

MINUTES OF THE FINANCE COMMITTEE
December 1, 2018
Auditorium

Present: Councilmembers O'Malley, Bullock, George

Also Present: Councilmembers Litten, Anderson, O'Leary, Rader, Finance Director Pae, Mayor Summers, Assistant Finance Director Schuster, Budget Manager Jessica Eddy, Law Director Butler, Human Resources Director Yousefi, Human Services Director Sylvester, City Planner Katelyn Milius, Development Officer Dan Wyman, CAC Co-Chairs, Building Commissioner Joe Meyers, Building Inspector Chris Parmalee 3 members of the public

Call to order: 8:38 a.m.

Law Department Budget

Director Butler discussed the department's personnel expenses. He explained that market-based equity adjustments were made to the salaries of the lawyers in 2017 and to the non-lawyers in 2018. This year, the only salary increase is the cost of living increase. The Law Director's salary was not increased as part of the market adjustments.

He explained that the professional services line item includes outside counsel and that it fluctuates year-to-year based on many unpredictable factors. He explained that although all outside counsel is overseen by the Law Department that not all is paid for out of the Law Department budget. He provided the following list of outside counsel contracts paid out of the Law Department's 2018 budget:

- Walter Haverfield - \$30,000 for litigation and advice on right-of-way protections
- Calfee Hater - \$16,000 for Rockport development agreement
- Bricker & Eckler - \$8,000 bid book advice and asbestos abatement bid

In response to a Councilmember's question, Director Butler discussed how the department selects outside counsel. Professional services are not subject to the same competitive bid process and deference is given to those who know the field. He discussed how the department arrives at its estimate for this line item given its unpredictability.

The Committee discussed the payment of bond counsel. Director Butler explained that an RFP is sometimes issues for bond work.

Director Butler explained how it works when the City's insurance provides for its defense.

In response to a Councilmember's question, Director Butler expressed that he feels his staff is able to operate effective at current staffing levels and has received no customer feedback to the contrary.

Director Butler discussed his role in setting up the proper levels and types of insurance for the City. These premiums do not come out of the Law Department budget.

The Committee discussed the Law Department's 2018 professional services budget and how close the budget and actual expenditures were.

Mayor's Office Budget

Mayor Summers spoke about the role of the Mayor's Office and his staff. The Mayor's pay is \$100,000 and is set by ordinance. He recommended that Council look into increasing the Mayor's salary effective for the next term of office in order to attract top talent.

Mayor Summers highlighted the significant expense in the professional services line item - \$19,000 in dues to the U.S. Conference of Mayors, Ohio Mayor's Alliance, Cuyahoga Mayors and Managers Association. He described these groups and why they are important to maintain memberships.

The Committee discussed the Community Relations budget. The Community Relations Manager reports to the Mayor but has a separate budget. He noted that the community relations budget will increase \$15,000 in 2019 to attract new bands to the summer band concert series. The summer band series is budgeted within parks.

The Committee discussed the Mayor's contract with McCaulley & Company for social media outreach and the social media needs of the City and of Council. The Mayor expressed some of the challenges of finding a full-time Public Information Officer and remarked on why it makes sense to use a consultant at this time.

The Committee discussed the Mayor's Office travel budget to allow the Mayor to travel to D.C. two times in 2019. The Mayor discussed the nature of these trips.

The Committee discussed the Block Club program managed by Shannon Strachan and the history of the program.

Human Resources

Human Resources Budget

Director Yousefi provided an update on the staffing of her department. She flagged budget increases due to professional memberships and for an anticipated increase in physicals and background checks for hiring to take place in the safety forces.

A Councilmember asked about the diversity of the City's workforce and asked for additional follow up information on this.

Workers Comp/Health Insurance

Director Yousefi discussed the City's trends in workers' compensation and health insurance costs. The move to automate refuse pick up in 2010 has reduced the number and cost of workers' comp claims. She reported on the costs and numbers of claims over the past few years.

The Committee discussed the City's paid sick leave program for employees, how it compares to the private sector and how it compares to a short term disability policy. Mayor Summers expressed satisfaction that the current program is generous enough to meet employee needs.

