



SHAKER HEIGHTS

Finance Committee

Tuesday, February 21, 2023, 8:00 A.M.

Virtual meeting pursuant to Chapters 113 and 115 of the Codified Ordinances (as amended in Ordinance 22-28), and Resolution 22-29, enacted on March 22, 2022.

Members present: Council Member, Anne Williams, Chair
Council Member, Nancy Moore
Council Member, Tres Roeder
Council Member, Earl Williams
Citizen Member, Anthony Moore
Citizen Member, Martin Kolb
Citizen Member, Ketan Patel

Others present: Mayor, David E. Weiss
Chief Administrative Officer, Jeri E. Chaikin
Director of Finance, John Potts
Director of Recreation, Alexandria Nichols
Director of Building and Housing, Kyle Krewson
Police Commander, Richard Mastnardo
Business Services Manager, Quiana Player
Principal Planner, Kara O'Donnell
Planner, Anna Mates

* * * *

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JANUARY 17, 2023.

Chair Anne Williams stated that the minutes of January 17, 2023 meeting were approved.

* * * *

REQUEST TO ENTER INTO A CONTRACT WITH COVENTRY LAND COMPANY LLC IN THE AMOUNT NOT-TO-EXCEED \$52,658 FOR SUSTAINABILITY CONSULTING SERVICES FOR THE PERIOD MARCH 1, 2023 THROUGH FEBRUARY 28, 2024 .

Chief Administrative Officer (CAO) Jeri Chaikin requested to enter into a contract with Coventry Land Company LLC in the amount not-to-exceed \$52,658 for sustainability consulting services for the period March 1, 2023 through February 28, 2024.

Council's Sustainability Committee was established in 2019 to formalize sustainability policies and priorities for the City. Michael Peters of Coventry Land Company LLC is the

CITY OF SHAKER HEIGHTS

consultant who serves as the Sustainability Coordinator for the City and works with the Sustainability Committee and its subcommittees. In 2019, Council began including funds in the budget for a Sustainability Coordinator to support the Sustainability Committee and provide assistance in making recommendations for, and implementing, energy-efficiency and cost-saving initiatives, and to research and recommend best practices for City-wide sustainability. Coventry Land Company LLC was selected in 2018 after a competitive request for proposal process to provide consulting services for sustainability initiatives. Funding has been included in the 2023 General Fund budget to continue these services.

Coventry Land's contract was in the amount of \$50,000 per year for the first three years and \$51,500 in the fourth year. A 2.25% increase for the fifth year is recommended. This contract was unanimously approved by the Sustainability Committee at its February 9, 2023 meeting. Committee members commented on the value that Mr. Peter's services provide as a consultant, how having a paid consultant makes a big difference in the success of the City's sustainability efforts and accomplishments, and the real benefit from having this resource. Many projects would not be achievable without this work and many other communities look to our actions as a model.

Council Member Nancy Moore commented that she and Council Member Anne Williams have both had the privilege along with Council Member Sean Malone, of chairing this committee. It has been an elevating experience to work with Michael Peters. Council Member Moore praised Mr. Peters for his overall knowledge of the variety of areas that now comprise sustainability as a community issue and stated the City is lucky to have his leadership and accessibility to the City. Council Member Moore supports this action.

The Finance Committee approved the request to enter into a contract with Coventry Land Company LLC in the amount not-to-exceed \$52,658 for sustainability consulting services for the period March 1, 2023 through February 28, 2024.

*

*

*

*

REQUEST TO ENTER INTO A THREE YEAR AGREEMENT NOT EXPECTED TO EXCEED \$100,000 WITH FIRST DATA TO PROCESS CREDIT CARD TRANSACTIONS FOR RECREATION FEES .

Business Services Manager Quiana Player requested to enter into a three year agreement not expected to exceed \$100,000 with First Data to process credit card transactions for recreation fees.

Shaker Recreation Department has been using registration software services for over 10 years which requires a credit card processor that is compatible with the registration service provider. Credit card processing has been done through Elavon for over ten years and was compatible with the previous two registration system providers. Recreation processes program fees in excess of \$800,000 annually paid for by credit cards. Accepted credit cards are Visa, MasterCard, and Discover. Credit card processing is done through secondary processors who are merchant services liaisons between merchant banking and business vendors. Recreation is recommending an

agreement with First Data to process credit cards through Recreation both online and in-person. The Recreation Department's current credit card processor is Elavon for which there is no written agreement.

All credit card processing providers charge fees that are a part of doing business and these credit card processing fees are budgeted annually into the operating budget. Credit card processing fees are based upon the volume of transactions, transaction type, and type of credit card. Shaker Recreation has been paying fees to Elavon on a monthly basis and these costs are a percentage of the transaction costs for each transaction paid for by credit card. The table provided in the memorandum shows the credit card processing data for a calendar year from September 2021 through August 2022 to demonstrate the fee charges to the City. Fees paid to Elavon are over \$25,000 annually.

