



**Finance Committee
Monday, May 17, 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 Public Works, Patricia Speese
Superintendent/Arborist, Charles Orłowski
Director of Planning, Joyce Braverman
Director of Economic Development, Laura Englehart
Director of Building & Housing, Kyle Krewson
Principal Planner, Kara Hamley O'Donnell
Planner, Cameron Roberts
League of Women Voters, Frank Goforth

* * * *

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

Chair Moore stated that the minutes of the April 19, 2021 meeting were approved as written.

* * * *

DISCUSSION ITEM – GENERAL FUND 2021 FIRST QUARTER FINANCIAL UPDATE.

John Potts, Director of Finance, presented to the Committee an analysis of General Fund Revenues and Operating Expenditures for the first quarter of 2021. The 2021 1st quarter still sits within the COVID-impacted environment but is compared to 2020's first quarter which was right before the economic impact of the pandemic. Q1 2021 operating revenue was \$14.2 million, a 0.9% increase over Q1 2020 and a 1.5% increase over Q1 2019.

Income tax for Q1 exceeds the same period last year by \$462,622 and exceeds same period 2019 by \$364,991. This is viewed as a positive since the first three periods in 2020 were pre-pandemic (normalized) and the expectation was that the City would not beat those amounts in 2021 while still within the pandemic.

CITY OF SHAKER HEIGHTS

Total operating expenditures for the first quarter of 2021 were down 1.7%, or \$149,956 as compared to the same period last year. The total expenditures to date as a percentage of the annual budget are at 21%, consistent with the same period in 2020.

Council Member Roeder stated that there was a slight decrease in the 2021 property taxes from 2019 and asked if there was an obvious reason why. Director Potts stated the decrease is slight and there are no indications that the numbers are going to come in materially different than budget.

In response to Citizen Member Kolb regarding property taxes; Director Potts stated that there is a lag in the payments of property taxes which could cause the slight decrease but nothing to be concerned about.

In response to Citizen Member Lalley regarding curtailed services in 2021; Director Potts stated that the City is fully functioning.

Citizen Member Lalley asked the status of the City's employment regarding hiring empty positions.

CAO Chaikin stated that Police are presently hiring 6, Public Works is hiring 10 and Recreation is hiring summer help and all other full-time positions are filled.

* * * *

UPDATE – AMERICAN RESCUE PLAN ACT

Director Potts stated that the American Rescue Plan Act is a \$1.9 trillion emergency legislative package to provide resources needed to address the ongoing COVID-19 public health crisis and spur a strong economic recovery. The American Rescue Plan Act will deliver \$350 billion for state, local, territorial and Tribal governments. Examples of fund uses are water and sewer infrastructure, support public health response, broadband infrastructure and replace public sector revenue loss.

Director Potts explained that the treasury is sending states, counties and cities (over 50,000 residents) their funds directly. Shaker Heights is designated as an NEU – Nonentitlement Unit of Local Government and we will get our distribution from the State 30 days after Ohio receives their allocation.

The guidance from the Treasury was due 60 days from enactment and it came on May 10. The Interim Final Rule, a 151 page document, serves as the guidance for the Coronavirus Local Fiscal Recovery Fund. Treasury said that NEU amounts would be forthcoming this week. The amounts for States, Cities and Counties were released.

Director Potts explained, at a high level the eligible uses as defined by Treasury. Those uses include 1) to respond to the public health emergency or its negative economic impacts (assistance to households, small businesses, and nonprofits, or aid to impacted industries); 2) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers; 3) for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and 4) to make necessary investments in water, sewer, or broadband infrastructure.

Director Potts stated that since the deadline for use of the funds is end of 2024, there is plenty of time to review the guidance, attend various webinars and read literature on the topic before moving quickly on spending.

In response to Citizen Member Lalley regarding uses for the funds; Director Potts stated that the City would have many uses for the monies but has not made the determination of yet.

Citizen Member Kolb stated that his understanding is that the City must document the spending of the funds. Director Potts stated that the monies from the CARES Act were recorded and audited and does not see a problem with the documentation needed to be tracked for the American Rescue Plan Act funds.

In response to Chair Moore regarding the City's expected share of the funds; Director Potts stated that it was approximately \$5.3M for Shaker Heights but this had not yet been officially communicated from the Ohio Office of Budget and Management.

