



SHAKER HEIGHTS

**FINANCE COMMITTEE AGENDA
MONDAY, MARCH 15, 2021, 8:00 A.M.
VIA ZOOM MEETING**

<https://zoom.us/j/95151290294>

Meeting ID: 951 5129 0294

Or Dial In 833 548 0276 (toll free) / Meeting ID: 951 5129 0294

1. Approval of the minutes of the regular meeting of February 16, 2021.

Documents:

[1 - FNMN0216.PDF](#)

2. Authorizing the issuance and sale of \$5,200,000 of GO Various Purpose Improvement Notes, Series 2021, for the purpose of rolling over the Street and Sewer Improvement Notes and paying the cost of improving the sanitary sewerage system by constructing and improving sanitary and storm sewers and related sanitary and drainage facilities.

Documents:

[2 - SERIES 2021 BANS MEMO TIMELINE - FIN CEE.PDF](#)

3. Discussion Item: 2020 Year-end Results (unaudited).

Documents:

[3 - 2020 YEAR END REPORT \(UNAUDITED\) - FIN CEE.PDF](#)

4. Authorizing a contract with Ronyak Paving in a total not-to-exceed amount of \$1,421,976.40 for the 2021 Street Resurfacing Project. SPW

Documents:

[4 - 2021STREETRESURFACINGAWARD.PDF](#)

5. Authorizing a contract with Home Repair Resource Center (HRRC) in the total not-to-exceed \$75,000 for the 2021 Home Repair Educational Services for Shaker Heights Home Owners for the Department of Economic Development. NRD

Documents:

[5 - 2021 HOUSING PROGRAMS MEMO FINANCE.PDF](#)

6. 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.

Documents:

[6 - THEN AND NOWS MARCH - FINANCE CEE.PDF](#)

To request an accommodation for a person with a disability, call the City's ADA Coordinator at 216-491-1440, or Ohio Relay Service at 711 for TTY users.



SHAKER HEIGHTS

Finance Committee
Tuesday, February 16, 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, 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 Planning, Joyce Braverman
Principal Planner, Kara Hamley O'Donnell
Director of Human Resources, Sandra Middleton
Sr. Human Resources Analyst, Monica Hayes
Chief of Fire, Patrick Sweeney
Sustainability Coordinator, Michael Peters
League of Women Voters, Frank Goforth

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APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JANUARY 19, 2021.

Chair Moore stated that the minutes of the January 19, 2021 meeting were approved as recorded.

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AUTHORIZING A PERSONAL SERVICES CONTRACT WITH COVENTRY LAND COMPANY, LLC IN A TOTAL NOT-TO-EXCEED AMOUNT OF \$50,000 FOR PROFESSIONAL SUSTAINABILITY CONSULTING SERVICES FOR THE PERIOD MARCH 1, 2021 THROUGH FEBRUARY 28, 2022.

Jeri Chaikin, Chief Administrative Officer, stated this request is for authorization to enter into a personal service contract with Coventry Land Company, LLC in a total not-to-exceed amount of \$50,000 for professional sustainability consulting services for the period of March 1, 2021 through February 28, 2022.

CITY OF SHAKER HEIGHTS

The Council's Sustainability was established in 2019 to formalize sustainability policies and priorities and Michael Peters of Coventry Land Company, LLC has served as the City's Sustainability Coordinator and works with the Sustainability Committee. CAO Chaikin presented a brief summary of Michael Peters' accomplishments in making the City more sustainable on terms of reducing energy consumption and saving money.

Council in 2019 included funds in the General Fund budget for a Sustainability Coordinator to support the Sustainability Committee, 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. Funding has been included in the 2021 General Fund budget to continue these services. Coventry Land Company LLC was selected in 2018 after a competitive request for proposal process to provide consulting services for sustainability initiatives and the City has contracted with Coventry Land for the past two years.

This was presented and approved at the Sustainability Committee on February 11, 2021 meeting.

Council Member Anne Williams touted the work that Michael Peter has performed, highlighting how he has engaged residents to work together on topics in a very unique fashion.

The Finance Committee recommended authorizing a personal services contract with Coventry Land Company, LLC in a total not-to-exceed amount of \$50,000 for professional sustainability consulting services for the period March 1, 2021 through February 28, 2022.

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AUTHORIZING AN AGREEMENT WITH CUYAHOGA COUNTY FOR THE REHABILITATION OF THE WARRENSVILLE CENTER ROAD BRIDGE.

Patricia Speese, Director of Public Works, stated Cuyahoga County Department of Public Works determined the bridge at Warrensville Center Road and Shaker Boulevard was structurally compromised and since 2016, a weight restrictions was placed on the bridge. The City reached out to the County to fast track this project as soon as possible due to the challenges associated with the weight restrictions, especially since it abuts Fire Station 2 and their operation.

The County selected a consultant and is currently designing the rehabilitation of the bridge and construction is scheduled in 2022 and estimated duration of the project is eighteen months. Since the located of the bridge is in Shaker Heights, Cuyahoga County is requesting to enter into an agreement. The general terms of the agreement acknowledges the County will be responsible for the design, construction and administration of the project. The City supports the funding of this project with the County using their Motor Vehicle License Tax Fund. The County will also coordinate and fund any utility relocations that will be necessary to rehabilitate the bridge. After the project is complete, the City would be responsible for what we have always been responsible for in the routine maintenance, i.e. snow removal, pavement markings, replacement of traffic signage as required, etc. The County will still be responsible for structural inspection and related maintenance items.

This item was presented and approved at the Safety & Public Works Committee Meeting on February 5, 2021.

In response to Citizen Member Lalley regarding the hiring of an inspector; Director Speese stated that no inspector needs to be hired for this project.

The Finance Committee recommended authorizing an agreement with Cuyahoga County for the rehabilitation of the Warrensville Center Road Bridge.

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AUTHORIZING A CONTRACT WITH GPD GROUP IN A TOTAL NOT-TO-EXCEED AMOUNT OF \$172,519 FOR PROFESSIONAL DESIGN SERVICES FOR THE RESURFACING OF CHAGRIN BLVD. (PID 112472) AND APPROPRIATING FUNDS FROM THE GENERAL CAPITAL FUND 0401 FOR THE DESIGN.

Director Speese stated this request is for authorization to enter into a contract with GPD Group in the total not to exceed amount of \$172,519 for professional design and related personal service for the resurfacing of Chagrin Boulevard. The Ohio Department of Transportation (ODOT), under an ODOT Local Public Agency (LPA) Project, has agreed to fund 80% of the resurfacing of Chagrin Boulevard, which the project is to be designed and managed by the City.

Director Speese stated to design the resurfacing project a Request for Proposal (RFP) was issued in December, 2020 with three (3) firms submitting a proposal. The Quality Based Selection (QBS) process is required to be used for projects receiving funding from the State scoring the technical merits of the proposals. Based on scoring, Public Works interviewed GPD consultant's project team on January 28, 2021. GPD has an understanding of the project, with an experienced project team and have performed in the past the design of Chagrin Blvd.

This request was presented and approved at the Safety & Public Works Committee Meeting on February 5, 2021.

In response to Citizen Member Lalley regarding the project budget; Director Speese stated the design project was not budgeted for 2020 Capital Budget, but was in the 10-year Capital Plan and the design portion is being moved to 2020.

The Finance Committee recommended authorizing a contract with GPD Group in a total not-to-exceed amount of \$172,519 for professional design services for the resurfacing of Chagrin Blvd. (PID 112472) and appropriating funds from the General Capital Fund 0401 for the design.

