



SHAKER HEIGHTS

Finance Committee
Tuesday, January 19, 2021, 8:00 A.M.
Via ZOOM Meeting Due to
COVID-19 Public Health Emergency

Members present: Council Member, Nancy Moore, Chair
Council Member, Anne Williams
Council Member, Earl Williams
Council Member, Tres Roeder
Citizen Member, Martin Kolb
Citizen Member Danielle Sydnor
Citizen Member, Anthony Moore
Citizen Member, Linda Lalley

Others present: Mayor, David E. Weiss
Chief Administrative Officer, Jeri E. Chaikin
Director of Finance, John Potts
Assistant Director of Finance, Cheryl Arslanian
Director of Neighborhood Revitalization, Kamla Lewis
Director of Public Works, Patricia Speese
Director of Economic Development, Laura Englehart
ED Neighborhood & Housing Specialist, Colin Compton
Sustainability Coordinator, Michael Peters
Frank Goforth, League of Women Voters

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DISCUSSION ITEM – USE OF NOVEMBER 2020 COUNTY CARES FUNDS – OTHER MUNICIPALITIES.

John Potts, Director of Finance, at the request of the Finance Committee presented a summary of the 22 municipalities that received the County CARES monies in December and how the funds were utilized.

Cuyahoga County contacted its municipalities in November 2020 requesting if they needed further CARES funding for additional COVID-19 related expenses. The County Executive and County Council asked if any municipality had eligible expenses that could be submitted for an apportionment of approximately \$2 to \$3 million that the County still had to spend. The email stated to be eligible, the project must not be included in the current approved budget, related to the COVID crisis and completed by December 30, 2020. A detailed memo of how and when the funds would be used was required in order for the County to distribute the money.

The City did not apply for these funds since at the time of the request in mid-November, the City had received over \$2.1 million in CARES funds and had allocated the entire amount toward hard COVID related costs (e.g. PPE, public health expenses, etc.) and first responder salaries and wages. The email specifically mentioned “project” and the City did not have any COVID related projects ongoing, nor

CITY OF SHAKER HEIGHTS

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did the City anticipate embarking on a project quick enough to complete by year end. The City did not deem it appropriate to send in a request to allocate funds to the City only to put into additional first responder salaries (reimbursement) as the email made mention of “project” and the City did not want risk taking funds for another purpose than that as was described. The City will be audited in 2021 on all CARES funds and would not want to risk future federal grant funding if the audit was not clean.

Chair Moore stated that Shaker Heights is always aggressively seeking funding opportunities and she believed this was a missed opportunity, but realized the quality that is valued in our finance department for its care to detail that has been established over the decades reflecting the highest level of financial operations and accountability was more important. A question from a resident critical of the news announcement that the City had not applied for these funds, prompted the revisit of the decision.

Citizen Member Lalley stated that the survey was a good tool, giving the opportunity to question ourselves and agreed with the outcome.

Citizen Member Kolb stated he felt very good about the decision and applauded Director Potts for the memo and the great perspective.

In response to Citizen Member Lalley regarding possibly more COVID grant funds; Director Potts stated the City is presently incurring costs related to the vaccination rollout and hopefully additional funds will become available.

Mayor Weiss stated one of the other big issues was reimbursement versus replacement of lost revenue dollars. The CARES Act monies did not fund lost revenue.

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APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF DECEMBER 14, 2020.

Chair Moore stated that the minutes of the December 14, 2020 meeting were approved as recorded.

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AUTHORIZING A CONTRACT WITH MS CONSULTANTS IN THE TOTAL NOT TO EXCEED AMOUNT OF \$28,978 FOR PROFESSIONAL DESIGN AND RELATED PERSONAL SERVICES FOR THE WARRINGTON ROAD WATERLINE DESIGN PROJECT.

Patricia Speese, Director of Public Works, stated this request is to enter into a contract with MS Consultants in the total not to exceed amount of \$28,978 for professional design and related personal services for the Warrington Road Waterline Design Project. In the fall of 2020, Public Works received funding from Cleveland Water Suburban Water Main Renewal program for replacement of the water mains on Warrington Road (Southington Rd to South Woodland). Cleveland Water (CWD) has agreed to pay for this project on the condition that the City of Shaker Heights design and manage the project. CWD will pay the City the total costs of the design and construction. The City agreed to administer this project but must first have the waterline designed.