Credit card processing fees for recreation transactions exceed \$25,000 annually and are typically between \$25,000 and \$30,000 per year. Changing from Elavon to First Data to process credit card transactions requires a three year service agreement with this provider. Other City departments use credit card readers but do not have the volume of sales transactions so they do not have written agreements. This agreement is sole source because First Data is the only compatible provider for credit card processing through our registration system. It is also a personal services agreement because Recreation is requesting a specific and necessary service based upon the requirements set forth by RecDesk, the registration system. Sole source and personal services agreements are exempt from public bidding and formal quotes.

This item was presented to the Recreation Committee on February 1, 2023. The Recreation Committee supports this initiative that will improve transaction efficiency and the customer experience when paying for a program or service in-person. The committee unanimously voted to recommend that City Council approve this service agreement with First Data.

Citizen Member Patel commented on his support of the Recreation Department using Clover machines to follow what other departments are using but questioned will using First Data for all City departments help to consolidate costs. Ms. Player stated this is correct. The reasoning behind not switching over sooner was because of the old software that Recreation utilized which was eTrak. The department has switched over to Rec Desk and they have the compatibility to work with Clover. Citizen Member Patel questioned if this change would make it easier for citizens to register online and pay seamlessly through that software. Ms. Player stated this is correct but emphasized online registration will remain the same. This change will provided more efficiency for in-person registrations, as now employees enter credit card numbers in manually. Whereas if they were provided with readers, the process would go quicker.

Chair Williams asked Director Potts if there was anything he would like to follow up with any benefits to the Finance Department. Director Potts stated he agrees with what had been mentioned but added that the old registration system required Finance to manually key in Recreation revenue into Munis which took up a considerable amount of time. The

new registration system will export the revenue into Munis now, which is more time efficient.

Citizen Member Kolb agreed and supports this request and questioned if there is a price increase in the change of software. Ms. Player stated there is no price increase. The new software is matching what the City pays Elavon but the Recreation Department will likely pay over \$25,000 a year because of the increase of transactions done throughout the year. Based on revenue from the past year, it is not expected for the department to exceed \$100,000 but wanted to request for the funding in case registration increases. There is a percentage in credit card fees being paid as well.

Council Member Roeder requested if it is not already indicated in the memorandum, to mention the same percentage piece Citizen Member Kolb inquired about before this goes to Council. Ms. Player stated she will check to make sure this information was added into the memorandum. The Finance Committee approved the request to enter into a three year agreement not expected to exceed \$100,000 with First Data to process credit card transactions for recreation fees.

* * * *

REQUEST TO AUTHORIZE A GRANT APPLICATION TO, AND TO ACCEPT A GRANT FROM, THE OHIO HISTORY CONNECTION'S CERTIFIED LOCAL GOVERNMENT (CLG) GRANT PROGRAM TO RESTORE URGENT-PRIORITY GRAVESTONES WITHIN WARRENSVILLE WEST CEMETERY. THE PLANNING DEPARTMENT WILL SUBMIT A GRANT APPLICATION FOR \$25,000 WITH THE REQUIREMENT FOR 40% LOCAL MATCH CONSISTING OF A \$15,000 CASH MATCH AND \$1,830 IN-KIND MATCH .

Planner Anna Mates requested to authorize a grant application to, and to accept a grant from, the Ohio History Connection's Certified Local Government (CLG) Grant Program to restore urgent-priority gravestones within Warrensville West Cemetery. The Planning Department will submit a grant application for \$25,000 with the requirement for 40% local match consisting of a \$15,000 cash match and \$1,830 in-kind match.

In 2021, the City received funds through the CLG grant program to create a Historic Preservation Master Plan for Warrensville West Cemetery, which is a designated local landmark, the second-oldest burial ground in Cuyahoga County, and is owned and maintained by the City. The Plan was completed in March 2022 and was adopted by the Landmark Commission, City Planning Commission, and City Council in March and April of 2022. Through this planning process, the consultants created an inventory of 170 visible gravestone markers in the cemetery, which includes an assessment of their current condition and prioritization for restoration. The Plan identified over 50 gravestones as an urgent priority, meaning they are considered a public hazard or are at risk of further damage and require immediate action to be preserved.

On February 2, 2023, the Safety & Public Works Committee considered and unanimously recommended approval of this application. Mayor Weiss noted the project has been a great example of collaboration between the City, Shaker Historical Society, Shaker Heights Library, and the community.

Council Member Nancy Moore shared her experience on volunteering with community residents during the first gravestone restoration. The process that Council Member Moore witnessed helped in her understanding on the importance of the safety preventives of fallen gravestones after years of the cemetery being neglected. The rural restoration pilot that has been created will serve as a model for the whole State for rural cemetery restoration. Council Member Moore commended the Planning Department in their involvement in the process and shared this will become a very interesting keystone in the Lee Road Corridor Strategic Plan.