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AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF A GRANT FROM THE HEALTHY URBAN TREE CANOPY GRANT PROGRAM IN THE AMOUNT OF \$67,000 BEING COORDINATED BY CUYAHOGA COUNTY DEPARTMENT OF SUSTAINABILITY, THE CUYAHOGA COUNTY PLANNING COMMISSION, THE CUYAHOGA COUNTY BOARD OF HEALTH, AND THE CUYAHOGA SOIL & WATER CONSERVATION DISTRICT.

Director Speese stated this request is for approving an application for, and acceptance of a Healthy Urban Tree Canopy Grant in the amount up to \$67,000 from the Cuyahoga County Planning Commission, as coordinated by several County agencies to provide financial assistance for three plantings in the City. The grant is due February 26th and requires a 10% match.

This funding opportunity aims to provide financial assistance for tree plantings throughout the county to help lessen the impacts of climate change and tree canopy loss. In keeping with the County's efforts to ensure historically underserved areas receive funding, additional consideration will be given to projects in vulnerable communities. The current Tree Assessment does not cover the reforestation of the center strips/medians throughout the City. The Van Aken median has lost a significant amount of trees during the past several years due to storm damage and the City would like to apply for funding to plant 149 trees in the Van Aken median, including 25 additional trees in the Onaway median. The total amount of trees to be planted in this application will be 174 at an estimated cost of \$67,000 and requires a 10% match (\$6,700) which would come from Public Works general fund Tree budget. The typical grants to be awarded are from \$25,000 to \$50,000.

This request passed unanimously at the Tree Advisory Board Meeting on February 9, 2021 with members echoing their full support.

Citizen Member Kolb questioned if the storm back in November that damaged trees on Shaker Boulevard had any connection with the Van Aken trees and this grant.

Director Speese stated that RTA and the City has an agreement with 50/50 participation on the replacement of the Shaker Boulevard trees.

The Finance Committee recommended authorizing the application for and acceptance of a grant from the Healthy Urban Tree Canopy Grant Program in the amount of \$67,000 being coordinated by Cuyahoga County Department of Sustainability, the Cuyahoga County Planning Commission, the Cuyahoga County Board of Health, and the Cuyahoga Soil & Water Conservation District.

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AUTHORIZING A DEVELOPMENT AGREEMENT WITH CAP CONSTRUCTION FOR THE SALE OF CITY-OWNED PROPERTY LOCATED AT 3662 RIEDHAM ROAD, SHAKER HEIGHTS, OHIO, PERMANENT PARCEL NUMBER 735-27-141, AUTHORIZING THE DISPOSITION OF CITY-OWNED PROPERTY.

Kamla Lewis, Director of Neighborhood Revitalization stated this item is requesting an authorization to enter into a Development Agreement with CAP Construction LLC for the sale, rehabilitation and re-sale of the City-owned property located at 3662 Riedham Road (PPN 735-27-141) under the City's Shaker Renovator program. In September 2010, the Neighborhood Revitalization Committee endorsed the City's Private Purchase-Rehab Program with the goal of returning vacant and/or abandoned residential properties to productive use by transferring City-owned houses to reputable firms for rehabilitation and sale to owner occupant.

The proposed buyer of the property, CAP Construction LLC., has completed 20 similar renovations in the following cities: Shaker Heights (7), Cleveland (10), & Euclid (3). The most recent one in Shaker was 3726 Traver Road, which was sold in August 2018 for \$225,000. CAP Construction LLC has consistently produced high quality rehabs and has an excellent reputation with all City departments.

This was presented and approved at the Neighborhood Revitalization & Development Committee meeting on February 10, 2021.

Citizen Member Lalley asked what arrangements the City has made to protect the City if the contractor defaults on the agreement and does not complete the rehab.

Director Lewis stated that the City does have clauses to protect them, one of the main protection being the prescreening process the contractors go through to show they have the financing to back the project and their past history of work. The second is that there are always funds in escrow to cover the rehab.

The Finance Committee recommended authorizing a Development Agreement with CAP Construction for the sale of City-owned property located at 3662 Riedham Road, Shaker Heights, Ohio, Permanent Parcel Number 735-27-141, authorizing the disposition of City-owned property.

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AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF A GRANT IN THE AMOUNT OF \$281,141 FROM THE OHIO DEPARTMENT OF NATURAL RESOURCES 2021 CLEAN OHIO TRAILS FUN/RECREATIONAL TRAILS PROGRAM FOR THE LOWER LAKE MULTIPURPOSE TRAIL.

Kara Hamley O'Donnell, Principal Planner, stated this request is for approval and authorization to submit a grant application to, and to accept a grant from, the Ohio Department of Resources' 2021 Clean Ohio Trails Fund/Recreational Trails Program for the Lower Lake Multipurpose Trail. This request will be for \$281,141 with a \$93,714 local match. The City has already committed \$40,000 in the 2021 General Capital Fund for this project. We ask that \$53,714 in additional matching funds be committed to be appropriated if we receive the grant. Grant applicants that show matching funds are committed will receive additional consideration in the grant review process. Grant applications and supporting legislation are due to the Ohio Department of Natural Resources on March 15, 2021. Grant recipients will be notified of awards in fall 2021.

The \$281,141 ODNR Clean Ohio Trails/Recreational Trails Program grant application will fund 75% of the engineering and construction of the multipurpose trail which will improve recreational opportunities and safety for park users. In 2013, the City received \$60,000 in ODNR Recreational Trails Program funds to implement Phase 2 of the Lake to Lakes Trail.

The project cost involves possible environmental review studies which will not be determined until after the grant is submitted. If fewer environmental/historic studies are required, the project cost and the City's match would be reduced. This grant may later be paired with a \$10,000 People for Bikes grant, for which we have submitted a Letter of Interest, which would pay for bike trail improvements and would reduce the City's required match.

A City Council Work Session was held on February 2, 2021, and the proposed trail was presented. The council discussion included: need to work with our stakeholders, the lack of sidewalks/curbs along South Park Boulevard, need to protect the existing bioswale and trees, be flexible about the trail location, take into account the woodchip pile, review flooding mitigation, consider bringing the trail closer to the lake for scenic views, balance needs of pedestrians and cyclists, and consideration of a

nature trail by the lake and a sidewalk nearer to South Park. This project was presented to the Safety and Public Works Committee on February 5, 2021.

Citizen Member Lalley requested a brief breakdown of the budget of this project.

Ms. O'Donnell stated the budget was \$93,000 with \$40,000 committed to design of the project with the other monies being applied for to build the project. Most grants do not include engineering portion of the project, so that is the additional monies in the \$93,000.

The Finance Committee recommended authorizing the application for and acceptance of a grant in the amount of \$281,141 from the Ohio Department of Natural Resources 2021 Clean Ohio Trails Fun/Recreational Trails Program for the Lower Lake Multipurpose Trail.

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AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF A GRANT FROM THE FEDERAL MANAGEMENT AGENCY (FEMA) FOR THE FISCAL YEAR 2020 FEMA ASSISTANCE FOR THE REPLACEMENT OF THE DIESEL EXHAUST SYSTEM AT FIRE STATION 1.

