



Finance Committee

Monday, December 12, 2022, 8:00 A.M.

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

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

Others present: Mayor, David E. Weiss
Director of Finance, John Potts
Director of Economic Development, Laura Englehart
Director of Recreation, Alexandria Nichols
Director of Public Works, Patricia Speese
Assistant Director of Finance, Cheryl Arslanian
Frank GoForth, League of Women Voters

* * * *

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 21, 2022.

Chair Anne Williams stated that the minutes of November 21, 2022 meeting were approved.

* * * *

RECOMMENDATION TO ENTER INTO A CONTRACT WITH AECOM FOR PROFESSIONAL SERVICES RELATED TO 2023 FLOW MONITORING AND FIELD SERVICES FOR ILLICIT DISCHARGE DETECTION AND ELIMINATION (IDDE) IN THE AMOUNT OF \$54,912.15 WITH THE OPTION TO RENEW IN 2024 AND 2025.

Director of Public Works Patricia Speese requested to enter into a contract with AECOM for professional services related to 2023 flow monitoring and field services for Illicit Discharge Detection and Elimination (IDDE) in the amount of \$54,912.15 with the option to renew in 2024 and 2025.

As part of our ongoing commitment to improving our 100 year sewer system, flow monitoring is used to determine a pipe’s capacity during various rain events or the frequency of a sanitary sewer overflow (SSO) activation. This requires a bit of equipment and is labor intensive while attempting to track down the source of what could be the contaminant. A huge component of this project is checking to see the success of the City’s sewer improvements. The amount of discharge is checked before a project is started which gives the department measurable data to see what can be done better and what could change.

CITY OF SHAKER HEIGHTS

On October 17, Public Works distributed Requests for Proposals to three consulting firms (AECOM, DLZ & GPD) for professional services related to Flow Monitoring and Field Services of Illicit Discharge Detection and Elimination (IDDE). The primary purpose of these services is threefold. One, to collect flow data information that can be incorporated in grant applications such as the NEORS Member Community Infrastructure Program (MCIP). Secondly, the selected consultant could perform post construction flow monitoring as directed. Lastly, the consultant may be tasked with source tracking IDDEs and develop recommendations as requested by the City.

On November 4, 2022 Public Works received one (1) proposal due to the manpower and the amount of equipment that's need to complete the project. The consultant that submitted proposals was AECOM. AECOM was awarded the previous contract for Flow Monitoring and IDDE. The proposal was in line with what the department anticipated. This is a requirements contract which allows the department to utilize more or less of the services throughout the years accordingly. Having worked with AECOM in the past, Public Works is very familiar with the project manager and team. They have worked on numerous projects for the City performing similar services. AECOM's technical approach is in alignment with the project needs. Funds for this service will come from the Sewer Capital Fund.

Chair Anne Williams requested for clarification that AECOM has done the provided service for the past three years. Director Speese stated this is correct. Chair Williams questioned if the cost for their services is about the same. Director Speese stated there was an increase of about 12% which is considered to be standard.

Citizen Member Kolb questioned if there was any surprise that there was only one response to the RFP. Director Speese stated there was no surprise, given the project is a very labor intensive project which is why the department contracts out. The department does not have the staffing to perform these services. Director Speese also stated the department did contact GPD to follow up in which GPD stated they did not possess the infrastructure as a firm to perform the project. Citizen Member Kolb requested for clarification that AECOM has provided this service to the City in the past. Director Speese stated this is correct.

The Finance Committee approved the request to enter into a contract with AECOM for professional services related to 2023 Flow Monitoring and Field Services for Illicit Discharge Detection and Elimination (IDDE) in the amount of \$54,912.15 with the option to renew in 2024 and 2025

* * * *

RECOMMENDATION TO ENTER INTO A SERVICE PAYMENT AGREEMENT WITH BANK OF AMERICA AT 16500 CHAGRIN BOULEVARD.

Director of Economic Development Laura Englehart requested for a recommendation to enter into a service payment agreement with Bank of America at 16500 Chagrin Boulevard.