Chair Moore asked for some clarifications of the funds being distributed to neighboring cities and the differences in the amounts. Director Potts stated that NEUs are based on the City's population of NEUs to the total NEUs population of the State which takes care of 50,000 and below. When the NEUs are 50,000 and above they are using a modified community development block grant formulation.

* * * *

RENEWAL OF TRIENNIAL OPERATING ASSESSMENT FOR TREE MAINTENANCE FOR THE YEARS 2022-2024.

Patricia Speese, Public Works Director, stated that this item authorizes the renewal of the triennial assessment for tree maintenance at \$1.66/foot. The City decided to proceed with the trimming, planting and maintenance of trees and levying assessments of a portion of the expense against all properties. The City determined that the current assessment of \$1.16 per front foot should be increased to \$1.66 per front foot, because the assessment has not been increased in 20 years, and as a result, the City is losing ground with the costs of maintenance and replacement of trees in the City.

This item was presented and approved at the Tree Advisory Board meeting on May 11, 2021 and at the Sustainability Meeting on May 13, 2021.

Charles Orłowski, City Forrester stated with the help of the Tree Advisory Board, the first Street Tree Master Plan for Shaker Heights has been created. Mr. Orłowski emphasized the importance of tree maintenance at an earlier age of the tree to promote a healthy long-lasting tree.

Citizen Member Moore requested a brief explanation of the use of outside contractors and the expense to the City. Mr. Orłowski stated \$15,000 a year is budgeted for private tree contractors to prune 60 to 70 of the worst trees a year, which is the Honey Locust to name one. The Honey Locust requires a lot of care and pruning time and using the outside contractor to prune those trees allows the City tree crew to focus on work orders from residents and more street trees. Director Speese stated that private contractors are used 50% of the time for planting, tree removal, and pruning.

Council Member Williams asked what is “oak wilt” disease and how do you prevent it. Mr. Orlowski stated that oak wilt is a deadly fungus that can quickly kill an oak tree and if a tree has been affected, there is nothing you can do other than remove it promptly to prevent the disease from spreading to nearby healthy oak trees. Since the fungus enters the tree through wounds, avoid injuring or pruning oaks between April and August.

Citizen Member Lalley stated her concern is with the headlines, “another City tax increase”. First it was an increase in the sewer fund and now an increase in tree assessment. She inquired if there was anything else. CAO Chaikin stated that street lighting assessment fee has not had an increase for several years and will be ready for discussion in two years.

The Finance Committee recommended the renewal of the Triennial Operating Assessment for Tree Maintenance (\$1.66/ft.) for the years 2022, 2023 and 2024.

* * * *

AUTHORIZING A CONTRACT WITH METRO CONSULTING, INC., IN THE AMOUNT OF \$82,500 TO PERFORM OWNER’S REPRESENTATIVE SERVICES FOR THE PHASE 2 OF THE VAN AKEN DISTRICT DEVELOPMENT.

Laura Englehart, Director of Economic Development, stated this item is authoring the acceptance of a proposal and an authorization to enter into a personal professional consultant contract with Metro Consulting in the total not-to-exceed amount of \$82,500 for owner’s representation services for the design, permitting and construction phases of the Van Aken District Development – Farnsleigh Apartments Project.

The City contracted with Metro Consulting, Inc. (Metro Consulting) as the City’s owner’s representative for Phase 1 of the Van Aken District Development project, and the City recommends retaining Metro Consulting for the Farnsleigh Apartments phase of the Project to allow for continuity of representation and to ensure the same high level of facilitation of the development process.

This item was presented and approved by the Neighborhood Revitalization and Development Committee on May 12, 2021.

In response to Council Member Williams regarding the Phase 2 contract having other elements besides only the apartment project, Director Englehart stated the scope of the contract is only the apartment but could include preconstruction and construction consulting.

Council Member Williams stated that there have been concerns throughout the community regarding the apartment project and questioned if Metro Consulting would be involved in the team addressing those concerns. Director Braverman stated the Architectural Review Board and the Board of Zoning Appeal would be the two Boards addressing those concerns at an open public meeting in June.

The Finance Committee recommended authorizing a contract with Metro Consulting, Inc., in the amount of \$82,500 to perform Owner’s Representative Services for the Phase 2 of the Van Aken District Development.