Five (5) Request for Proposals (RFP) were sent to firms that have performed professional services in the City before or have demonstrated an interest along with the qualifications in waterline design with seven proposals being received. The scope of work entails that the consultant prepare construction documents for the replacement of the waterline on Warrington Road. After review of the proposals, it was determined that the MS Consultant's understanding of the project requirements and technical approach was the most comprehensive of the seven proposals received.

Citizen Member Lalley questioned if the design fees will be reimbursed and will the water district have an issue with the selection process since the City was not selecting the lowest. Director Speese stated that the design fees will be reimbursed and Cleveland water had no issue with the City selection process or the City running the project.

In response to Citizen Member Kolb regarding the low score of one company; Director Speese stated the interviewers questioned if the company had enough experience to complete the survey work and felt their proposal was not worthy of our official resources for the questions.

This item was presented and approved at the January 8, 2021 meeting of the Safety & Public Works Committee. The Finance Committee recommended authorizing a contract with MS Consultants in a total not to exceed amount of \$28,978 for professional design and related personal services for the Warrington Road Waterline Design Project.

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AUTHORIZING A CONTRACT WITH DLZ IN THE TOTAL AMOUNT NOT TO EXCEED AMOUNT OF \$229,897 FOR PROFESSIONAL DESIGN AND RELATED PERSONAL SERVICES FOR THE LYNNFIELD/LOMOND SANITARY SEWER OVERFLOW.

Director Speese stated this request is to enter into a contract with DLZ Ohio, Inc. in the total not to exceed amount of \$229,897 for engineering services for the Lomond/Lynnfield Sanitary Sewer Overflow project.

The City was awarded a grant through the Northeast Ohio Regional Sewer District's (NEORS) Member Community Infrastructure Program (MCIP) for the design to mitigate the number of activations at the sanitary sewer overflows located at Lynnfield/Lomond (SSO 11). The estimated cost for designing the project is estimated to be \$225,000 with NEORS reimbursing the City for 50% of the project cost.

A Request for Proposal (RFP) was distributed to seven (7) consultants on November 2, 2020 with three (3) consultants submitting proposals. The Quality Based Selection (QBS) process was used to score the technical merits of the proposals. DLZ submitted an impressive proposal and as a firm has consistently provided sound consulting and engineering services to the City and NEORS.

Chair Moore stated that she was privileged to serve on the Sustainability Committee and the importance of storm water management as we deal with many changes in our weather patterns and that DLZ took all this into account in their proposal.

Council Member Anne Williams applauded the commitment of the City to this project and the impressive proposal received with the emphasis on sustainability and storm water management.

This item was presented and approved at the January 8, 2021 meeting of the Safety & Public Works Committee. The Finance Committee recommended authorizing a contract with DLZ in the total amount not to exceed amount of \$229,897 for professional design and related personal services for the Lynnfield/Lomond Sanitary Sewer Overflow.

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AUTHORIZING A LOCAL PUBLIC AGENCY (LPA) AGREEMENT WITH THE OHIO DEPARTMENT OF TRANSPORTATION (ODOT) IN ORDER TO IMPLEMENT THE CHAGRIN BOULEVARD RESURFACING PROJECT.

Director Speese stated, this item is seeking authorizing a Local Public Agency (LPA) agreement with the Ohio Department of Transportation (ODOT) in order to implement the Chagrin Boulevard Resurfacing Project, and declaring an emergency.

The City has received Northeast Ohio Areawide Coordinating Agency (NOACA) funding for the Local Public Agency Project (LPA), resurfacing of Chagrin Blvd from the western city limit to the eastern city limit; the project will suspend and resume approximately 350-feet east and west of the Chagrin / Warrensville Center Road intersection. The project involves resurfacing (mill and fill) of approximately 2.09 miles of Chagrin Blvd. The work will include a minimum of three (3) inches of asphalt pavement removal and resurfacing, partial, and full depth base pavement and joint repairs, the construction of ADA (Americans with Disabilities Act) compliant curb ramps and minor curb replacements. The project also includes pavement markings and associated adjustments to grade of castings. The City will administer this project which includes design, construction, inspection, and management.