Patrick Sweeney, Fire Chief stated this request is to authorize the application for and acceptance of a grant from the Federal Management Agency (FEMA) in the estimated amount of \$72,149 through the Assistance to Firefighters Grant funding program for the replacement of the diesel exhaust system at Fire Station I at a total estimated project cost of \$80,166. A Diesel Exhaust Systems is vital to maintaining a healthy environment within the stations which is designed to capture emissions with a hose that is connected directly to the Fire Trucks and then exhausted directly to the outside. The diesel exhaust system at Fire Station I was designed on a total air exchange concept with this type of system being outdated and inefficient during winter months. The replacement or upgrading of diesel exhaust systems for Fire Stations are receiving a high priority from the FEMA Assistance to Firefighters Grants program.

The Fiscal Year 2020 FEMA Assistance to Firefighters Grant program has recently opened up for applications. A successful grant application would provide 90% funding with a required 10% match from the community making application. Based on our current estimates, this would equate to approximately a \$7,200.00 community match from Shaker Heights. If awarded the grant, the Fire Department would request that the city match be allocated from the General Capital Fund.

This items was presented and approved by the Safety and Public Works Committee on February 5, 2021.

Council Member Roeder stated that that the older technology seems to be working better and asked how the Fire Department handles the exiting or returning trucks before they are hooked up to the system.

Chief Sweeney stated that the fire bay doors are on timers and remain open for two minutes after leaving or returning which allows air flow into the building. There is an additional sensor that is on a timer that actually senses diesel emissions with a pressure switch that will turn the systems on and off.

In response to Citizen Member Kolb regarding Fire Station I; Chief Sweeney stated Fire Station I was built in 2004.

Citizen Member Kolb stated it is interesting that the old manual system where someone actually has to connect a hose to the exhaust has proven to be a safer, better alternative than the automated system. Chief Sweeney stated Fire Station II had installed a similar system back in 1994 or 95 which reached its end of life and in 2013 that system was replaced. The thought process that goes into some of these stations built back in 2000 was a desire to keep all space clutter-free and not have hoses and equipment hanging from the stations which wasn't a real good idea in hindsight. The newer fire stations are being built with these direct capture systems and is the recognized industry standard. The National Fire Protection Association recognizes direct capture as the optimal system.

Citizen Member Lalley stated agreement with some of the concerns expressed by the Safety and Public Works committee regarding this sounds like a significant health hazard and questioned why the delay with this FEMA grant and should the City appropriate the funds to correct the program.

Chief Sweeney stated the FEMA grant was released two weeks ago and due in a couple of weeks, so the City will find out quickly if the City will receive the funding and if not, the City will move ahead with the project.

The Finance Committee recommended authorizing the application for and acceptance of a grant from the Federal Management Agency (FEMA) for the Fiscal Year 2020 FEMA Assistance for the replacement of the Diesel Exhaust System at Fire Station 1.

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AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF A GRANT IN THE MAXIMUM AMOUNT OF \$38,264 FROM THE NORTHEAST OHIO PUBLIC ENERGY COUNCIL (“NOPEC”) ENERGIZED COMMUNITY GRANT PROGRAM FOR THE BUILDING AUTOMATION SYSTEM PROJECT AT FIRE STATION 1.

Michael Peters, Sustainability Coordinator, stated this is a request authorizing the acceptance of a grant in the maximum amount of \$38,264 from the Northeast Ohio Public Energy Council (NOPEC) Energized Community Grant program for the Building Automation System Replacement Project at Fire Station I. The City is a member of the Northeast Ohio Public Energy Council (NOPEC), which is a regional council of governments formed under Chapter 167 of the Ohio Revised Code to electric and natural gas aggregation services to communities throughout Ohio.

NOPEC's Energized Community Grant Program provides funds to help member communities to implement energy savings or energy infrastructure measures and the City's grant is \$38,264 for 2021, based on the number of customers enrolled in the NOPEC electric aggregation program.

When the City receives the \$38,264 in grant funds it will be deposited in Fund 401, the General Capital Fund, to offset the City funds allocated to this project.

This request was reviewed and approved by the Sustainability Committee on February 11, 2021.

Chief Sweeney stated this building automation system primarily controls the heating and cooling system at Fire Station I and this system also controls the diesel exhaust the air exchange system out on the apparatus floor, so the existing systems has been part of the automation system that is part of the problem that is presently going on with the diesel emission system. This will be an added benefit.

The Finance Committee recommended authorizing the application for and acceptance of a grant in the maximum amount of \$38,264 from the Northeast Ohio Public Energy Council (“NOPEC”) Energized Community Grant program for the Building Automation System project at Fire Station 1.

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AUTHORIZING AN APPROPRIATION OF \$28,514 FROM THE GENERAL CAPITAL FUND FOR THE PURCHASE OF AN ELECTRIC VEHICLE FOR USE BY THE RECREATION DEPARTMENT AND APPROPRIATING FUNDS FROM THE GENERAL CAPITAL FUND 0401.

Michael Peters stated the City has made a commitment to sustainability initiatives, including participation in programs such as LEED for Cities and support for the Paris Accord, which is an opportunity to consider a different approach to replacement vehicles for the City fleet. As a pilot, the purchase of an electric vehicle for use by the Parks and Recreation Department is being proposed. The Bolt can be purchased through a State of Ohio Department of Administrative Services contract from a local dealer. There is a vehicle immediately available at the DAS contract price of \$28,514. This represents over a \$10,000 savings from the sticker price as General Motors has an incentive for \$8,500 and the additional savings is attributable to the DAS pricing. This represents a tremendous value and to capture these savings we do need to receive approvals soon.

There is no specific allocation for an electric vehicle in the current budget, but a request is being made to allocate this purchase from the General Capital Fund.

This request was presented and approved by the Sustainability Committee meeting on February 11, 2021.

The Committee is requested to authorize an appropriation of \$28,514 from the General Capital Fund for the purchase of an Electric Vehicle for use by the Recreation Department and send this matter to City Council for final approval.

The Finance Committee recommended authorizing an appropriation of \$28,514 from the General Capital Fund for the purchase of an Electric Vehicle for use by the Recreation Department and appropriating funds from the General Capital Fund 0401.

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AMEND APPROPRIATIONS IN FUND NO. 101, THE GENERAL FUND, FUND WITHIN THE HUMAN RESOURCES DEPARTMENT TRAINING ACCOUNT FOR A REIMBURSEMENT OF \$1,549 RECEIVED FROM USI TO BE USED FOR VARIOUS TRAINING PROGRAMS.

Monica Hayes, Sr. Human Resources Analyst, stated The City has self-insured its Workers Compensation Program since September 1, 2008. Excess insurance is purchased to protect the City from catastrophic claims.

USI is the broker that is used to procure this coverage. During the process, the Finance Department provides an estimated payroll total for the upcoming year, September 1 to September 1. This estimated payroll is used to determine the cost of the coverage.

Each year, an audit is conducted to determine if this estimated payroll was correct. The audit for September 1, 2019 to September 1, 2020 indicated that the City was due a refund of \$1,549.

The Finance Committee recommended to amend appropriations in Fund No. 101, the General Fund within the Human Resources Department Training account for a reimbursement of \$1,549 received from USI to be used for various training programs.

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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.

Section 5705.41 (D) (1) requires in part that the fiscal officer certify that amounts required to meet obligations have been lawfully appropriated and are available for expenditure prior to the obligations being incurred. If this is not done the fiscal officer may make such certification, after the fact (commonly referred to as “Then and Now”), however if the amount of the obligation is \$3,000 or more City Council must approve payment within 30 days of such certification.

