



**Finance and Administration Committee Minutes  
Monday, September 16, 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 Tom Cicarella  
Citizen Member Martin Kolb

Others present: Mayor David E. Weiss  
Chief Administrative Officer Jeri Chaikin  
Frank J. Brichacek, Interim Finance Director  
Cheryl Arslanian, Assistant Finance Director  
Patricia Speese, Director of Public Works  
William Hanson, Housing Commissioner  
John Cole, Police Commander  
Ann Klavora, Principal Planner

The meeting was called to order by Chair Sean Malone at 7:31 A.M.

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**APPROVAL OF THE AUGUST 20, 2019 MEETING MINUTES**

Chair Malone stated that approval of the minutes of the August 20, 2019 were approved as recorded.

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**AUTHORIZING THE WAIVER OF THE COMPETITIVE BIDDING REQUIREMENT FOR THE TEMPORARY SHORING OF THE TRANSFER STATION (W CONSTRUCTION - \$46,500).**

Patricia Speese, Director of Public Works, stated in 1970 the Service Center Transfer Station was constructed with substantial structural reconstruction performed in the 90's. The building consist of two levels, the top section the trucks load the compactors with rubbish or brush and the basement level the compactors, compactor's trailers, forestry equipment and salt storage are located. All the City's rubbish, recycling, brush and leaves are processed through the building's compaction and loading facility including storing of the road salt supply.

In early summer of 2017, areas of the floor of the Transfer Station were discovered to be cracking and portions of the concrete floor about 4" – 6" in diameter were breaking loose. An examination of the Transfer Station floor by the City's engineer (GPD Group) determined that the floor was showing signs of failure. Areas of cracked floor concrete was expanding and cracks were found in the brush

**CITY OF SHAKER HEIGHTS**

truck entry doorway floor. These cracks allowed water to corrode the concrete's reinforcement bar and as the steel bar corrodes, it caused the concrete to break apart exposing more re-bar to water. Further examination showed that the majority of the basement ceiling (underside of the floor) appeared in acceptable condition, but the condition of the floor near the brush truck entry was found to be in questionable condition. Recommendation for temporary shoring to be put in place to hold the floor in position was submitted by the GPD Group. Six contractors were contacted with only W Construction being able to supply and install the temporary shoring. Due to the emergency nature the public bidding was not done. The rental cost of the shoring is \$11,400 per year at an estimated rental cost of \$46,500. The shoring will remain in place until the repairs are made, thereby exceeding the \$25,000 limit which requires public bidding or Council approval.

Repairs to the Transfer Station were part of the 2019 Capital budget in the amount of \$200,000 as a placeholder with the understanding that once the comprehensive assessment of the Transfer Station was performed a more accurate final figure would be included in the 2020 Capital Budget.

The Safety & Public Works Committee approved this request at the September 6, 2019 meeting. During the discussion at the meeting the question was asked if there is a final dollar figure for the complete repair yet. That figure will be completed any day now and will be included in the 2020 Capital budget.

In response to Council Member Williams regarding the rental cost of shoring \$11,400 per year, Director Speese stated that it would be two to three years estimated total cost of \$46,500.

Council Member Moore stated that the alternative to the temporary shoring would be to re-bid the project, keeping in mind that no bids were received from the six contractors the first time, with the possibility of receiving even lower bids on the re-bid.

Director Speese stated that part of the City's bidding process requirements include bonds (Labor and Material, Performance or Contract, and Maintenance) and certificate of insurance which of course the cost of the bonds and insurance is passed onto the City with the end result being higher bid amounts.

In response to Chair Malone regarding the final cost of repair to the Transfer Station, Director Speese stated that would be \$600,000.

The Finance and Administration Committee recommended authorizing the waiver of the competitive bidding requirement for the Temporary Shoring of the Transfer Station (W Construction - \$46,500).

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**AUTHORIZING AN APPROPRIATION IN THE AMOUNT OF \$65,000 IN HOUSING NUISANCE ABATEMENT FUND NO. 223 TO BE USED FOR DEMOLITION.**

William Hanson, Housing Commissioner, stated that this item is a request to appropriate \$65,000 of available cash receipts in Fund 223, Housing Nuisance Abatement Fund, so that the funds can be used for demolition activities. The City received these funds as reimbursements through the Cuyahoga County Demo Fund from previous demolitions. The County authorized the City to keep any reimbursed demolition funds provided such funds are used for additional demolitions. Therefore, this action is a request to make these funds available for additional demolition work.