Citizen Member Kolb shared excitement with Council Member Moore and suggested to get media coverage during this project's process or after it's been completed. Citizen Member Patel agreed with both Members and added that this cemetery is really a hidden gem for the City and encouraged Council and the Mayor to figure out long-term if the cemetery is a part of the Lee Road Action Program and added a suggestion to make the cemetery more accessible for the community by using better signage and encouraged the Planning Department to build this into future capital plans.

Senior Planner Kara O'Donnell agreed with everything said. The plan was thought through and she encouraged Committee members to take a look at it because of the statements mentioned were also statements that were heard from the community and the City's stakeholders during the process. There is a plan for landscaping and to allow for better access to pedestrians. Mrs. O'Donnell stated there were two things that were seen as top priority in this plan. The first priority is dealing with the headstones as a means to respect those buried there. The second priority is letting the area turn to meadow to create a 200 year old appearance for it in collaboration with the Public Works Department. Mrs. O'Donnell also mentioned the Department has been in partnership with the Historical Society and Library, both of whom have staff and expertise that have been really helpful in the process.

The Finance Committee approved the request to authorize a grant application to, and to accept a grant from, the Ohio History Connection's Certified Local Government (CLG) Grant Program to restore urgent-priority gravestones within Warrensville West Cemetery. The Planning Department will submit a grant application for \$25,000 with the requirement for 40% local match consisting of a \$15,000 cash match and \$1,830 in-kind match.

*

*

*

*

RECOMMENDATION FOR THE CITY TO ENTER INTO A SERVICE AGREEMENT WITH UNIVERSITY HOSPITALS TO ACCEPT AND APPROPRIATE GRANT FUNDING IN THE AMOUNT OF \$12,000 FOR USE TOWARD TARGETED TRAFFIC ENFORCEMENT PATROLS .

Commander Richard Mastnardo recommended for the City to enter into a service agreement with University Hospitals (UH) to accept and appropriate grant funding in the amount of \$12,000 for use toward targeted traffic enforcement patrols.

Funding in the amount of \$12,000 is being offered by UH who is a recipient of the Cuyahoga County OVI Task Force grant from the Ohio Department of Public Safety. It is also requested that the \$12,000 be added to the Crime Suppression overtime appropriation for the 2023 Police Department's Operating Budget. The Police Department has been an annual recipient of this grant funding since 2013 and have received over \$70,000 in funding and used it to assign officers to traffic enforcement details.

Targeted enforcements is conducted in support of the Cuyahoga OVI Task Force project goals which are: to decrease incidence of OVI violations; reduce crashes where alcohol is a contributing factor; increase enforcement of OVI laws; and use of saturation patrols with a zero tolerance policy for non-compliance.

The Agreement stipulates that the overtime has to be over and above normal activity for a workweek for an officer. Therefore, personnel must be scheduled on an overtime basis. The terms of the Agreement began on October 1, 2022 and the department must complete all work no later than September 30, 2023.

The Finance Committee approved the recommendation for the City to enter into a service agreement with University Hospitals to accept and appropriate grant funding in the amount of \$12,000 for use toward targeted traffic enforcement patrols.

* * * *

REQUEST TO ENTER INTO A PURCHASE AGREEMENT WITH MR. AND MRS. BEACHY TO ACQUIRE CITY OWNED VACANT PARCELS AT 3666 AND 3670 HILDANA ROAD (PPNS: 735-21-131 AND 735-21-130) AND 3658 AND 3662 HILDANA ROAD (PPNS: 735-21-132 AND 735-21-133) FOR \$1.00 PER PARCEL TO CONSTRUCT TWO SINGLE-FAMILY HOMES FOR THEMSELVES.

At the approval of Chair Anne Williams, Building and Housing Director Kyle Krewson presented simultaneously a request to enter into a purchase agreement with Mr. and Mrs. Beachy to acquire City owned vacant parcels at 3666 and 3670 Hildana Road (PPNs: 735-21-131 and 735-21-133) and 3658 and 3662 Hildana Road (PPNs: 735-21-132 and 735-21-133) for \$1.00 per parcel to construct two single-family homes for themselves.

The Beachys are proposing to build a single-family home to use as their primary residence and anticipate receiving all City approvals through the winter and begin construction in late 2023, taking roughly 9-12 months to complete all construction activities. The Beachys propose to self-finance a portion the home's construction and acquire a construction loan for the balance. They proposed a design to allow for multi-generational family living with separate residences for use by the Beachy family. The design for 3666 and 3670 Hildana, includes 4 bedrooms and 5 bathrooms and is roughly

2,800 square feet above grade. The design for the 3658 and 3662 Hildana Road includes 3 bedrooms and 3 bathrooms and is roughly 2,600 square feet above grade. Both homes would have an attached two car garage and full basement. The homes will share a central driveway and will be built with sustainable practices, and have universal design elements included. The Planning Department staff have reviewed preliminary plans for this property and believe the home compliments the existing neighborhood; this block contains many large homes, ranging from 2,300 to 2,800 square feet in the nearby vicinity.