Director Yousefi reported that health insurance claims have been rising and have been exceptionally high the past three years. The City's claims for 2018 are currently at \$5.5 million and it is budgeting \$7 million for 2019. She reported that 7 employees have died in the past three years which is a very high number and also that five claimants have gone over the stop loss amount this year.

Director Yousefi provided an update on the union/management health care committee that was formed as part of negotiations in 2019. The committee agreed to raise premiums 6% and to offer a high deductible health plan with a HAS. 13 people have signed up for the high-deductible plan. Also in 2019 the City will offer a one-time premium holiday for employees who get an annual physical as a way to encourage people to get their check-ups. In 2019 the group is going to focus on promoting wellness among the staff. Council asked for an invitation to sit in on this committee.

Salary Ordinance

Director Yousefi announced that the salary ordinance is updated annually based on the bargaining units' negotiated increases.

Director Yousefi agreed to prepare a substitute ordinance to include Clerk certifications in the ordinance.

The Committee discussed trends in fringe benefits and other cost drivers regarding health insurance.

In response to a councilmember question, Director Yousefi updated Council on the LEAN initiative and invited Council to attend the next yellow belt training.

Human Services Department

Director Gelsomino discussed the role and mission of the department and highlighted upcoming staffing changes. A new Assistant Director of Human Services has been hired. Director Gelsomino discussed the need for an Assistant Director. The Family-to-Family grant increased this year allowing the department to add two part-time staff to the Youth Division. She spoke about succession planning in the Department.

Director Gelsomino discussed the community needs the Department encountered such as an increase in crisis calls during holiday season and the highest number of families referred to the Christmas Store in five years. She pointed out that many families work but still struggle and that Human Services programs need to continue to build capacity to meet community needs.

Director Gelsomino reported to Council on the use of Senior Transportation Services. 2018 is the first year of using this new transportation vendor. Seniors have provided a great deal of positive feedback on these services. She emphasized that this is a critical resource. She reported that she is hopeful that the City will receive a \$20,000 grant to increase the reach of the program to include residents with developmental disabilities. In response to Councilmembers questions she discussed the anticipated trends and costs of senior transportation in 2019.

She provided an example of Human Services successfully pulling together various community partners to help remediate a senior's bed bug infestation.

The Mayor and Director Gelsomino provided an update to Council on ideas for relocating Human Services into a single space. The administration is eyeing Cove Church as a possible temporary location and a future permanent location for a second storm water management facility. Cove Church is currently for sale. The administration has begun taking steps to get appraisals of Cove Church. Director Gelsomino described the things that seniors are looking for in a new space.

The Committee discussed turnover in the Department. Director Gelsomino expressed the desire to stay competitive in order to retain top talent in the Department.

Director Gelsomino provided an update on Project SOAR and reported project data. She concluded that the data is promising and that the only cost to the program is staff time. A full report will be provided in January as part of a stakeholder meeting.

Planning & Development

Director Sylvester provided an update on the Council budget priorities that the Planning Department focused on in 2018 including:

- Electric vehicle charging stations – charging stations at Winterhurst and City Hall will be added soon. The City will also require Raising Cane's to add one if approved. The intention is to add more in the future.
- Bike master plan implementation – focus on building and connecting bike infrastructure on Lake Ave. and W. Clifton. 2019 will focus on Riverside.
- Public art – LAMP Program launched. Willow Room and Lakewood Alive partnered with the City on murals. New sculpture added to Detroit/Sloane intersection. An update was provided on planned mural and art projects for 2019.
- Traffic calming - New sculpture at Detroit/Sloane intersection & Franklin Ave. discussion

Director Sylvester provided an update on the Council budget priorities that the Planning Department will focus on in 2019 including:

- Transportation needs study
- Sidewalks on Clifton Ave. Extension – City will apply for TLCI grant to study this corridor.

Ms. Milius provided an update on the plans to redevelop Wagar Park. The City plans to break ground in 2019. There are two grant applications pending including the Land & Water Conservation Fund grant referenced in Resolution 9041-18. In response to a Councilmember question, Director Pae clarified that the City is planning to borrow \$1 million for Wagar Park. If the grants are received it will not go out to bond for the full amount. It was clarified that the size and scope of the improvements have not been reduced.

A motion was made and seconded to recommend adoption of Resolution 9041-18. All members of the Finance Committee voted in favor. Motion passed.