A newly constructed Bank of America branch recently opened in November 2022 at 16450 Chagrin Blvd. in the Chagrin-Lee Square complex at the southwest corner of Chagrin Blvd. and Lee Road. The property is located within an existing Urban Renewal District in which the City has made infrastructure improvements to aid in further economic development in the area. These improvements have been financed through urban renewal bonds pursuant to Ohio Revised Code §725.01 et al. For new development to be able to contribute to the repayment of these bonds, the City must enter into an agreement with the property owner that authorizes the collection of service payments in lieu of taxes

(PILOTs), notify the Shaker Heights City School District, and obtain City Council approval of the agreement. The District has been around for more than 20 years. Improvements that are constructed in that District, the property taxes are able to help pay the urban renewal bonds that the City issued many years ago to pay for public infrastructure improvements. This was done in hopes of aiding in further economic development in the area. For new development to be able to contribute to those bonds, an agreement with the property owner is needed.

The agreement calls for 75% of new property taxes paid on the value of improvements from the construction of the new bank branch to be paid as PILOTs. The owner continues to receive and pay a full property tax bill, and full taxes continue to be paid and distributed normally on the pre-construction value of the property. The 75% PILOTs are paid only on the value of the new improvements, which are then reallocated to be used specifically to pay the debt service on the outstanding urban renewal bonds. This arrangement would be in place for a period of approximately nine (9) years until the urban renewal bonds are fully paid. The bonds are slated to mature in 2031.

In 2021, the City's debt service obligation on the urban renewal bonds totaled \$1,263,995; total PILOTs collected in the Urban Renewal Districted amounted to \$945,650, requiring a subsidy from the City's General Fund of \$318,305. Director Englehart mentioned as a reminder the department does anticipate the subsidy being diminished and disappearing after the new Harbor Chase development of the assisted living facility is fully paying taxes and online.

Council Member Nancy Moore questioned if the subsidy would end in theory in 2024 once Harbor Chase comes online. Director Englehart stated the County will value the building based on how much of it was constructed in that year. The assumption is 2025 will be the first year where the majority of those taxes are paid once the construction is complete and it is operational and fully stabilized. The department is unsure if the taxes paid will fully address the subsidy in 2024 or 2025 but it will be one of those years. Council Member Moore requested clarification that this was the Shaker Town Center TIF. Director Englehart stated this is correct but the correct naming for the TIF is the Urban Renewal District TIF.

Council Member Tres Roeder questioned if this particular site is not intended to have any sort of a change right now as part of the Lee Road Action Plan is concerned. Director Englehart stated this correct and if anything was to be done differently, the department would presumably be coming back to the Committee to discuss further. Citizen Member Kolb requested for clarification that the Chagrin Lee Square area is a part of the new banking building. Director Englehart stated this is correct. There are multiple buildings on one parcel which is not common. There are three separate buildings on that parcel. Per the Memorandum, the only building that is being mentioned in this instance, is the new construction of the bank and its increased value.

The Finance Committee approved the request for a recommendation to enter into a service payment agreement with Bank of America at 16500 Chagrin Boulevard.

*

*

*

*

REQUEST FOR APPROVAL OF THE CONTRACT WITH SENIOR TRANSPORTATION CONNECTIONS (STC) FOR THE PERIOD OF JANUARY 1, 2023 THROUGH DECEMBER 31, 2023 WITH A COST TO NOT EXCEED \$120,000.

Director of Recreation Alexandria Nichols requested for approval of the contract with Senior Transportation Connections (STC) for the period of January 1, 2023 through December 21, 2023 with a cost to not exceed \$120,000.

Since 2009 the City of Shaker Heights has been contracting with Senior Transportation Connections (STC) for the provision of senior transportation services. Between 100 and 200 people have been registering for this service in recent years and most use it for medical appointment transportation. Although not all registered people use the service, STC typically transports senior residents on over 2,000 one-way trips per year. The services are available to all residents age 60 and over. The partnership with this organization improves efficiency as a City. They offer this without the City incurring major overhead costs. The coverage area for senior transportation medical appointments includes Cleveland Clinic main campus, University Hospitals Main Campus and other medical facilities in cities such as Solon, Willoughby Hills and Warrensville Heights. Personal trips and group trips go to most surrounding communities with consideration for other locations when applicable. Ridership has declined since the pandemic but there has been an increase over the last few years and is expected to remain level or have a modest increase in future years.

Riders do share in the cost of trips depending on the type of ride requested. For individual and medical trips there is a recommended \$1.00 donation which helps offset the cost of the service to the City. For group rides, there is also a \$1.00 recommended donation. Personal rides have a \$5.00 fare that all riders are required to pay. The donations and fares are for each one way of a round trip for transportation so a personal ride has a \$10.00 fee per round trip. The City has not proposed increased rider fees or donations for residents in 2022. Users of senior transportation are permitted a maximum of two round trips per week. STC, like most organizations, has seen an increase in expenses related to fuel, labor, insurance, maintenance, and other business related costs. For this reason, STC is proposing changes to the ride fee structure for 2023.