The applicant would continue on to receive all necessary approvals through the City's Boards and Commissions. The City is not holding these lots for any strategic purposes. The proposal is consistent with the City's goal of developing new homes on vacant lots. The staff considers the construction of single family infill homes an improvement over the City maintaining these two vacant lots.

Council Member Nancy Moore requested to add a personal note to this agenda item, stating these applications are the goal that the community has had for so long to help rectify the devastation from the mortgage foreclosure crisis in the Moreland area. Finally, the market has responded after their efforts to revitalize the networks within the neighborhood. Mrs. Beachy and family decided to return to this neighborhood in which she grew up and convinced her daughter to move her family up and live next door to them to always have family support. They chose Shaker Heights not only because of the memories but because of the future this City holds for their grandson and son. Council Member Moore hopes to see a feature in Shaker Life Magazine in the future on this wonderful story and commended everyone involved with the project because this is the kind of thing that makes a difference in our community.

The Finance Committee approved the request to requested to enter into a purchase agreement with Mr. and Mrs. Beach to acquire City owned vacant parcels at 3666 and 3670 Hildana Road (PPNs: 735-21-131 and 735-21-133) and 3658 and 3662 Hildana Road (PPNs: 735-21-132 and 735-21-133) for \$1.00 per parcel to construct two single-family homes for themselves.

* * * *

REQUEST FOR APPROVAL OF THE ENGAGEMENT LETTER WITH THE AUDITOR OF STATE FOR THE AUDIT OF THE CITY 'S 2022 FINANCIAL STATEMENTS IN AN AMOUNT NOT TO EXCEED \$38,212.

Director of Finance John Potts requested for approval of the engagement letter with the Auditor of State for the audit of the City's 2022 financial statements in an amount not to exceed \$38,212.

Director Potts stated the Auditor of State is responsible for auditing approximately 6,000 organizations across Ohio. The City has not seen them in about 11 years as they come every 10 years or so. Ciuni & Panichi, Inc. performed the audit for the years ending 2012 through 2015 and Rea & Associates, Inc. perform the audit in years ending 2016 through 2021.

The Auditor of State notified the Finance Department that they'd be coming back to the City and auditing the 2022 financial statements in the Annual Comprehensive Financial Report (ACFR). The Department has budgeted for this in CCSE budget for 2023. The memorandum denote the amounts the City has paid Rae & Associates, Inc. the past couple of years and the City was on a three year agreement at that time. It is likely the Auditor of State will continue to perform the audit again in 2023 and 2024, before making the decision to allow the City to go back out to an independent accounting firm. Their auditors tend to ask a bit more questions, as they are more comprehensive. Director Potts anticipates a smooth audit this year, just as the City has had the past couple years.

Citizen Member Patel questioned if the audit from the State is statutorily required once the State Auditor chooses the City. Director Potts stated this is correct. The Auditor of State sets the guidelines for the audits and audits organizations on a rotational basis. On the years where they will not be performing the audit, they allow you to go out to independent public accounting firms that they approve. Even though the State may not physically appear for the audit for the agencies across Ohio, they still desk review all of the audits and only physically appear for the agencies chosen on the rotation.

The Finance Committee approved the request for approval of the engagement letter with the Auditor of State for the audit of the City's 2022 financial statements in an amount not to exceed \$38,212.

* * * *

AUTHORIZING THE EXECUTION OF CERTIFICATES BY THE DIRECTOR OF FINANCE AND THE PAYMENT OF AMOUNTS DUE UPON CERTAIN CONTRACTS FOR WHICH THE FINANCE DIRECTOR HAS ISSUED THEN AND NOW CERTIFICATES IN CONNECTION WITH CERTAIN EXPENDITURES.

Director of Finance John Potts requested authorizing the execution of certificates by the Director of Finance and the payment of amounts due upon certain contracts for which the Finance Director has issued Then and Now Certificates in connection with certain expenditures.

In February there were a few Then and Nows that are coming out of the closing of the ledgers late last year and this year. These expenditures are normal and recurring purchases.

The Finance Committee approved the authorization of the execution of certificates by the Director of Finance and the payment of amounts due upon certain contracts for which the Finance Director has issued Then and Now Certificates in connection with certain expenditures.

* * * *

There being no further business, the meeting was adjourned at 8:40 a.m. The next meeting will be March 20, 2023.

* * * *

Respectfully submitted,

John J. Potts, Finance Director
Finance Committee