The LPA program is a partnership between Federal Highway (FHWA), ODOT, and Local public Agencies to develop, plan and construct projects with Federal, State and Local Funds. As part of the LPA process, ODOT is requesting to enter into an Agreement with the City.

The estimated project cost is \$2,659,996 which includes construction, construction administration and inspection. The design fee is anticipated to be \$212,800. Per NOACA funding, ODOT's cap is \$2,127,997. The City is obligated to provide \$531,999; however the City costs will be approximately \$989,439.31 since this agreement does not cover the costs for certain items such curbs, ADA Ramps, full depth repair and aprons.

In response to Citizen Member Kolb regarding actual costs to City; Director Speese stated ODOT's estimated cost is 2.7 million, but the total project cost is closer to 3.4 million with all the work the City has to do.

This item was presented and approved at the January 8, 2021 Safety & Public Works Committee meeting. The Finance Committee recommended authorizing a Local Public Agency (LPA) agreement with the Ohio Department of Transportation (ODOT) in order to implement the Chagrin Boulevard Resurfacing Project. SPW

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AUTHORIZING THE CITY'S ACCEPTANCE OF A \$34,816 NORTHEAST OHIO PUBLIC ENERGY COUNCIL (NOPEC) GRANT FOR THE ELECTRIC VEHICLE CHARGING PROJECT AND APPROPRIATING AN ADDITIONAL \$34,816 FROM THE GENERAL CAPITAL FUND 0401 FOR CITY FACILITIES REPAIR AND RENOVATION ACCOUNT.

Michael Peters, Sustainability Coordinator, stated the City has received grant funds in the amount of \$34,816 from the Northeast Ohio Public Energy Council (“NOPEC”) for the electric vehicle charging project. The City is a member of the Northeast Ohio Public Energy Council (NOPEC), a regional council of governments formed under Chapter 167 of the Ohio Revised Code to administer electric and/or gas aggregation programs for communities. NOPEC currently serves over 200 communities who have been authorized by ballot to purchase electricity or gas on behalf of their citizens.

Shaker Heights offers its residents electric aggregation through NOPEC but currently administers our own gas aggregation program approved by a vote of our residents.

In 2020, NOPEC informed the City it was eligible for a special, one-time grant of up to \$35,000 for electric vehicle charging equipment. This was the estimated cost to provide charging at City Hall and Thornton Park. These locations were identified based on the expected need to provide charging for electric vehicles (EVs) as they are added to the City fleet over the upcoming years, as well as to accelerate the adoption of EVs by residents.

The relatively compact physical geography of the city and the short distances are ideally suited for electric vehicles. These short trips and multiple starts and stops wear more heavily on internal combustion (gasoline) vehicles, whereas EVs excel in this environment due to the nature of the electric motor, its efficiency, and the lack of components such as starters, alternators, and transmissions (EVs typically have no transmission as the motors can reach much higher RPMs than gasoline engines). EVs also have no tailpipe emissions, reducing local particulate matter and air pollution and, because the City contracts for 100% renewable electric power, no upstream emissions either. Additionally, EVs save the City money through lower fuel costs per mile (electricity is \$0.03 to \$0.04 per mile versus \$0.09 to \$0.12 per mile for gasoline) and lower maintenance costs (there are no oil changes, spark plugs, etc. and few moving parts overall).

The original budget allowed for four charging “ports” at two locations; however, adapting the installation plan will allow for seven ports at four locations for a total of \$34,816. The original estimate included an electrical upgrade at Thornton Park, which does not have the additional capacity for 240 volt, single-phase power that the chargers require. To bring power from the Ice Rink mechanical room would require a new transformer and panel. Instead, the power will come directly from a FirstEnergy pole adjacent to the Ice Rink where a new meter and panel will be installed. These savings allowed for the additional chargers that will be installed in the City parking lot at Larchmere Boulevard and Kendall Road and replace an old and no longer fully functional charger at The Dealership.

The City has received \$34,816 in grant funds that were deposited in Fund 401, the General Capital Fund, to offset the City funds used for to this project as part of the City Facilities Repair and Renovation account.

Chair Moore questioned the time required when you go to an EV charger versus a plugin in your garage for an electric car. Mr. Peters stated using the typical household outlet would charge about four miles per hour being charged in, which is pretty slow versus 40 miles for 10 hours these chargers, which are called level two, they're 240 volts 32 amps which puts between 22 and 25 miles of range per hour which is about four times faster.

