

the roll. If Council members have questions for staff members he will ask the staff member to respond. Once Council has fully discussed the item, he will call for a motion and a second and take action by voting on that matter. After all agenda items have been addressed CAO Chaikin will read into the record any comments or questions submitted by the public in advance of the meeting on any other issues not on the agenda. Typically we do not answer questions during the meeting, although if there are ready answers we will endeavor to do so tonight and if not then we will respond to questions raised as soon as we can after the meeting. This procedure is intended to track as closely as possible our in-person and historic practice for Council meetings in the City of Shaker Heights.

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The Mayor asked the Clerk of Council to read into the record public comments received on any of the agenda items.

CAO Chaikin stated that no public comments were received on any agenda items by email or by phone.

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Ordinance No. 20-27, by Ms. Anne Williams, Approving and authorizing execution of a Purchase Agreement under the City's Side Lot Program, for the sale of the City-owned property located at 3535 Stoer Road, Shaker Heights, Ohio (Parcel No. 736-23-088), for a purchase price of \$1.00, authorizing the disposition of City-owned property without competitive bidding, and declaring an emergency.

Kamla Lewis, Neighborhood Revitalization Director, stated that this item authorizes the sale of a City-owned lot located at 3535 Stoer Road directly south of the applicant's home at 3531 Stoer. In February 2020 Council approved changes to the City's vacant lot program. The goal of the changes was to streamline the application process for the applicant and make it more affordable for them to acquire these City-owned lots while also saving the City the ongoing costs of maintenance. The main changes included a set price of \$1 per lot, no longer requiring improvements to be made, and having applications go directly to Council for approval. The applicants wish to purchase 3535 Stoer Road, and invest approximately \$10,000 in landscaping and fencing. They bought their home in April 2019, are owner-occupants, current in their taxes, and have no outstanding violations. The vacant lot at 3535 Stoer Road was acquired by the City in 2012 through the tax foreclosure process. The previous home on the lot was demolished in June 2008. This item is requested as an emergency and with a suspension of the rules in order to enable the applicants to immediately commence the needed steps to have the lot surveyed and consolidated with their home.

Council member Ms. Anne Williams stated that she is happy to see another proposal.

Council member Mr. Earl Williams stated that Finance Committee members reviewed and supported this item.

Council member Mrs. Moore stated that this house has been in her neighborhood for 37 years and it is going to be a real enhancement to have the applicants acquire it and take care of what now has been for several years a vacant lot. It is a great idea.

Mayor Weiss stated that he believes the revised process for this program seems to be working well. It is streamlined and hopefully the uptick in the pace of these lots is a result of that, so we are very pleased to see another sale on our agenda.

It was moved by Ms. Anne Williams, and seconded by Mrs. Moore, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 20-27 be placed upon its final enactment.

Roll Call:	Ayes:	Ms. Anne Williams, Ms. Carmella Williams Mr. Earl Williams, Mr. Zimmerman Mr. Malone Mrs. Moore, Mr. Roeder
	Nays:	None

Motion Carried

Moved by Ms. Anne Williams, and seconded by Mrs. Moore, that Ordinance No. 20-27 be enacted as read.

Roll Call:	Ayes:	Ms. Anne Williams, Ms. Carmella Williams Mr. Earl Williams, Mr. Zimmerman Mr. Malone Mrs. Moore, Mr. Roeder
	Nays:	None

Ordinance Enacted

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FISCAL OFFICER'S CERTIFICATE

John Potts, Finance Director, reviewed with City Council the Fiscal Officer's Certificate which, pursuant to the provisions of Section 133.20 of the Ohio Revised Code, sets forth both the estimated life of the improvements to be acquired through the issuance of bonds and notes and the maximum maturity to which bonds and notes can be issued. A copy of the signed certificate, dated April 13, 2020 was presented to each member of Council for review.

Ordinance No. 20-28, by Mrs. Moore, providing for the issuance and sale of \$1,400,000 of Notes, in anticipation of the issuance of bonds, for the purpose of paying costs of improving streets by reconstructing, grading, draining, paving, resurfacing, and making other improvements as designated in the plans approved or to be approved by Council, and declaring an emergency.