Fees for trips are being reconfigured by STC in 2023 to align a fee schedule across all STC service communities. The only significant change to fees is the fees for group trips. In the past, the City was billed \$10 per person with a minimum of five people for group trips for an approximate cost of \$50. In 2023, group trip fees to the City will be \$60 for up to five people. The City will be billed for any additional people over five at the cost of \$12 per person. Overall, the cost of group trip fees are increasing but it is similar to other types of trips with STC. In the current year, the City budgeted \$100,000 for senior transportation. The spending to date is about \$91,000. The Recreation Department anticipates spending all of that money for 2023 that is based upon increased ridership and increased fees for service.

Council Member Roeder expressed his approval for this service for the community and questioned if it may be in the best interest of the City to revisit the business model and explore other transportation options for residents. Mr. Roeder also suggested delving into new possibilities next year with STC. Director Nichols stated the ridership numbers included were through the third quarter and would not necessarily include October or November numbers. A conversation was had with the Executive Director of STC a couple months ago and one of the challenges that they are facing is decreasing ridership throughout all of their communities. For this reason, that means lower volume and higher costs. There was discussion in regards to other models that other communities are utilizing. The

pandemic was really impactful for seniors. Senior programming ceased and did not take place for a long period of time and seniors have found other forms of transportation. Director Nichols agrees that this should be analyzed in the future to discuss other models for senior transportation.

Council Member Moore commented on senior transportation stating that not all seniors within the community have alternative forms of transportation. A majority of seniors have a restricted income that does not allow for them to afford other alternatives.

Citizen Member Kolb questioned the information provided on the item memorandum on Table 4 that refers to the proposed fee and if the amounts presented were accurate. Director Nichols stated prior going to Council the City was charged \$10 per person. For a minimum of five people for group rides in 2023, there will be a flat fee of \$60. Rather than being billed per person the bill will be based upon the trip. Mr. Kolb clarified that instead of \$50 for a group trip the cost will now be \$60. Director Nichols stated this is correct. Citizen Member Kolb also pointed out an error in table 4 on the memorandum as compared to Table 3. Director Nichols stated this error will be rectified.

The Finance Committee approved the request for approval of the contract with Senior Transportation Connections (STC) for the period of January 1, 2023 through December 21, 2023 with a cost to not exceed \$120,000.

* * * *

REQUEST TO ACCEPT A GRANT IN THE AMOUNT OF \$169,093.37 FROM FUNDING PROVIDED BY THE OFFICE OF CRIMINAL JUSTICE SERVICES FOR AN ADDITIONAL PROBATION OFFICER IN THE MUNICIPAL COURT'S PROBATION DEPARTMENT.

Director of Finance John Potts, on behalf of Judge Keller, requested to accept a grant in the amount of \$169,093.37 from funding provided by the Office of Criminal Justice Services for an additional probation officer in the Municipal Court's Probation Department.

The Shaker Heights Municipal Court (the "Court") has received a grant award of \$169,093.37 from the Office of Criminal Justice Services, which is administering funds made available by the American Rescue Plan Act ("ARPA"). The Court applied for these ARPA funds in order to hire an additional probation officer in its Probation Department. The functions of the Probation Department are described in the memorandum. This award will be utilized to cover the salary and benefits during the award period for a probation officer in the Court. The award runs through July 31, 2024. This information will be included in the memorandum that will go to Council for the final vote of the budget. The 2023 budget has been increased by the grant amount which will come in next year. The 2023 budget for the Court has also been increased by one year of a probation officer's salary and benefits on the expenditure side.

Citizen Member Kolb questioned if there would be funding for the next year after this award is used. Director Potts stated this was asked of Judge Keller and the plan is to utilize the remainder of the award for some of the probation officer's salary and benefits. There are vacancies that have been accounted for within the budget that will also assist with the salary and benefits of the probation officer until Judge Keller makes a more permanent decision to keep the position. If she did not want to keep the position the funds would go back into the Court's budget.

The Finance Committee approved the request to accept a grant in the amount of \$169,093.37 from funding provided by the office of criminal justice services for an additional probation officer in the Municipal Court's Probation Department.

* * * *

There being no further business, the meeting was adjourned at 8:30 a.m. The next meeting will be January 17, 2022.

* * * *

Respectfully submitted,

John J. Potts, Finance Director
Finance Committee