Citizen Member Lalley requested clarification of funding on this project.

Jeri Chaikin, Chief Administrative Officer, stated the most expedient way to proceed with this grant was to have no PIP reimburse, so the City spent the funds out of an existing Capital project account called city facilities, repair and renovation, which would go towards maintenance of buildings and things like adding on EV charging stations. The City will put the money back in that same account, so that's why it's considered an additional appropriation in order to have the funding to that third project.

This request was reviewed and approved on January 14th by the Sustainability Committee. The Finance Committee recommended authorizing the City's acceptance of a \$34,816 Northeast Ohio Public Energy Council (NOPEC) grant for the electric vehicle charging project and appropriating an additional \$34,816 from the General Capital Fund 0401 for City Facilities Repair and Renovation account.

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AUTHORIZING A ONE-TIME WAIVER OF THE 2021 ANNUAL FEE UNDER THE COMMUNITY REINVESTMENT AGREEMENT WITH THE PROPERTY OWNERS OF LE CHAPERON ROUGE.

Laura Englehart, Director of Economic Development, stated this item is seeking approval for a one-time waiver of the annual fee under the Community Reinvestment Area Agreements with the property owners of Le Chaperon Rouge and Shaker Rocks.

The City entered into two commercial CRA Agreements that allowed two formerly vacant properties within the CRA to be redeveloped into what is now Le Chaperon Rouge child care center (3350 Warrensville Center Road) and the Shaker Rocks climbing gym (3377 Warrensville Center Road). Under the CRA Agreement the property owner is required to pay an annual fee to the City amounting to the greater of 1% of the value of its tax abatement incentive or \$500. In 2021, this fee would be \$500 for each of the two properties, or a total of \$1,000. Due to the unprecedented economic circumstances that small businesses are currently facing due to the COVID-19 pandemic, the Economic Development Department recommends that the City should waive these annual fees in 2021 only.

Citizen Member Kolb expressed a concern that this could be precedent setting for other small businesses that pay fees to the city. Director Englehart, stated there was a discussion with the legal department specifically about precedent as it relates to CRA's and the request is for a one-time waiver under two specific agreements. The City doesn't want to set precedent that the City will be forever waiving fees, so this is a very limited and specific request for that reason.

This item was presented and approved to the Neighborhood Revitalization and Development Committee at its meeting on January 13, 2021. The Finance Committee recommended authorizing a one-time waiver of the 2021 annual fee under the Community Reinvestment Agreement with the property owners of Le Chaperon Rouge.

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APPROVING THE KEYSTATE HOMES DEVELOPMENT APPLICATION FOR OPTION AND ACQUISITION OF FIVE (5) CITY-OWNED VACANT LOTS FOR THE CONSTRUCTION OF SINGLE FAMILY CUSTOM HOMES ON THE CITY-OWNED PARCELS AT 2900 WARRENSVILLE CENTER ROAD (PPN 735-31-033), 3305 LEE ROAD (PPN 735-07-004), 17723 CHAGRIN BLVD. (PPN 736-05-004), 18425 CHAGRIN BLVD. (PPN 736-06-007) AND 18701 CHAGRIN BLVD. (PPN 736-06-016).

Kamla Lewis, Director of Neighborhood Revitalization stated the City received an application from Keystate Development, LLC dba Keystate Homes to market for sale, purchase from the City, and build new housing on City-owned vacant lots located at 2900 Warrensville Center Road, 3305 Lee Road, 17723 Chagrin Boulevard, 18425 Chagrin Boulevard, and 18701 Chagrin Boulevard, for an option price of \$1.00 per lot per option year, and a purchase price of \$1.00 per lot, authorizing the disposition of City owned property without competitive bidding.

Proposal summary: to enter into an agreement with the city for a one year option on the vacant lots at a cost of \$1.00 per lot, with the opportunity for an extension of this option for an additional one year at the city's discretion. Once they find a buyer, they will purchase the lot from the city for \$1.00. They are flexible on the style of the single family home subject to the buyer's preferences and adherence to the city's infill guidelines. They expect sales prices to be in the \$375,000 -\$450,000 range. Construction of the homes is expected to take 6-9 months, once all approvals are in place. Financing will be through construction loans taken out by the buyers.

