



SHAKER HEIGHTS

Memorandum

To: Member of Finance Committee
From: Patrick Sweeney, Chief of Fire
Cc: Mayor David E. Weiss
Jeri Chaikin, Chief Administrative Officer
Date: May 15, 2023
Re: Fire Damaged Properties, Appropriation Request

After a fire occurs in a structure in Shaker Heights, the Fire Chief is authorized to work directly with the property owner's insurance company to secure funds to ensure that the property is either repaired or demolished. This authorization is outlined in The City of Shaker Heights Codified Ordinance 901.09 *Fire Damaged Structures; Removal or Repair Securing Fund*. This ordinance requires that the insurance company submit a certain percentage of the insurance claim directly to the City. These fire-damaged escrow funds are returned to the insured once verification of the repairs has been made or the structure has been demolished.

Currently, there are four fire-damaged properties in Shaker Heights for which the city is holding escrow funds that we anticipate reimbursing to the insured in the near future.

- 05-25-20 17011 Kenyon \$51,935.17
- 11-09-21 3622 Lindholm \$13,600.00
- 01-24-22 2978 Courtland \$140,220.00
- 12-21-22 3624 Strathavon \$14,880.00

Three of the above-referenced properties have completed the fire-damaged repairs and are eligible for reimbursement of the escrow funds. These are the properties located at 17011 Kenyon, 2978 Courtland, and 3624 Strathavon Rd. The property located at 3622 Lindholm is still in the repair phase and is ineligible for the release of the associated fire-damaged property funds. We are hopeful that these repairs will be completed soon.

Historically, the Finance Department has utilized Fund #753 Unclaimed Funds to account for the receipt of the insurance funds and to then reimburse the insured once the repairs have been made.

Finance compiled a \$148,000 budget for Fund #753, which Council approved, for 2023. We have spent \$54,127 year to date and there is \$80,476 in encumbrances expected to pay this year (mainly fire damage reimbursement). This leaves a balance of approximately \$13,400 in the budget.

Fire will need to issue the reimbursement check for 2978 Courtland in the amount of \$140,220 and Finance is requesting that we leave a \$25,000 contingency for remaining fire reimbursements and end of year unclaimed fund transfers. Thus, we have determined that there will be a budget appropriation shortfall of \$152,000 in the Unclaimed Funds account. A budget appropriation increase is needed in order to ensure the processing of these payments.

In an effort to process these payments, the Fire Department is requesting that the Finance Department approve an appropriation increase of \$152,000.00 to the Unclaimed Funds account and recommend the same to Council.