough to pay all of their expenses. Every year when the budget is created we try to estimate "personal service" and "other" expenses accurately, but inevitably there is over spending and some under spending. This ordinance moves money from the under spending areas to the over spending. It is important to mention that when long term employees retire they are entitled to a large payout depending on how they managed their vacation and sick leave. A person who has worked

for the City for 20 or 30 years gets a substantial sum on retirement. We do not budget for those payouts. We have always been able to move money from under spending to departments that have had large payouts. There have been several of these situations this year. The Fire Department has additional overtime costs from firefighter injuries. We also have employees who go from single health care coverage to family coverage or they are replaced and the new employee chooses family coverage. The cost differential between single and family coverage can cause a department to go over its budget appropriation for personal service. The Police Department under spending provides enough money to balance those departments which need a transfer. The Police Department budget will be reduced by \$178,000 to be distributed to the various other departments. The Sewer Fund was originally appropriated a \$400,000 subsidy which has been raised to \$2 million. We need to transfer money from the General Fund to Internal Service Funds to pay for standard expenses at the beginning of each year. They get a loan at the beginning of the year and then at the end of the year we transfer it back to the General Fund.

Council member Mrs. Senturia asked about transferring extra resources for sewer needs, while at the same time we are saying that we don't have funds for a cost-of-living adjustment for staff. She asked about that choice.

Director Baker stated that how we allocate the money is strange. The appropriation we make for the transfers in the 2018 budget pay for the 2019 capital program. He believes that we will see increased income tax revenue so the operating budget revenues will grow higher than we have presented in the budget. If we get the money we can make the decision at that time to fund a cost-of-living adjustment. The need for sewers is so large that any extra money we have needs to be spent there. Over ten years we will need \$33 million. An extra \$1.6 million is not a huge amount of money against a \$33 million need.

Jeri E. Chaikin, Chief Administrative Officer, stated that we budgeted \$4 million in this year's budget for a General Capital transfer and \$400,000 for sewers knowing that it would be adjusted. Since we had the cash in the General Capital Fund we are able to reduce the transfer to General Capital for next year and increase the sewer transfer for next year. This is one time money for one time purchases as opposed to a cost-of-living adjustment that is built into the base, so the decision was made to hold off on a cost-of-living adjustment until revenues pick up.

Council member Mr. Williams stated that sewer needs will always be a part of the City. While the cost-of-living adjustment is important sewer needs have a smoking gun at the end of them. If we don't address them the federal government will require we do it. He believes we should be disciplined and continue with our commitment to fund the sewer work.

It was moved by Mr. Williams, and seconded by Mrs. Moore, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 18-117 be placed upon its final enactment.

Council member Mrs. Senturia stated that she can see a lot of compromises have already been made so she does not want it to sound like she does not recognize how much we are trying to deal with a tough situation. She greatly appreciates the responsible approaches to cutting when the income is lower than expected. She also heard several times that we are feeling optimistic that this is not a permanent problem. She believes the budget should reflect that. She is not ready to make the kind of compromises that are presented in the operating budget as a whole, partly because we have talked a lot about having a temporary mindset. Actually, what is being presented is a full and final budget for 2019, which may or may not be revised. Given that, she is not comfortable excluding any kind of cost-of-living adjustment. There are a couple reasons. The new budget plans for large transfers for the 2020 funds including capital expenditures. There will never be a point when we can borrow for a cost-of-living adjustment, but we can certainly borrow responsibly and carefully for capital expenses. Further, she believes there is room in the budget for increased debt service should it come to that and that there is room for responsible and careful borrowing for long term investments and capital. She also thinks that we have an overly generous reserve. We may not agree on what that ideal number is, but given that even in a tight budget we will still end with a 32% reserve, she feels we should instead acknowledge a need for a cost-of-living adjustment in this budget. She is not suggesting that it needs to be generous or the full amount, but having no budget for the cost-of-living adjustment makes it a budget she is not able to support. As a whole she feels we are on the right track, but this one particular point is one she is not willing to compromise on because the people who work here make the City run well and a great place to live. She knows her colleagues also feel that way but may feel the balance works out differently.