The Finance Committee is requested to recommend to Council that the Then and Now Certificate presented for the transactions on Exhibit A and the related payment be approved.

The Finance Committee recommended 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.

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There being no further business, the meeting was adjourned at 9:00 a.m. The next meeting will be March 15, 2021.

Respectfully submitted,

John J. Potts, Finance Director
Finance Committee



Memorandum

To: Finance Committee

From: Director of Finance, John J. Potts
MAS Financial Advisory Services LLC, Matthew A. Stuczynski

cc: Mayor, David E. Weiss
Chief Administrative Officer, Jeri E. Chaikin

Date: March 15, 2021

Re: GO Various Purpose Improvement BANs, Series 2021

In 2020 the City issued \$1,400,000 of one-year Bond Anticipation Notes (BANs) with a maturity date of May 27, 2021. These notes were originally issued in 2017 for Street Improvements and with a financing plan that contemplated a pay down of the notes by \$200,000 each year, for 10 years. That strategy remains in place today and the Finance Department recommends renewing the short-term notes again in 2021 with a \$200,000 pay down. The par amount of the renewal portion of the Series 2021 BANs will be \$1,200,000. The Street Improvement BANs will be combined with the Sewer Improvement BANs (detailed below) to be sold as one Various Purpose Improvement BAN.

The City Administration and Council have invested considerable time and energy developing a strategic plan for Sewer Improvements throughout the City. A key element of the strategic plan is arranging the funding mechanisms to pay for the proposed improvements. One of those funding mechanisms is the issuance of debt (bonds or bond anticipation notes) to pay for a material portion of the sewer improvements. Knowing that the strategic plan currently anticipates approximately \$6.0 million of improvements, funded with debt, over a three-year period of time, the Administration is recommending that the City issue \$4.0 million of Sewer Improvement BANs in 2021. This would include a renewal of \$2.0 million BANs originally issued in 2020 along with an additional \$2.0 million. As mentioned previously, the Sewer Improvement BANs would be issued in tandem with the rollover of the Street Improvement BANs referenced above.

While it is the Administration's recommendation to issue short-term BANs in 2021, the Administration will continue to monitor and evaluate the alternative debt issuance strategy of issuing long term Bonds for the Sewer Improvements. At this juncture, there remains clear benefit in waiting until the project is completed or near completion to proceed with converting the short-term notes to bonds in 2022. The benefits of waiting to issue long term bonds include: 1) the considerable economies of scale (tangible and intangible costs) and efficiency of issuing one series of bonds when the final project costs are more clearly identified, 2) the certainty of complying with Federal Tax Law related to Spend Down Provisions, and 3) needed flexibility to coordinate and align grant funding with

priority of projects. The Finance Department and Administration will once again re-evaluate the financing strategy for the Sewer Improvements in the Spring of 2022, with a healthy consideration of issuing long-term bonds at that time.

The Finance Department has worked closely with Matthew Stuczynski of MAS Financial Advisory Services, LLC, the City's financial advisor, in analyzing the above financing options for both the Street and Sewer Improvements financing. The Series 2021 BANs are scheduled to price early in May and close on May 26, 2021 (one day prior to the BANs maturing on May 27, 2021). For reference purposes, last year's BANs were sold at a rate of 1.13% yield to the investor. Interest rates on one year bond anticipation notes are currently being sold at 0.25%- 0.30% yield to the investor. Clearly a significant move lower in short-term rates over a one year period of time.

The Finance Department requests the Finance Committee to recommend to City Council to approve on first reading, and as an emergency, to adopt the ordinances authorizing the issuance and sale of the GO Various Purpose Improvement Notes, Series 2021 in the principal amount of \$5,200,000.

The anticipated timeline for proceeding with the BANs is outlined on the following page.

\$5,200,000*
CITY OF SHAKER HEIGHTS, OHIO
GO Various Purpose Improvement BANs, Series 2021
(Limited Tax, Bank Qualified, FAST Close)

Dated Date: May 26, 2021

Due Date: May 26, 2022

Schedule of Events

Feb 18	Conference call with Bond Counsel/MA
March 1	Bond Counsel prepares and circulates draft of Authorizing Legislation for Series 2021 BANs
March 15	Finance Committee meeting
March 22	Council Meeting; Council authorizes legislation
April 5	Request Ohio Municipal Advisory Council (OMAC) report. This is a standard report investors use to gather details related to the BANs.
April 14	Receive OMAC report and complete notice of sale for the Notes
April 21	Post Notice of Sale on Parity and OMAC platforms
May 5	Sale of Bond Anticipation Notes; Deliver pricing information to Bond Counsel; Sign Certificate of Award
May 5-24	Prepare closing documents and certificates
May 25	Pre-close Note issue
May 26	Close Note Issue; Underwriter - Wire funds to City of Shaker Heights



Memorandum

To: City Council
From: Director of Finance, John J. Potts
cc: Mayor, David E. Weiss
Chief Administrative Officer, Jeri E. Chaikin
Date: March 15, 2021
Re: 2020 Year-End Results (unaudited)

Attached is an unaudited report of actual 2020 General Fund revenues and expenditures in comparison to the 2020 budget and 2019 actuals. Much of these results were discussed at length with the Finance Committee and Council in the last half of 2020 as we were preparing the 2021 budget and moving through the significant economic impacts of the pandemic.

As a reminder, in order to compile the 2021 budget last Fall, we projected out revenues and expenditures for 2020. Revenue projections were compiled and discussed with you in mid October and expenditure projections were discussed with you in mid November, all in connection with laying out the 2021 budget.

General Fund Revenue

Total operating revenue for 2020 was down 4.7% from 2019 and down 7.8% from budget.

- Income tax was down \$1.6 million (4.4%) from 2019 and down \$2.9 million (7.8%) from budget. Property tax was down about 1.0% from both 2019 and 2020 budget. The decreases mainly attributable to the pandemic.
- Charges for Services was down to 2019 and 2020 budget mainly in Court Costs, driven by the closure (multiple months) of slowdown of the court during the pandemic in 2020.
- Investment earnings to prior year and budget was down as a result of a significant drop in interest rates at the beginning of the pandemic which continued throughout 2020.
- Finance projected total operating revenues back in mid October of \$49.5 million. Actual revenues came in approximately \$236 thousand less than projected (less than 1.0%).

General Fund Expenditures

Total operating expenditures for 2020 were down 2.0% from 2019 and down 13.9% from budget.

- Both personal services (wages) and other expenses were below the prior year and the budget almost entirely due to the cost cutting strategies put in place at the beginning of the pandemic.
- The over \$2.1 million of CARES Act funds directly reduced departmental personal services and other expenses as further explained last Fall during budget season.
- Finance projected total disbursements (operating expenditures plus transfers) back in mid November of \$49.3 million. Actual total disbursements came in approximately \$565 thousand less than projected (about a 1.0% difference).

General Fund Revenues exceeded General Fund Disbursements by \$569 thousand in 2020.

The Year-End 2020 Unencumbered General Fund balance is 40.2% of the 2020 General Fund Disbursements. The increase compared to the 36.6% GF Reserve in 2019 is mainly attributable to the reduced spending in 2020 (pandemic cost-cutting) causing total disbursements (the denominator in the calculation) to be below normal levels (down \$1.8M to spending in 2019 and down \$3.3M to 2020 budget).

Using the total disbursements amount from 2019 (\$50.6M) the GF Reserve would be 38.7%. Using the total disbursements amount from 2020 budget (\$52.1M) the GF Reserve would be 37.6%.