John Potts, Finance Director, stated that also available on the conference line is the City's financial advisor Matt Stuczynski, as well as Public Works Director Patricia Speese. This item is for the issuance and sale of \$1.4 million of notes for street improvements. Finance Committee members reviewed and supported this item. This item is requested as an emergency and with a suspension of the rules due to a favorable rate environment and to gives us some financial flexibility.

Public Works Director Patricia Speese stated that this is part of the 10-year \$36 million sewer improvement program. We passed a fixed municipal sewer fee and a small increase in the mcf usage fee. The purpose of the fixed fee is to fund the debt service that will be incurred over the course of 10 years, not all \$36 million, but to pay toward the debt service of these improvements. We are rehabilitating our 100-year old sewer system that was built for a 50-year lifespan. Some of the repairs include sewer line replacements, sewer lining, manhole rehabilitation, lateral replacements, the ever so important sanitary sewer overflow (SSO) projects which we have remedied 2 of the 7, culvert replacements including the large one on South Woodland east of Green Road that deteriorated to the point of requiring replacement even before the flood of 10 days ago, and outflow source tracking and elimination. These are just some of the projects for which the Sewer Fund money is used. The General Fund has been supplementing the sewer capital projects for the last four or five years for over \$2 million. This year the \$2 million will be used for the culvert replacement and the completion of the three-year cycle to rehabilitate the sewers in the northeast quadrant of the City. It is a very minimal program this year but we look to capitalize on the sewer plan going forward with grant funding and other sources of revenue.

Director Potts stated that the goal is wrapping these two notes together and essentially asking for authorization to issue \$3.4 million of General Obligation Bond Anticipation Notes similar to the refund and refinancing we just did on the bonds. This would be a similar timeline. The expectation on speaking with our municipal advisor, is that we would have very strong interest rates. A year from now we will make the same determination on whether or not to roll over the street notes and go deeper into the bond issuance or to go about in the same manner with Bond Anticipation Notes (BANs).

The City's Financial Advisor Matt Stuczynski stated that the good news is from the early part of March, despite tremendous disruption in the marketplace over the course of the month of March and early part of April, we have seen the market start to settle down. These notes are now in a range where we think that in the current market these one-year Bond Anticipation Notes have been priced at a rate or yield of approximately 1.75%. As an example, the City of Broadview Heights issued a one-year note last week for 1.70%. We are likely to perform at 1.70% or even better without getting a little conservative by adding 5 bases points to that at the moment, but he expects we would do better all things being equal. That is good news. We have seen some better execution and we are actually accelerating the schedule a little to give us a little more flexibility in terms of when to enter the market in case we have an open window sooner instead of being backed into a corner and having a more restrictive timeline. Last year when these notes were sold they were sold at 1.75% yield to the investor so we are right about where we were last year despite all the disruptions of what we have seen in the last 30 to 40 days.

Council member Ms. Anne Williams thanked Director Potts for the explanations. He has been very thorough.

Council member Ms. Carmella Williams stated that she appreciates the work staff put in to explaining all this information.

Council member Mr. Earl Williams stated that he knows this will be very beneficial for the City.

Council member Mr. Malone stated that this is terrific work by Mr. Stuczynski and Director Potts. He asked about the future of the municipal bond market and municipal finance in light of the current economic crisis perhaps in the next three to six or twelve months.

Mr. Stuczynski stated that what he has seen at least over the last couple of weeks is some stabilization, buyers who have been on the sidelines returning to the marketplace, and where there had been tremendous outflows from these municipal bond funds, we are starting to see buyers re-enter the marketplace which is helping to normalize interest rates. The expectation around interest rates is that short term rates are going to be low for a long time, at least no less than a couple of years before the Feds look to take action on the short end of the yield curve. Everyone was expecting rates to be lower longer even before the COVID-19 crisis occurred so with the advent of COVID-19 and its disruption on the marketplace people are expecting long term interest rates to stay lower even longer than they were at the beginning of the year. Interest rates will be in the City's favor to make decisions a year from now as to what it wants to do with this note and the sewer note and entertain maybe other financing as it relates to capital projects.

