



**Finance Committee Minutes
Monday, December 9, 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 Anthony Moore

Others present: Chief Administrative Officer Jeri Chaikin
Frank J. Brichacek, Interim Finance Director
Cheryl Arslanian, Assistant Finance Director
Alexandria Nichols, Director of Recreation
Laura Englehart, Director of Economic Development
Katharyne Starinsky, Economic Development Specialist
Frank Goforth, League of Women Voters

The meeting was called to order by Chair Sean Malone at 7:36 A.M.

* * * *

**APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF OCTOBER 21, 2019
AND NOVEMBER 18, 2019.**

Chair Malone stated that the minutes of the October 21, 2019 and November 18, 2019 meetings were approved as recorded.

* * * *

AUTHORIZING A CONTRACT WITH SENIOR TRANSPORTATION CONNECTION (STC), FOR THE PROVISION OF SENIOR TRANSPORTATION SERVICES FOR THE PERIOD JANUARY 1, 2020 THROUGH DECEMBER 31, 2020, IN THE MAXIMUM AMOUNT OF \$110,000.

Alexandria Nichols, Recreation Director, stated that this item is requesting authorization to enter into a contract with Senior Transportation Connection (STC) for the provision of senior transportation services. Since 2009 the City has been contracting with STC and has provided rides to approximately 150 to 250 registered people annually. The majority of the STC transportation is used for medical appointments, but residents can use the service for personal and group rides. The service area includes the Cleveland Clinic main campus, University Hospitals, and medical facilities in Solon, Willoughby Hills, Euclid, and Warrensville Heights. Personal and group trips typically go to surrounding communities. Other locations are considered depending on the situation. Riders pay a \$1 donation fee per one-way for medical trips, individual trips and group trips and a \$5 fare each way for all personal trips. The City is not proposing any changes to rider fees or cost to residents in 2020 and users of the service are allowed two round-trip

CITY OF SHAKER HEIGHTS

trips per week. In 2020, STC proposed changes include raising the fee for individual/medical trips from \$24.50 to \$30 one-way, group trip fee from \$9.50 to \$9.75, and personal trip fee from \$18.00 to \$20. Another contractual change is modifying the fuel escalation cost from \$3/gallon to \$2.50/gallon. The potential impact on the budget for the fare change and fuel changes are expected to increase spending by about 10%. The City budgeted \$100,000 in 2019 and will increase to \$110,000 for 2020. The City has not spent the budgeted amount for the 2019 ride costs, so \$110,000 for 2020 to should be sufficient.

This item was presented and approved unanimously to the Recreation Committee on December 4, 2019

In response to Council Member Williams regarding the 65% medical trips, Director Nichols stated that University Circle, Cleveland Clinic and South Pointe Hospital make up a large percentage of that figure. The cost to the City, if the City was still providing this service to the residents would be way more than \$110,000.

Council Member Moore stated that just recently she dealt with a resident who for many reasons needed this service and realizes just how critical this service is for residents with physical impairment or have financial reasons why they are unable to provide transportation services on their own.

In response to Citizen Member Moore regarding qualification, Director Nichols stated riders need to be 60 years of age and a Shaker residents with riders having a physical or visual impairment and others a financial reason.

Chair Malone stated that the City cost to provide this service was \$150,000 back twelve years ago, which reflects an obvious savings to the City contracting with STC.

The Finance and Administration Committee recommended authorizing a contract with Senior Transportation Connection (STC), for the provision of senior transportation services for the period January 1, 2020 through December 31, 2020, in the maximum amount of \$110,000.

* * * *

AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT WITH CUYAHOGA COUNTY AND THE FEDERAL SMALL BUSINESS ADMINISTRATION (SBA) TO ACCEPT ROUND 3 SBA-MUNI-COUNTY SMALL BUSINESS FINANCE INITIATIVE FUNDS IN THE AMOUNT OF \$150,000 AND AUTHORIZE AN APPROPRIATION IN THE AMOUNT OF \$50,000 FROM THE ECONOMIC DEVELOPMENT AND HOUSING RESERVE FUND TO PARTICIPATE IN THE ROUND 3 INITIATIVE.

Katharyne Starinsky, Economic Development Specialist stated that in 2014 the Federal Small Business Administration (SBA) invited the City to participant in a pilot program to increase SBA lending in the area, in which Cuyahoga County would contribute \$250,000 to match the City's investment of the same amount. This would allow the City to make forgivable loans of up to \$50,000 to any one business, with 50% of the loan being contributed by the City and 50% coming from County contributed funds, in order to help the business grow or establish itself in the City, and requiring the business to contribute 10% equity or demonstrate a similar investment through payroll or working capital and qualify for an SBA loan for 75% of its project. Typically the forgivable loan is in line with their lease term of usually 3 to 5 years. The City requires the income tax projections that the business has be in line with the City's contribution to the forgivable loan.

On August 1, 2014, the City entered into an agreement with Cuyahoga County to establish and jointly fund the Shaker Heights-SBA Small Business Performance Grant Program and agreed on target industries, job creation goals, and business performance criteria and reporting.

This request is to approve an agreement with the County to receive grant funds in the amount of \$150,000 and appropriate \$50,000 from the Economic Development and Housing Reserve Fund.

This item was presented to the Neighborhood Revitalization and Development Committee but they did not have a quorum. Members who were present supported this item.

In response to Council Member Williams regarding Protem Healthcare having 50 fulltime employees, Ms. Starinsky stated that Protem Healthcare provides services in patient's homes, assisted living or skilled nursing facilities, and hospitals but not onsite. Protem Healthcare is a possible candidate for expansion to a larger facility, but not presently.

Chair Malone stated that a question was asked regarding the County funds continuing and the answer is no one really knows if the County will continue issuing these funds, making it important to focus on Lee Road while funds like this are available. Forty businesses have started in Shaker Heights thanks to programs like this giving people incentive to come to Shaker Heights.

The Finance and Administration Committee recommended authorizing the City to enter into an agreement with Cuyahoga County and the Federal Small Business Administration (SBA) to accept round 3 SBA Muni-County Small Business Finance Initiative Funds in the amount of \$150,000 and authorize an appropriation in the amount of \$50,000 from the Economic Development and Housing Reserve Fund to participate in the Round 3 Initiative.

* * * *

There being no further business, the meeting was adjourned at 7:59 a.m. The next meeting will be February 18, 2020.

Frank J. Brichacek
Finance and Administration Committee