City of Shaker Heights - General Fund Revenue

	2019 Actual	2020 Budget	2020 Actual	2020 v 2019	% Chg	2020 v Bud	% Chg
Income Tax	36,088,906	37,407,400	34,503,925	(1,584,981)	-4.4%	(2,903,475)	-7.8%
Property Tax	7,735,902	7,739,100	7,660,153	(75,749)	-1.0%	(78,947)	-1.0%
Charges for Services							
Court Costs	2,126,529	1,900,000	1,778,389	(348,140)		(121,611)	-6.4%
Ambulance Fees	588,958	630,000	600,643	11,685		(29,357)	-4.7%
Cable TV Fee	433,190	440,000	418,730	(14,460)		(21,270)	-4.8%
Shaker Magazine	201,523	189,000	194,975	(6,548)		5,975	3.2%
Other Fees	94,995	73,600	46,790	(48,205)		(26,810)	-36.4%
	3,445,195	3,232,600	3,039,527	(405,668)	-11.8%	(193,073)	-6.0%
Licenses & Permits	1,095,530	1,149,400	1,107,717	12,187	1.1%	(41,683)	-3.6%
Local Government Fund	690,772	671,500	745,413	54,641	7.9%	73,913	11.0%
Fines & Forfeitures	613,681	510,000	514,023	(99,658)	-16.2%	4,023	0.8%
Investment Earnings	937,232	703,800	518,532	(418,700)	-44.7%	(185,268)	-26.3%
Intergovernmental Revenue	75,535	74,500	93,292	17,757	23.5%	18,792	25.2%
Other Taxes							
Admission Tax	70,948	45,000	96,717	25,769		51,717	114.9%
Liquor Permits	19,397	15,000	8,761	(10,636)		(6,239)	-41.6%
Cigarette Tax	334	400	297	(37)		(103)	-25.8%
	90,679	60,400	105,775	15,096	16.6%	45,375	75.1%
Miscellaneous							
Refunds & Rebates	786,876	720,900	824,414	37,538		103,514	14.4%
Grants & Donations	67,352	78,100	67,939	587		(10,161)	-13.0%
Sale of Public Property	87,268	35,500	59,326	(27,942)		23,826	67.1%
Rents & Leases	35,101	35,100	35,100	(1)		0	0.0%
Other	6,136	13,900	35,379	29,243		21,479	154.5%
	982,733	883,500	1,022,158	39,425	4.0%	138,658	15.7%
General Fund Revenues	51,756,165	52,432,200	49,310,515	(2,445,650)	-4.7%	(3,121,685)	-6.0%

Projection* **49,546,427**
Variance Actual to Projection **(235,912)**

*Compiled in Mid Sep, Council Mid Oct

City of Shaker Heights - General Fund Expenditures

	2019 Actual	2020 Budget	2020 Actual	2020 v 2019	% Chg	2020 v Bud	% Chg
Police							
Personal Services	8,125,255	9,354,877	7,784,968	(340,287)		(1,569,909)	
Other	1,657,877	1,842,566	1,574,539	(83,338)		(268,027)	
Subtotal Police	9,783,132	11,197,443	9,359,507	(423,625)	-4.3%	(1,837,936)	-16.4%
Public Works							
Personal Services	4,331,369	4,913,692	4,586,924	255,555		(326,768)	
Other	3,769,192	4,046,568	3,624,916	(144,276)		(421,652)	
Subtotal Public Works	8,100,561	8,960,260	8,211,840	111,279	1.4%	(748,420)	-8.4%
Fire							
Personal Services	6,138,459	6,436,388	5,753,750	(384,709)		(682,638)	
Other	572,634	674,309	842,929	270,295		168,620	
Subtotal Fire	6,711,093	7,110,697	6,596,679	(114,414)	-1.7%	(514,018)	-7.2%
Municipal Court							
Personal Services	2,153,515	2,232,498	1,805,455	(348,060)		(427,043)	
Other	96,364	102,463	98,318	1,954		(4,145)	
Subtotal Municipal Court	2,249,879	2,334,961	1,903,773	(346,106)	-15.4%	(431,188)	-18.5%
Contractual Charges & Statutory Expense							
Personal Services	35,508	38,000	33,692	(1,816)		(4,308)	
Other	2,151,192	2,814,888	2,278,475	127,283		(536,413)	
Total CCSE	2,186,700	2,852,888	2,312,167	125,467	5.7%	(540,721)	-19.0%
Building & Housing							
Personal Services	1,424,910	1,459,984	1,428,881	3,971		(31,103)	
Other	125,101	166,610	128,992	3,891		(37,618)	
Subtotal Building & Housing	1,550,011	1,626,594	1,557,873	7,862	0.5%	(68,721)	-4.2%
Communications and Marketing							
Personal Services	366,926	339,070	328,502	(38,424)		(10,568)	
Other	453,030	471,745	414,114	(38,916)		(57,631)	
Subtotal Comm & Marketing	819,956	810,815	742,616	(77,340)	-9.4%	(68,199)	-8.4%
Finance							
Personal Services	571,432	704,419	591,195	19,763		(113,224)	
Other	189,027	192,064	131,636	(57,391)		(60,428)	
Subtotal Finance	760,459	896,483	722,831	(37,628)	-4.9%	(173,652)	-19.4%
Law							
Personal Services	611,565	634,447	603,634	(7,931)		(30,813)	
Other	137,021	142,025	141,986	4,965		(39)	
Subtotal Law	748,586	776,472	745,620	(2,966)	-0.4%	(30,852)	-4.0%
Economic Development							
Personal Services	220,714	310,265	285,394	64,680		(24,871)	
Other	471,984	821,432	253,762	(218,222)		(567,670)	
Total Economic Development	692,698	1,131,697	539,156	(153,542)	-22.2%	(592,541)	-52.4%

City of Shaker Heights - General Fund Expenditures

	2019 Actual	2020 Budget	2020 Actual	2020 v 2019	% Chg	2020 v Bud	% Chg
Planning							
Personal Services	533,733	550,924	537,347	3,614		(13,577)	
Other	127,692	167,435	51,567	(76,125)		(115,868)	
Total Planning	661,425	718,359	588,914	(72,511)	-11.0%	(129,445)	-18.0%
Information Technology							
Personal Services	452,265	453,321	441,931	(10,334)		(11,390)	
Other	120,721	140,597	105,303	(15,418)		(35,294)	
Subtotal Information Technology	572,986	593,918	547,234	(25,752)	-4.5%	(46,684)	-7.9%
Recreation							
Personal Services	326,278	1,044,537	812,814	486,536		(231,723)	
Other	136,970	226,748	113,576	(23,394)		(113,172)	
Subtotal Recreation	463,248	1,271,285	926,390	463,142	100.0%	(344,895)	-27.1%
Human Resources							
Personal Services	252,330	260,983	224,453	(27,877)		(36,530)	
Other	128,980	160,130	53,415	(75,565)		(106,715)	
Subtotal Human Resources	381,310	421,113	277,868	(103,442)	-27.1%	(143,245)	-34.0%
Mayor							
Personal Services	217,697	219,568	194,557	(23,140)		(25,011)	
Other	27,377	35,075	14,384	(12,993)		(20,691)	
Subtotal Mayor	245,074	254,643	208,941	(36,133)	-14.7%	(45,702)	-17.9%
Chief Admin Officer							
Personal Services	227,161	232,194	212,342	(14,819)		(19,852)	
Other	13,012	13,979	9,066	(3,946)		(4,913)	
Subtotal Chief Admin Officer	240,173	246,173	221,408	(18,765)	-7.8%	(24,765)	-10.1%
Neighborhood Revitalization							
Personal Services	156,799	161,494	159,779	2,980		(1,715)	
Other	60,563	83,303	49,955	(10,608)		(33,348)	
Total Neighborhood Revitalization	217,362	244,797	209,734	(7,628)	-3.5%	(35,063)	-14.3%
City Council							
Personal Services	137,356	142,396	142,088	4,732		(308)	
Other	7,946	15,083	12,356	4,410		(2,727)	
Subtotal City Council	145,302	157,479	154,444	9,142	6.3%	(3,035)	-1.9%
Civil Service							
Personal Services	23,743	24,187	25,825	2,082		1,638	
Other	61,068	81,407	46,117	(14,951)		(35,290)	
Subtotal Civil Service	84,811	105,594	71,942	(12,869)	-15.2%	(33,652)	-31.9%
Total Operating Expenditures	36,614,766	41,711,671	35,898,937	(715,829)	-2.0%	(5,812,734)	-13.9%