The City currently has 5 to 7 vacant and abandoned homes under consideration for demolition and this request will ensure funds are available should we determine to proceed. Vacant properties are closely monitored by the City in an effort to keep them secure and in compliance with the City's Vacant Property Ordinance. The City can declare a property a public nuisance if the owner fails to take action to make necessary repairs on property and could result in the recommendation for demolition of the property. The City also considers demolition of deteriorated vacant homes acquired through the tax foreclosure process.

The City has received three (3) separate awards for demolition funding through the County Demo Fund since 2012 totaling \$2,140,000 and 155 houses and 8 commercial buildings have been demolished during this period by the City or the County Land Bank acting on our behalf.

The City has applied to the County for an additional \$400,000 of demolition funding and anticipates a favorable response to this request though the award has not yet been made.

In response to Council Member Zimmerman regarding the reimbursements, Commissioner Hanson stated that the reimbursements are from banks. Upon completion of the demolition the owner will be billed for cost of the demolition plus a 22% administration fee. In most cases the fee is not paid and the City then files a lien against the property and ultimately ends up acquiring the property. Banks will reimburse the City for their cost which goes into Fund No. 223.

In response to Council Member Zimmerman regarding the award of the \$400,000 from the County; Commissioner Hanson stated that we have not received the funding yet, but the City is continuing communications with the County and so far have been receiving different dates as to when the funds will be received.

Council Member Zimmerman asked if there exist a list of properties that are possible candidates for the additional demolition funds.

Commissioner Hanson stated that there is a tentative list that is always being reviewed and updated and because this funding could possibly be the last through the County for demolitions, the City was requesting as much funds as possible in the event it was needed. Commissioner Hanson stated that the County is moving away from the demolition of houses and moving more toward rehabbing the homes.

Council Member Moore stated that the First Suburbs Consortium has been pushing for certain municipalities to move to rehabbing and one of the reasons the County is stopping the demolitions. Some communities have houses that are so low in value, that to demolish the homes would involve a larger percentage of their housing market. Shaker looks at demolitions as a last end strategy.

Citizen Member Cicarella stated that Commissioner Hanson used the term vacant, abandoned homes that are blighted and questioned if these are homes beyond rehab or economically rehab is not feasible or if they are houses for which there is no buyer for rehab?

Commissioner Hanson stated that there is a combination with most being not economically viable for rehab, but there are situations where a home could be potentially rehab, but the owner has abandoned the property and this can go on for a long periods of time. Presently the City is dealing with a home that has been vacant for twenty plus years and with time no one is really sure who has the mortgage.

The home is abandoned and the property just sits and deteriorates while the banks continues to pay the property taxes. The City has to determine what the appropriate course of action is and typically the property has become so deteriorated because of vandalism that it is not economically viable. The City presently has a tremendous amount of rehab activity, particularly renovators that perform high quality work and if the house can be renovated and if there is a willing seller it will happen. Each house has a story and a reason why nothing seems to be happening with the house. From a neighborhood prospective just how long do you wait, while the neighbor deals with the deterioration of this vacant property?

In response to Citizen Member Cicarella regarding the number of residents, CAO Chaikin stated that the population was down 200 plus residents since 2008.

Commissioner Hanson stated that presently there are 302 vacant homes which is only 3.8% of the total number of homes in Shaker and most of the vacant homes are well maintained and many are on the market. Of the 302 houses 41.7% has been vacant less than a year followed by 35.1% which have been vacant for one to three years. There are 19 homes that have been vacant for five to ten years and another 13 homes that have been vacant for more than ten years. The vacant homes are monitored regularly to make sure they are secure and being maintained. The highest point of the vacant home crisis had 450 vacant homes and the City used demolition as a last resort.

Council Member Moore stated that having a vacant home right next door is not a good situation and really impacts the values on the whole street.

The Finance and Administration Committee recommended authorizing an appropriation in the amount of \$65,000 in the Housing Nuisance Abatement Fund No. 223 to be used for demolition.

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**AUTHORIZING A RENEWAL OF THE AMENDED CONTRACT WITH THE CITY OF SOLON, OHIO FOR THE PROVISION OF JAIL SERVICES FOR PRISONERS OF THE CITY OF SHAKER HEIGHTS, IN AN AMOUNT NOT TO EXCEED \$229,200 FOR THE PERIOD JANUARY 1, 2020 THROUGH DECEMBER 31, 2021.**

John Cole, Police Commander, stated that this item is requesting an extension of the current contract with the City of Solon for prisoner housing services. In 2015 the City entered into a three-year contract with the City of Solon in the annual fee in the amount of \$264,000 which calculates to \$22,000/month or \$710/day. The City would have access to Solon's 26-bed full service facility and staff, including a prescription drug rebate program, inmate transport to medical facilities, video arraignments from the jail facility and use of the BAC Datamaster.