Council Member Roeder, presented a brief summary of the discussion from the Neighborhood Revitalization Committee meeting being the first dealing with the price point, because this is a higher price point than expected and research from the developer believes that this is a viable price point. The cost of the manufacturer's requires a higher price point. Another discussion focused around the overall strategy in terms of this area and how to make sure that the homes are being properly maintained and that this fits into a larger strategy for the city overall with an enthusiasm in the committee that these five lots are being purchased and developed.

Chair Moore stated the Finance committees concern is the financial implications and keeping in mind the development of these lots reflects fortunately that maybe we're at a point after a very long climb upward from the housing recession till now when developers are actually very aggressively pursuing this kind of development and sale.

In response to Citizen Member Kolb regarding previous homes on these lots; Director Lewis stated in most cases there were homes, except the one on Lee which was always a vacant, lot and acquired it in 2018 through tax foreclosure. The one on Warrensville Center had been a problem property and was acquired in 2001 and Chagrin previously had homes.

Citizen Member Lalley stated that this type of program is working and how it benefits the school district by raising the value of these properties which brings in more property taxes with the bulk of the property taxes going to the school, so this is a win for all kinds of areas.

Citizen Member Kolb stated this is a good program and exactly the right thing to do.

This application was reviewed and unanimously approved at the Neighborhood Revitalization & Development (NRD) Committee meeting on January 13, 2021. The Finance Committee recommended approving the Keystate Homes Development application for option and acquisition of five (5) City-owned vacant lots for the construction of Single Family Custom Homes on the City-owned parcels at 2900 Warrensville Center Road (PPN 735-31-033), 3305 Lee Road (PPN 735-07-004), 17723 Chagrin Blvd. (PPN 736-05-004), 18425 Chagrin Blvd. (PPN 736-06-007) and 18701 Chagrin Blvd. (PPN 736-06-016).

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AUTHORIZING A CONTRACT WITH KAY COACHING IN THE AMOUNT OF \$65,000 FOR THE CONTINUATION OF PROVIDING NEIGHBORHOOD ENGAGEMENT SUPPORT SERVICES DURING THE PERIOD OF JANUARY 1, 2021 THROUGH DECEMBER 31, 2021.

Colin Compton, Neighborhood and Housing Specialist, stated is a request to enter into a professional community engagement and capacity building consultant personal services agreement with Kay Coaching, LLC for continued neighborhood engagement work for the City for the period January 1, 2021 through December 31, 2021, in a total amount not to exceed \$65,000.

Since September 2015, Kay Coaching was selected through an RFP process to begin Community Network Building work in Moreland, including establishing monthly Neighbor Nights and supporting resident ideas and projects stemming from those gatherings. The Economic Development Department took on management of neighborhood engagement work in 2017 and recommends continuing the work with Kay Coaching in 2021. The Moreland network has grown from 79 Moreland residents in 2017 with presently 218 Moreland network members. This represents residents who have attended events and conversations over the past four years and who now receive regular updates on what's happening in the neighborhood and how they can participate. Staff recommends that the City contract with Kay Coaching in 2021 to continue providing neighborhood engagement support in Moreland.

Council Member Roeder stated there is a lot of enthusiasm over this work in addition to the direct benefits to the community, there are indirect benefits of this work one being higher home sales. Mr. Roeder stated that Dr. White is one of the members who has resided in the Moreland neighborhood for 30 years and has commented on the significant transformation to the community.

Chair Moore stated that Director Lewis was the originator of this community development model and how it is a very different approach than existed in the past, where you generate the need from within the community that is articulated by residents, and based on the needs that the community feels are important to address, move forward to accomplish them and it is not finished yet. To stop funding could lead to the trap that all neighborhood associations have experienced at one time or another of inactivity. The model is really important to keep this going and involves continued funding.

This item was presented and approved to the Neighborhood Revitalization and Development Committee at their January 13 meeting. The Finance Committee recommended authorizing a contract with Kay Coaching in the amount of \$65,000 for the continuation of providing neighborhood engagement support services during the period of January 1, 2021 through December 31, 2021.

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There being no further business, the meeting was adjourned at 9:03 a.m. The next meeting will be February 16, 2021.

Respectfully submitted,

John J. Potts, Finance Director
Finance Committee