City of Shaker Heights - General Fund Expenditures

	2019 Actual	2020 Budget	2020 Actual	2020 v 2019	% Chg	2020 v Bud	% Chg
Total Operating Expenditures (prev page)	36,614,766	41,711,671	35,898,937	(715,829)	-2.0%	(5,812,734)	-13.9%
General Capital Fund	6,400,000	5,750,000	7,750,000	1,350,000		2,000,000	
Economic Development Fund	1,120,000	0		(1,120,000)		0	
Recreation Fund Subsidy	1,500,000	727,008	1,027,008	(472,992)		300,000	
Police Pension Fund	972,056	1,010,850	1,010,850	38,794		0	
Fire Pension Fund	1,113,577	975,987	1,136,987	23,410		161,000	
Debt Service Fund	875,181	1,030,811	1,030,811	155,630		0	
Street Lighting Assessment Fund	265,000	265,000	265,000	0		0	
27th Payroll Reserve Fund	185,700	185,700	185,700	0		0	
Self Insurance Fund	0	436,000	436,000	436,000		0	
Sewer Maintenance Fund	752,000	0	0	(752,000)		0	
Street Maintenance Fund	400,000	0	0	(400,000)		0	
Urban Renewal Debt Service Fund	372,880	0	0	(372,880)		0	
Transfers Out	13,956,394	10,381,356	12,842,356	(1,114,038)	-8.0%	2,461,000	23.7%
Total Disbursements (Expend + Transf)	50,571,160	52,093,027	48,741,293	(1,829,867)	-3.6%	(3,351,734)	-6.4%
Total General Fund Revenue	51,756,165	52,432,200	49,310,515				
Revenue Over/(Under) Disbursements	1,185,005	339,173	569,222				
Unencumbered GF Balance End of Year	18,534,126	18,873,299	19,582,565				
Ending Balance % Reserve	36.6%	36.2%	40.2%				
Personal Services	26,307,015	29,513,244	25,953,531	(353,484)	-1.3%	(3,559,713)	-12.1%
Other	10,307,751	12,198,427	9,945,406	(362,345)	-3.5%	(2,253,021)	-18.5%
Total Operating Expenditures	36,614,766	41,711,671	35,898,937	(715,829)	-2.0%	(5,812,734)	-13.9%
Transfers Out	13,956,394	10,381,356	12,842,356	(1,114,038)		2,461,000	0.2371
Total Disbursements	50,571,160	52,093,027	48,741,293	(1,829,867)	-3.6%	(3,351,734)	-6.4%
Projection (Total Disbursements)*			49,306,265				
<i>Variance Actual to Projection</i>			(564,972)				

*Compiled in Mid Oct, Council Mid Nov



Memorandum

To: Members of Finance Committee
From: Patricia Speese, Director of Public Works
cc: Mayor David E. Weiss
Chief Administrative Officer Jeri E. Chaikin
Date: March 8, 2021
Re: 2021 Street Resurfacing Program

On February 12, 2021 the City of Shaker Heights received eight **(8) bids** for the 2021 Street Resurfacing project. The Contractors and their submitted bids are as follows:

Contractor	
Chagrin Valley Paving	\$1,362,825.82
Ronyak Paving, Inc	\$1,421,976.40
Karvo Companies, Inc.	\$1,458,075.72
Perk Company	\$1,464,377.47
Delta Asphalt Company	\$1,521,045.60
Barbicas Construction	\$1,567,205.00
The Shelly Company	\$1,581,619.25
Crossroads Asphalt Recycling	\$1,585,999.00

The Shaker Heights Public Works construction cost estimate was **\$1,531,129.92**.

The apparent low bidder is Chagrin Valley Paving with a bid total of **\$1,362,825.82**.

In 2020, Chagrin Valley Paving (CVP) was the apparent lower bidder. The City did not award the contract to CVP for the following reasons:

- Chagrin Valley Paving was awarded the 2015 Street Resurfacing project. In review of that project, Public Works issued a Default of Contract letter because the contractor had been unresponsive.
- Other issues encountered during the 2015 season involved not following our clear direction when resurfacing around Laurel School, causing chaos and mass confusion, overloaded trucks, speeding (48 mph in a 35 mph zone) and employees being rude to residents.

- After increasing our quantities in early August 2015 per the contract, the contractor was non responsive. It was not until Public Works contacted the Bonding Company and issued the Default of Contract letter that Chagrin Valley Paving responded and did the work in late September.
- In general, the quality of work performed under that contract was fair. This is consistent with other municipalities we have spoken to.

After not awarding the 2020 contract, Chagrin Valley Paving had an entire year to provide documentation and start a conversation of how they may have changed their organization and their approach to ensuring future projects in Shaker Heights would be successful. They did not take advantage of this period to try to build a future relationship. Although it is not a contract requirement, CVP did not attend the pre-bid meeting for the 2021 Street Resurfacing project nor the 2020 Street Resurfacing project. They did however, try contacting me by phone during the bid process, which is stated at every pre-bid meeting and in the minutes that we will not speak privately to any bidder, as that would compromise the integrity of the bidding process. All questions need to be put in writing so that the question and answer can be shared with every potential bidder. For a company trying to re-establish a relationship with Shaker Heights, CVP's absence at the pre-bid meeting illustrates a lack of interest in hearing about the project details and hearing from the Public Work's management team.

The second lowest bidder was Ronyak Paving. This contractor has worked on multiple projects for the City (Shaker Blvd. Resurfacing, 2016, 2017 & 2020 Street Resurfacing projects). Additionally, they have performed resurfacing work within the City as a sub-contractor for other utility work. Their quality of work exceeds industry standards, the project managers are responsive and professional. The difference between the lowest and second lowest bidders was \$59,150.58. Ronyak Paving submitted the lowest, best bid which represents less than a four-percent increase from Chagrin Valley Paving's bid.

With the combination of a three federal projects into one large project along the Warrensville Center Road corridor and other projects programmed in 2021, Public Works staff will be at peak capacity for the construction season. Given our prior experience with CVP, awarding the 2021 Street Resurfacing to the low bidder would place an additional burden on the Department. Ronyak Paving has consistently proven to be a good partner for the City.