In 2017, a review of the first two-years of the contract revealed the City should consider transitioning from a flat rate customer to a per date customer rate. The City issued a letter to the City of Solon stating our intention to cancel the initial contract and negotiate modifications. After a period of negotiations, an agreement was reached by both parties for the modifications which were considered as an amendment to the original contractual agreement which will expire December 31, 2019. The City approached the Solon jail facility requesting a renewal of the amended agreement for two more years expiring at December 31, 2021 in the amount of \$229,200 per year.

In response to Council Member Moore regarding two-years versus three-years, Commander Cole stated that due to the instability of the Solon Chief's position they would only extend just two-years. Council Member Williams stated that if he remembered correctly, Shaker used to provide jail facilities to six other communities. Mr. Williams inquired did the other communities move their prisoners to Solon when Shaker decided to start housing prisoner in Solon.

Commander Cole stated that only a few communities decided to move to the Solon's jail facilities, but mentioned that Solon does have the largest facilities and serves about 12 communities with Shaker being their largest population.

In response to Council Member Zimmerman regarding the court and jail, Commander Cole stated that the court and the jail are separate issues.

Council Member Moore stated that the only other alternative the City has would be the County and presently the County is not a desirable destination or rebuild the jail and since one of the requirements for a jail is natural lighting and the Shaker jail is in the basement, the City would have to rebuild the whole jail.

Chair Malone stated that the City's decision to move to Solon was a good one and the City is still saving money through this contract and keeping officers on the streets.

Council Member Moore stated that the memo is very informative and actually overwhelming and suggested possibly adding a schematic to the memo.

Citizen member Kolb stated that he was involved in the original committee back in 2015 when this was being evaluated and believed the City made the right decision to move to Solon. Mr. Kolb agreed with Council Moore that it was difficult to follow the financial implications in the memo and suggested that a summary financial chart be added to the memo and re-enhance the soft benefits.

The Finance and Administration Committee recommended authorizing a renewal of the amended contract with the City of Solon, Ohio for the provision of jail services for prisoners of the City of Shaker Heights, in an amount not to exceed \$229,200 for the period January 1, 2020 through December 31, 2021.

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**AUTHORIZING THE CITY'S APPLICATION FOR AND ACCEPTANCE OF A \$200,000 GRANT FROM NORTHEAST OHIO AREAWIDE COORDINATING AGENCY'S (NOACA) TRANSPORTATION FOR LIVABLE COMMUNITIES (TLCI) PROGRAM TO MAKE IMPROVEMENTS AT THE SOUTH WOODLAND/WARRENSVILLE CENTER INTERSECTION.**

Ann Klavora, Principal Planner, stated that this item is requesting authorizing the application to, and acceptance of a grant from, NOACA's Transportation for Livable Communities (TLCI) implementation grant program. The Northeast Ohio Areawide Coordinating Agency (NOACA) Transportation for Livable Communities Initiative implementation grant helps communities move forward with the development and installation of low-cost infrastructure that strengthens community livability. The NOACA Governing Board has allocated \$1.5M of federal funds for the competitive

grant program. The minimum grant request is \$100,000; there is no maximum grant request, but we expect NOACA to optimize the number of projects assisted and grants awarded. In 2019, nine of fifteen applications were funded, including improvements at the Shaker/Warrensville intersections.

The City will apply for grant funds to make improvements at the South Woodland/Warrensville Center intersection. This project implements recommendations in the 2018 Van Aken District Signal Study prepared by HNTB.

In response to Chair Malone regarding \$200,000, Ms. Klavora stated that \$200,000 would cover the construction and the \$40,000 match from the City would be for the design.

In response to Council Member Williams regarding the grant, Ms. Klavora stated that the City could hope to receive this grant. Considering it is different every year because it is a competitive grant program and depends on what other communities submit and essentially what the City is competing against is other City's presenting their projects and how their project will enhance the community. This grant is to improve the quality of life and to add pedestrian and bicycling experience in the City, so our application will emphasize how these changes will improve those aspects of the intersection.

The Finance and Administration Committee recommended authorizing the City's application for and acceptance of a \$200,000 grant from Northeast Ohio Areawide Coordinating Agency's (NOACA) Transportation for Livable Communities (TLCI) program to make improvements at the South Woodland/Warrensville Center intersection.