Mayor Weiss stated that there were discussions about having a temporary budget but the concern was that we were unlikely to have enough of a window into where things were going by March 31 and would end up in the same place. Rather than go through the exercise of a temporary budget and do a budget again this would get us to the same place. We did discuss borrowing but felt we have fewer levers to pull than we have had in the past. He felt further debt service payment increases at this point would tie our hands where we need to maintain flexibility for a variety of reasons, so he is uncomfortable proposing further borrowing now. While we are optimistic, we felt like we need to be prudent. If we are wrong we will need that borrowing availability and of course that would be vetted by Council as well as the Administration. We have had some good conversations about the reserve and reasonable minds can differ, but obviously it is a topic we want to revisit. If there was ever an example of why we have a reserve this is the kind of environment that we plan for recognizing that the reserve with this budget, without a cost-of-living adjustment or real enhancements has dropped by slightly more than one percentage point. If we add another item that would drop us down further.

Council member Mrs. Moore stated that there have been very hard decisions the City has had to make before in past budgets. She remembers a temporary budget that we tried to do one year and why it was not desirable from departmental planning. She thinks this is a responsible budget in terms of what we know right now. All of us are hoping that the estimated revenues will materialize, but in keeping with the very conservative and sound historical practice of fiscal management in Shaker, there is good reason in keeping a healthy reserve. She has heard this in all the Council debates. If we see there are revenues in the first of the year, a cost-of-living adjustment would be her first recourse to consider it. Right

now given the uncertainty of the times she feels we could not do anything more responsibly than we are now doing.

Council member Mr. Zimmerman stated he had to responsibly look at the very surprising change in our revenue forecast that we are still trying to get our arms around. He looks forward to understanding more about it in the first quarter of next year when it will be more clear. As with every budget there are things he expects to see, but at the end of the day we have to react responsibly to the changing circumstances.

It was moved by Mrs. Moore, and seconded by Mr. Malone, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 18-118 be placed upon its final enactment.

Roll Call:	Ayes:	Ms. Williams, Mr. Williams Mr. Zimmerman, Mr. Malone Mrs. Moore, Mr. Roeder
	Nays:	Mrs. Senturia

Motion Carried

Moved by Mrs. Moore, and seconded by Mr. Malone, that Ordinance No. 18-118 be enacted as read.

Roll Call:	Ayes:	Ms. Williams, Mr. Williams Mr. Zimmerman, Mr. Malone Mrs. Moore, Mr. Roeder
	Nays:	Mrs. Senturia

Ordinance Enacted

* * * *

Ordinance No. 18-119, by Mrs. Moore, appropriating funds from the General Capital Fund 0401 to provide for the purchase of equipment for use by the Police Department, and declaring an emergency.

Robert H. Baker, Finance Director, stated that this item is for the replacement of Police Department vehicles, Warrensville/Shaker intersection changes, and the Chagrin/Lynnfield intersection changes in the total amount of \$465,000.

It was moved by Mrs. Moore, and seconded by Ms. Williams, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 18-119 be placed upon its final enactment.

Ordinance No. 18-122, by Ms. Williams, appropriating funds from the General Capital Fund 0401 for the acquisition of equipment and various repairs and improvement projects for various City facilities and declaring an emergency.

Robert H. Baker, Finance Director, stated that this is for City facilities equipment and various repairs in the total amount of \$695,000, including generator replacement and elevator modernization in the Police/Court building; emergency generator in Fire Station No. 2; service center pavement repairs and structural issues; and Shaker Family Center painting.

It was moved by Ms. Williams, and seconded by Mrs. Moore, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 18-122 be placed upon its final enactment.

Roll Call:	Ayes:	Ms. Williams, Mr. Williams Mr. Zimmerman, Mr. Malone Mrs. Moore, Mr. Roeder, Mrs. Senturia
	Nays:	None

Motion Carried

Moved by Ms. Williams, and seconded by Mrs. Moore, that Ordinance No. 18-122 be enacted as read.

Roll Call:	Ayes:	Ms. Williams, Mr. Williams Mr. Zimmerman, Mr. Malone Mrs. Moore, Mr. Roeder, Mrs. Senturia
	Nays:	None

Ordinance Enacted

* * * *

Ordinance No. 18-123, by Mr. Zimmerman, amending Ordinance No. 17-132 and Ordinance No. 18-37, an ordinance appropriating funds from the General Capital Fund 0401 for the acquisition of equipment and various repairs and improvement projects for various City facilities by appropriating an additional \$225,000 from the General Capital Fund 401 for City Hall Renovation and declaring an emergency.

Robert H. Baker, Finance Director, stated that as part of the 2019 capital plan, there was \$225,000 included for City Hall renovations and repairs. This is all part of moving the Building and Housing Inspection Department to City Hall. Council appropriated the first portion of that project last year with \$250,000. It was determined that we should amend the existing appropriation by adding \$225,000 in the 2019 Capital Budget to the existing project.