* * * *

AUTHORIZING THE ACCEPTANCE AND APPROPRIATION OF GRANT FUNDS IN THE AMOUNT OF \$18,389 FROM OHIO HISTORY CONNECTION'S CERTIFIED LOCAL GOVERNMENT (CLG) GRANT PROGRAM FOR THE CREATION OF A HISTORIC PRESERVATION MASTER PLAN FOR THE CITY'S BURIAL SITES, INCLUDING THE LOCALLY LANDMARKED WARRENSVILLE WEST CEMETERY.

Cameron Roberts, Planner, stated that this item is requesting authorizing the acceptance and appropriation of a grant from the Ohio History Connection Certified Local Government Grant (CLG) Program in the amount of \$18,389, with a City match of \$7,498, for the creation of a Historic Preservation Master Plan for the City's burial sites, including the locally landmarked Warrensville West Cemetery. The Certified Local Government Grant (CLG) Program provides local governments an opportunity to protect and enhance properties of historic and architectural significance. The grants are only available to those communities designated as CLGs and the City has applied for and received funding through this grant since becoming a Certified Local Government in 1993.

This item was presented and approved by the Landmark Commission at their April 28, 2021 meeting.

In response to Citizen Member Lalley regarding including private property, Director Braverman stated that private property was not included in the plan, but if private property should be need to be included the Law Department would handle that.

The Finance Committee recommended authorizing the acceptance of a grant from the Ohio History Connection Certified Local Government Grant (CLG) Program in the amount of \$18,389 for the creation of a Historic Preservation Master Plan for the City's burial sites, including the locally landmarked Warrensville West Cemetery.

* * * *

2021 NOACA CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM (CMAQ) GRANT.

AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF A GRANT IN THE AMOUNT OF \$1.21M FROM NOACA'S CONGESTION MITIGATION AND AIR QUALITY (CMAQ) GRANT PROGRAM FOR LEE ROAD SIGNALIZATION.

AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF A GRANT IN THE AMOUNT OF \$1.58M FROM NOACA'S CONGESTION MITIGATION AND AIR QUALITY (CMAQ) GRANT PROGRAM FOR LEE ROAD MULTIPURPOSE PATH.

Kara Hamley O'Donnell, Principal Planner, stated that this item is seeking to authorize the City's application for and acceptance of two grants from the Northeast Ohio Areawide Coordinating Agency's ("NOACA") Congestion Mitigation and Air Quality Improvement ("CMAQ") program for the Lee Road Signalization project in the amount of \$1.21 million, and the Lee Road Multipurpose Path project in the amount of \$1.58 million, as a part of the Lee Road Action Plan.

The City's Director of Planning has recommended that the City apply to the Northeast Ohio Areawide Coordinating Agency ("NOACA") under the Congestion Mitigation and Air Quality Improvement ("CMAQ") program for two grants as a part of the Lee Road Action Plan, as follows: Lee Road Signalization project grant in the amount of \$1,210,000, and the Lee Road Multipurpose Path project grant in the amount of \$1,580,000

The City will provide a 21% match for each project to enhance the City's application, which would then be appropriated at the time the grant funds are made available, in the total amount of \$625,152 for the Lee Road Signalization project, and \$820,000 for the Lee Road Multipurpose Path project. If awarded the NOACA grants, the CMAQ funding would be available in 2025-2026.

This item was presented and approved at the Safety and Public Works Committee on May 7, 2021.

In response to Citizen Member Kolb regarding the signalization project, Planner Hamley O'Donnell stated that project was going to be a border to border project.

In response to Citizen Member Lalley regarding grants, Director Braverman stated this is a long term project with long-term grant applications and a timing game to make the project successful.

The Finance Committee recommended authorizing the City's application for and acceptance of two grants from the Northeast Ohio Areawide Coordinating Agency's ("NOACA") Congestion Mitigation and Air Quality Improvement ("CMAQ") program for the Lee Road Signalization project in the amount of \$1.21 million, and the Lee Road Multipurpose Path project in the amount of \$1.58 million, as a part of the Lee Road Action Plan.

* * * *

There being no further business, the meeting was adjourned at 9:11 a.m. The next meeting will be June 21, 2021.

Respectfully submitted,

John J. Potts, Finance Director
Finance Committee