Per the City Charter, the Mayor can award contracts to the "Lowest and Best" bid, however it has been our tradition to take requests for the "Lowest and BEST" bid to Council for their approval.

This request was presented to the Safety & Public Works Committee at their March 5, 2021 meeting. The request passed with unanimous support from the committee. Councilman Earl Williams commented his displeasure with the contractor who emailed City Council members on this matter. Citizen member Hren also echoed his support of this recommendation based on his experience and the company's overall industry reputation.

Based on their bid and previous experience with the City, it is recommended that Ronyak Paving be awarded the 2021 Street resurfacing project at a cost of \$1,421,976.40. As such, we are seeking support from the Finance Committee for this request.



Memorandum

To: Members of the Finance Committee
From: Colin Compton, Neighborhood and Housing Specialist, Economic Development
cc: Mayor David E. Weiss
Chief Administrative Officer Jeri E. Chaikin
Economic Development Director, Laura E. Englehart
Date: March 15, 2021
Re: Request to contract with Home Repair Resource Center for an amount not to exceed \$75,000 to administer home repair programs for Shaker residents in 2021

The Economic Development Department requests a recommendation to City Council to enter into a contract with Home Repair Resource Center (HRRC) for an amount not to exceed \$75,000 to administer the City’s existing home repair grant programs and additional home repair and empowerment services in 2021. Of this total amount, \$50,000 will be reserved as grant funds available to Shaker Heights residents for brick-and-mortar repairs. Funds are available in the Economic Development Department operating budget for this purpose.

I. Background

The City has a long-running suite of home repair programs to help eligible owner-occupants correct exterior code violations, address emergency repairs, complete accessibility upgrades, and more. This includes three grant programs funded by the City and one competitive grant program funded by an outside entity (outlined below). These programs are essential in assisting financially constrained residents, especially senior adults, with completing health, safety, and other improvement projects at their homes.

To date, the City has administered these programs directly. The Economic Development Department is looking to improve service to residents and reduce barriers to successful project completion by partnering with HRRC in 2021 to administer our City-funded grant programs. This will be done in a budget neutral way that does not reduce total funding available to eligible residents for repair work. HRRC was chosen through a competitive RFQ process as outlined below.

II. Overview of Existing Grant Programs

City-Funded Programs

- **Exterior Maintenance Grant and Senior Exterior Maintenance Grant:** Provide grants of up to \$2,500 to eligible residents to correct exterior code violations cited by the Building and Housing Department.
- **Senior Emergency Safety Grant:** Provides grants of up to \$500 to eligible residents to address emergency repairs or accessibility upgrades.
- **Paint Program:** Supplies a voucher for paint and supplies to eligible residents for addressing DIY “scrape and paint” violations.

Externally Funded Program

- **Carol M. Peterson Housing Fund (CMPHF):** In addition to self-funded programs, the City has successfully participated in this program for a number of years. This competitive program provides grants of up to \$7,500 for as many as 10 households to address emergency repairs or accessibility improvements. No dollar match is required from the City.

CITY OF SHAKER HEIGHTS | *Economic Development*

3400 Lee Road Shaker Heights, Ohio 44120 P 216.491.1334 Ohio Relay Service 711

shakeronline.com www.shaker.life

III. Grant Program Data

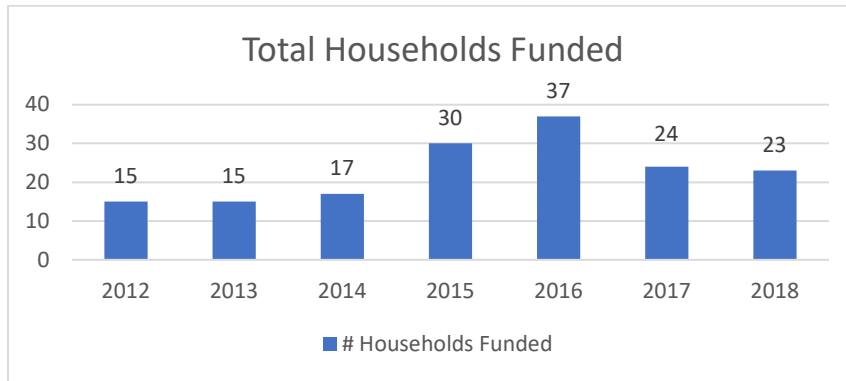
Budget

Historically, the City has budgeted \$75,000 each year for all housing programs administered by the Economic Development Department. This total budget has included the City-funded grant programs described above as well as hands-on home repair classes, landlord- and tenant-focused programming, and more.

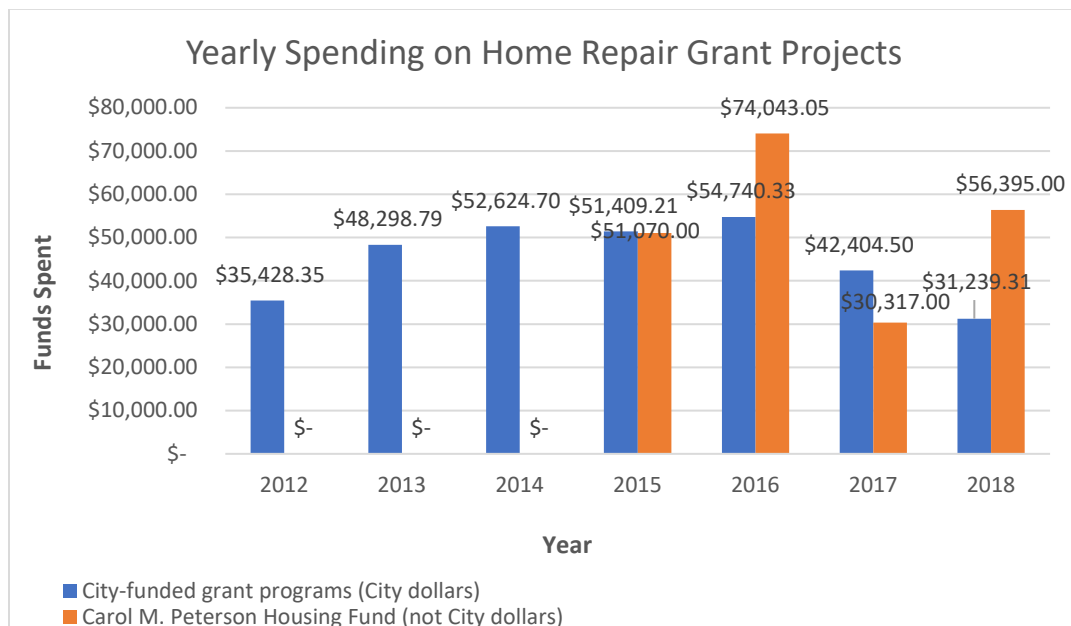
Spending and Program Use Data

A majority of grant-funded projects address code violations cited by the Building and Housing Department during exterior systematic inspections of every neighborhood on a five-year rotation. Accordingly, usage and spending on grant projects varies from year to year. Generally, usage of these programs increases in the years immediately following exterior inspections in our low- and moderate-income neighborhoods.

- Households Funded: from 2012 through 2018, an average of 23 households completed a City-funded grant project each year (the lowest amount was 15 households and the highest amount was 37).



- Yearly Spending: from 2012 through 2018, average yearly spending on City-funded home repair projects was \$45,000 (the lowest amount was \$31,000 and the highest amount was \$55,000). This average does not include projects funded by the Carol M. Peterson Housing Fund (not City dollars).



