



SHAKER HEIGHTS

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

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

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

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

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APPROVAL OF THE OCTOBER 21, 2019 MEETING MINUTES

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

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PROPOSED TAX INCREMENT FINANCING ON WENDY’S PROPERTY.

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

The Neighborhood Revitalization and Development Committee recommended approval of these items on October 10, 2019. Upon recommendation by this Finance and Administration Committee, City Council will consider this item at its meeting this evening, November 18, 2019.

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

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

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

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

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

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

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

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

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

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AUTHORIZING AN EXTENSION OF TIME FOR REPAYMENT OF A LOAN TO THE SHAKER HEIGHTS DEVELOPMENT CORPORATION.

Director Englehart stated that this item is a request to extend the term of a loan to the Shaker Heights Development Corporation in the amount of \$27,700 for costs associated with a contract for professional fund development and related services for an additional three years until January 1, 2023.

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

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

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

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

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

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

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

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

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

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

In response to Citizen Member Moore regarding an appeal process if an officer or firefighter's waiver is denied, Ms. Middleton stated that there is no appeal process in the collective bargaining agreement. It is totally at the discretion of the City, but if an officer or firefighter can pass the physical and their past performance is good, the City will approve the waiver.

In response to Chair Malone regarding the physical, Ms. Middleton stated the physical can be performed by any Doctor. At the time of the physical the Doctor is required to fill out a form provided by the City explaining the physical requirements of the position and verification is required by the Doctor that the employee has passed all requirements.

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

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

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

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

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

Frank J. Brichacek
Finance and Administration Committee