Council member Mrs. Moore stated that she wanted to make sure that it is clear that the intent of the fixed fee increase on the sewer bill is to take that revenue stream. Normally it would go into the Sewer Fund and the purpose of the Sewer Fund or the money in that fund is to pay this debt. If that is the case that even in the uncertain times of COVID-19 and with revenues that are uncertain to the City from RITA we would still incur no risk to our General Fund under this debt unless we should in some unforeseen circumstance or catastrophic financial situation have to default on this. That would be the only case the General Funds would be used in relationship to paying down this debt. She asked if those two assumptions are correct.

Director Potts responded yes. The debt service will come from that fee and the first debt service payment will be when these BANs come due this time next year. That money will accumulate in the Sewer Fund and be utilized for this debt service and future debt service anticipating a bond this time next year if we move forward with a bond or in the case of a note it would be utilized for that debt service. There will be no effect on the General Fund this year.

Council member Mr. Roeder thanked the Finance Committee members for their questions on what should be done with the proceeds from the bonds. He also thanked Director Speese and others for making the compelling argument that this is an essential expenditure for us and important for us to do. He appreciates that kind of thinking as we proceed into this unknown situation. He wanted to highlight that the Administration and Council has been maintaining a very sizable cash balance that we hope not to have to tap into, but given the uncertainty of what is happening on the revenue and cost side of the City we do have a bit of a cushion and the policy that we have maintained for years to hold a cash balance.

Director Potts stated that the financing in addition to the recent bond refinancing behind us with the Mayor's approval, for the foreseeable future in 2020 are all the financings that would need to be done. Essentially with the timing moving well and getting these BANs done it frees up the resources to work on projecting out revenues, working on cost cutting measures, and diving into everything related to the COVID-19 crisis from a finance perspective. He is grateful that these financings will likely be behind us and we can concentrate our efforts there we they are much needed.

Mayor Weiss stated that he appreciates Council accelerating its review of this. We previously had this slated for May to come before Council but in light of the strengthening market and to take advantage of that market we elected to bring it before Council now at this special meeting. He very much appreciates their cooperation and assistance on that front.

It was moved by Mr. Earl Williams, and seconded by Ms. Carmella Williams, that the rule requiring ordinances to be read on three different days be suspended and Ordinance No. 20-29 be placed upon its final enactment.

Roll Call: Ayes: Ms. Anne Williams, Ms. Carmella Williams
Mr. Earl Williams, Mr. Zimmerman
Mr. Malone Mrs. Moore, Mr. Roeder
Nays: None

Motion Carried

Moved by Mr. Earl Williams, and seconded by Ms. Carmella Williams, that Ordinance No. 20-29 be enacted as read.

Roll Call: Ayes: Ms. Anne Williams, Ms. Carmella Williams
Mr. Earl Williams, Mr. Zimmerman
Mr. Malone Mrs. Moore, Mr. Roeder
Nays: None

Ordinance Enacted

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The Mayor asked the Clerk of Council to read into the record public comments received on other items.

CAO Chaikin stated that no comments were received on other items by email or phone.

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Mayor Weiss stated that he, Council, and certain staff members will leave the conference call to hold an executive session. If this was done in person they would ask the public to leave or Council would exit and have a private meeting in executive session as permitted by law. This public conference call line will however remain open and at the conclusion of the executive session they will return to the public conference call in line, reconvene the special meeting, and publicly adjourn the meeting. The public is more than welcome to remain on the line and await their return to adjourn, but they do not plan on taking any votes following the executive session or having discussion on any other matters.

At 7:44 p.m. it was moved by Mr. Earl Williams, and seconded by Ms. Carmella Williams that Council go into an executive session to discuss the purchase, sale or the development of real property where premature disclosure of information would give an unfair competitive or bargaining advantage to a person, or otherwise adversely affect the general public interest.