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**AUTHORIZING A REQUEST TO WAIVE THE PROCEDURE TO DESIGNATE PUBLIC DEPOSITORIES TO ALLOW FOR AN AMENDMENT TO THE DEPOSITORY AGREEMENT WITH HUNTINGTON NATIONAL BANK FOR THE CITY'S BANKING SERVICES.**

Frank Brichacek, Interim Finance Director, stated that the current agreement with Huntington National Bank will expire December 1, 2019. The City's Codified Ordinance Section 143.03 specifies a procedure for designation depositories (banks) which includes an application process open to any bank which has an office in Shaker Heights or in the City of Cleveland. The Finance Director has the authority to designate one or more depositories for the City's active deposits, for a period of up to five years.

The City contracted in May 2019 with PFM Asset Management in the amount of \$24,500 to draft the required request for proposal (RFP) for banking services, assist in the evaluation of proposals and negotiate pricing with the selected banks.

The City received the draft banking services RFP in July, coinciding with the retirement of then Finance Director Robert Baker. Given the temporary reduction in staff in the Finance Department and the focus on the 2020 budget a recommendation has been made that the City delay the current process of designating City depositories. Interim Director Brichacek recommended that the current depository agreement with Huntington National Bank be extended for a period not-to-exceed one-year, expiring December 1, 2020.

Chair Malone stated that this was very thoughtful and it is a long term relationship which the new Finance Director should be involved in the decision.

In response to Council Member Moore regarding the RFP, Interim Director Brichacek stated that the RFP is only being placed on hold pending the hiring of the new Finance Director and will not have to be redone.

Council Member Williams stated that presently the City is handling the Housing escrow accounts and asked if there is a section in the RFP regarding the bank possibly taking over the handling of the escrow accounts.

Council Member Moore stated that the RFP does not have a section on the bank services taking over the escrow accounts from the City.

The Finance and Administration Committee recommended authorizing a request to waive the procedure to Designate Public Depositories to allow for an amendment to the Depository Agreement with Huntington National Bank for the City's Banking Services.

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**APPROVING TAX YEAR 2019 (COLLECTION YEAR 2020) PROPERTY TAX RATES.**

Interim Director Brichacek, stated that this item is for the annual required approval of our tax rates for tax year 2019 for collection in 2020. We are required by the Ohio Revised Code to approve tax rates even though they are the same every year. Shaker Heights has set inside and Charter millage totaling 9.9 mills. The City's property tax rate has remained unchanged since 1993. The current rate represents a decrease of 1.60 mills from the 1992 tax rate of 11.50 mills which included a levy for debt.

In response to Council Member Moore regarding the increase of \$549,314, Interim Director Brichacek stated that was a result of the recent re-appraisal and new construction.

In response to Citizen Member Cicarella regarding 2018 pre-payment of taxes at the end of 2017, Interim Director Brichacek stated that it could be re-appraisal and 2018 pre-payment and stated that he had not taken that pre-payment into consideration until now.

In response to Chair Malone regarding the inside millage and Council increasing or decreasing it, Interim Director Brichacek stated in order for the City to increase the millage, the City would have to go to the schools and the county and request they give some monies up. The reason the Council has to approve this item is because the City is the one that is actually levies the property taxes. The County can't levy property taxes on our residents for the City purposes.

The Finance and Administration Committee recommended approving Tax Year 2019 (Collection Year 2020) Property Tax Rates.

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**REQUESTING THE COUNTY FISCAL OFFICER TO ADVANCE 2019 PROPERTY TAX RECEIPTS COLLECTED BY THE COUNTY DURING 2020**

Interim Director Brichacek, stated each year, the County Fiscal Office requires the City to formally request to participate in the County Fiscal Office tax advance program for the following year. Under this program, the County Fiscal Officer will make periodic advances of up to 90% of the property taxes collected on the City's behalf by that office as the revenue is identified. Generally, the City would expect to receive approximately six periodic distributions under this program. Without these requests, the County Fiscal Office will hold all of the City's funds until final settlement, meaning that the City will receive only two lump-sum distributions a year.

The Finance and Administration Committee recommended requesting the County Fiscal Officer to advance 2019 Property Tax receipts collected by the County during 2020.

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There being no further business, the meeting was adjourned at 8:14 a.m. The next meeting will be October 15, 2019.

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Frank J. Brichacek  
Finance and Administration Committee