- Resident Survey Data: Following most years of grant administration, the City sends surveys to all households that completed a grant project. In the most recent rounds of surveys over a two-year period, 85% of homeowners who completed a grant-funded project stated that the most difficult part of the process was obtaining estimates from contractors willing to proceed with a grant-funded project. This survey data is consistently backed up by anecdotal evidence from homeowners stating the same problem. Alarming, this data does not include projects that were approved but could not move forward due to issues with obtaining estimates, so the problem is even larger than we have data for.

Program Challenges

Under the current model in which the City administers these grant programs in-house, contractors chosen by approved grant recipients are paid directly by the City. To make this possible, each contractor must become a City vendor and comply with documentation requirements established by state auditors. These documentation requirements cause projects to languish and have increasingly lead contractors to refuse City-funded projects altogether.

This results in eligible repair projects remaining uncompleted for homeowners who most need extra financial assistance. This also causes homeowners to feel misled by the City by being awarded funds but presented with an onerous process that stymies construction work. Lastly, managing these housing grant programs requires significant City staff time (up to 90% of the Neighborhood and Housing Specialist's time during the warmer months), leaving little time for neighborhood engagement work and other tasks.

IV. Request for Qualifications Overview

The Economic Development Department released a request for qualifications (RFQ) on January 25, 2021 seeking qualified, local housing partners to administer our home repair grant programs in 2021. In developing this RFQ and evaluating subsequent submissions, we developed four primary goals aimed at continuing and improving service to residents while also fully leveraging available funding for home repairs in a budget neutral manner. These goals are:

- o Retain a high level of service and assistance to residents
- o Streamline processes for homeowner-chosen contractors to complete repairs
- o Maintain a majority of budgetary funding for brick-and-mortar repairs for residents (as opposed to professional fees)
- o Continue participation in the externally funded Carol M. Peterson Housing Fund

The RFQ was sent to local housing nonprofits and the City subsequently received two applications. Both applicants were interviewed on February 22. Based on submissions, qualifications, and interviews, staff is recommending that the City move forward with Home Repair Resource Center.

V. Partner Overview and Services

Overview

Home Repair Resource Center (HRRC) is a local nonprofit housing agency located in Cleveland Heights whose mission is to empower homeowners to maintain their homes for sustainable and diverse communities. HRRC offers classes and counseling for prospective homebuyers, loans and grants for eligible homeowners to finance repairs, hands-on workshops, a Tool Library, foreclosure prevention, and more. Founded in 1971, HRRC is a firmly established organization with multiple entry points designed to serve people throughout all stages of homeownership. HRRC has facilitated \$15.5 million in repairs for homeowners since their founding and has managed grant programs for the City of Cleveland Heights since 1978.

The City of Shaker Heights has had a successful collaboration with HRRC since 2014 that has provided hands-on repair classes, technical assistance, access to the Tool Library, and more to residents. Our most recent contract with HRRC for these services in 2019 was for \$10,000 and did not include any administration of City-funded grant programs.

In 2021, our primary point of contact at HRRC for this proposed expanded contract will be Sharra Thomas. Ms. Thomas previously served as the Housing Specialist for the City of Shaker Heights and administered our grant programs from 2012 through 2016. Lastly, Ms. Thomas initiated and established Shaker's participation in the Carol M. Peterson Housing Fund. HRRC is the only other agency in our area that has experience with this program.

Contract Services

Under this contract, HRRC will:

- Administer all City-funded grant programs, to include:
 - o Fielding inquiries from Shaker residents
 - o Providing applications for City grants and referrals to other programs, as needed
 - o Reviewing and approving/declining grant applications
 - o Providing technical assistance to applicants, including assistance with contractors
 - o Managing construction projects and ensuring completion
 - o Processing payments to contractors
 - o Reporting data on program usage to the City
- Administer the Carol M. Peterson Housing Fund for up to 10 Shaker households
- Provide a suite of additional home repair-related services available to all Shaker residents to include:
 - o Hands-on repair class rates discounted 25% for Shaker residents
 - o Shaker-based hands-on repair classes (located in Shaker when safe to do so in person; virtually to start)
 - o Access to the Tool Library
 - o Technical assistance by phone or email (perhaps in-office if safe to do so later in the year)
 - o Assistance to residents with Shaker Heights Municipal Housing Court cases, upon request
 - o Homeowner Education Series and counseling (also currently virtual)
 - o Senior Programming
 - o Landlord Training

Fee Structure

In compensation for the services above, for work performed through December 31, 2021 (as well as any additional closeout work required for home repair projects started in 2021 and completed in 2022), HRRC will be paid a base contract fee of \$20,000 plus a per-project fee of 10% of the cost of each completed grant project (maximum of \$5,000). Therefore, fees to HRRC under this structure will not exceed \$25,000. The funds available to residents for brick-and-mortar repairs will be maintained at their current level of \$50,000. Monies reserved for repair work that are not spent will be retained by the City.

Recommendation

The Economic Development Department requests a recommendation to City Council to enter into a contract with Home Repair Resource Center to administer the City's existing home repair grant programs and a suite of additional home repair and empowerment education services in 2021 for an amount not to exceed \$75,000.

The Neighborhood Revitalization and Development Committee reviewed this request at their March 10 meeting and voted in favor of recommending the contract request to City Council. Two questions arose at that time. First, a committee member asked whether the City had quantified the monetary savings in City staffing under this proposal. While significantly reducing City staff time on project management of grant projects themselves, the Neighborhood and Housing Specialist's time will remain occupied with management of the contract with HRRC as well as significantly heightened levels of neighborhood engagement strategic planning discussed in January of this year and already underway. Second, a committee member asked what the maximum funding is that the City can receive through the Carol M. Peterson Housing Fund. Under that program, the City is allowed to apply individually for up to ten houses to receive \$7,500 each and, therefore, the maximum funding available to Shaker residents under this program is \$75,000 annually.



Memorandum

To: Members of the Finance Committee

From: John J. Potts, Director of Finance

cc: David E. Weiss, Mayor
Jeri E. Chaikin, Chief Administrative Officer

Date: March 15, 2021

Re: Then and Now Approval

Section 5705.41 (D) (1) requires in part that the fiscal officer certify that amounts required to meet obligations have been lawfully appropriated and are available for expenditure prior to the obligations being incurred. If this is not done the fiscal officer may make such certification, after the fact (commonly referred to as “Then and Now”), however if the amount of the obligation is \$3,000 or more City Council must approve payment within 30 days of such certification.

The Finance Committee is requested to recommend to Council that the Then and Now Certificate presented for the transactions on Exhibit A and the related payment be approved.

EXHIBIT A
Then and Now Certification Summary
February 23, 2021 - March 14, 2021

Dep't	PO #	Invoice Date	PO Date	Warrant	Amount	Vendor	Reason
HR	20210711	02/08/21	02/16/21	030521	\$9,926.39	Ohio Job and Family Services	Billing on a two month lag. Historically, previous year PO was used through Feb (dec invoice). Due to the pandemic, the 2020 PO was exhausted with payment for Nov 2020 invoice (jan statement). Lack of funds on the 2020 PO was not realized until the Feb (dec 2020) invoice was received creating the Then & Now. Routine expenditure.
Rec	20210685	01/31/21	02/10/21	030521	\$5,368.00	Senior Transportation Connection	Invoice was received before contract was fully signed. PO was held up until contract was signed creating the Then & Now. Routine expenditure.