Director Sylvester explained steps that the Department plans to take to improve Edwards Park, Kauffman Park, and St. Charles Green in 2019.

Discussion:

The Committee discussed the new public art work at the Detroit/Sloane intersection. Director Sylvester explained that additional signage and a bike fix-it station are coming to the area in the spring. He clarified that the intersection is being changed to enhance pedestrian safety, not to make room for the art.

The Committee discussed Webb Park which will be getting a new set of playground equipment in 2019. Director Sylvester remarked that it will likely be on next year's list of parks to ensure a plan is in place for it moving forward.

In response to a Councilmember question, Director Sylvester explained increases in salaries, professional services and the hospital fund.

- Salaries are budgeted to increase in 2019 due to a vacant position being filled (Urban Designer)
- Professional services are increased in anticipation of possible consultant designers or engineers
- Lakewood Hospital fund was increased to budget for the unknowns related to demolition and abatement and attorney's fees

The Committee further discussed the plan for St. Charles Green and the feedback from residents on this space. Mayor Summers mentioned that St. Charles Green may be appropriate for a splash pad.

In response to Councilmember questions, Mayor Summers provided additional information about the forthcoming electrical vehicle charging stations. There are additional funds in the NOPEC energizing communities' grant that could go toward a third charging station.

Councilmember Bullock advocated for gateway signage, public art, and more internal capacity for communicating with the public.

In response to a Councilmember question, Ms. Milius discussed the standards and criteria for choosing public art. Going forward, all murals and public art will go before ABR. The Planning

Department tries to get feedback from members of the former Public Art Task Force and businesses.

Citizens Advisory Committee Allocation Recommendations

Dan Wyman announced that the City is conservatively estimating that it will receive \$1.9 million in CDBG funds and \$150,000 in ESG funds in 2019. Lakewood Community Services Center is the only agency in the City qualified to receive ESG funds and so it receives the majority of them.

CAC Co-Chairs remarked that the Committee engaged in good discussions at every meeting and agreed unanimously on the recommendations.

Mr. Wyman discussed how the CAC will proceed should it receive more or less funds than anticipated. The CAC approves a contingency plan with this information per the request of HUD.

The Committee examined the chart of amounts that were requested by the organizations and the amount that was allocated and discussed where there were gaps. The Child Care Scholarship Program was allocated more than the amount recommended by the administration. CAC Co-Chair Maureen Sweeney explained that the Committee rallied around this program and other that were wholly dependent on CAC funding and which addressed the social determinants of health.

She and Co-Chair Lee Silvis also explained that North Coast Health received less than requested because they have recently merged with Neighborhood Family Practice which strengthens them financially.

Ms. Sweeney and Mr. Silvis also addressed questions in the amount allocated to Lakewood Alive. Mr. Wyman stated that Lakewood Alive made an ambitious request with the expectation that it would not get fully funded.

In response to a Councilmember question, Ms. Sweeney encouraged councilmembers to appoint residents who reflect the community in terms of diversity. She remarked that this year's CAC brought a diversity of perspectives.

Mayor Summers complimented Lakewood's approach to allocating these funds, stating that the City follows the letter and the spirit of HUD's intentions by having a thoughtful process.

Mr. Wyman noted that the Planning & Developing contracting authority ordinance includes a contract with Cleveland Mediation Center for 2019. He is currently in talks with them about providing landlord/tenant services to Lakewood residents to replace the loss of Cleveland Tennant Organization. If this goes forward it can be funded out of the CAC Administration line item.

Building and Housing

Building Commissioner Meyers provided an overview of the Housing Forward housing survey conducted in October 2018 and the Department's plans for following up in 2019.

He provided the Committee with statistics from 2018 on the number of Certificates of Occupancy issued, permits issued and their valuation as well as the number of plans reviewed.

The Committee discussed the Department's implementation of Citizen Serve in 2019. This will replace WebQA and will have a public portal so that residents can look up complaints and permit work.

The Committee discussed the plans review timeline which has been reduced from an average of 14 days to 10 days. A part-time plans examiner has been hired.

Commissioner Meyers discussed the challenges of finding the qualified and properly certified building inspectors. He described the education and certification process in the profession. The open position has been posted for one year. The Committee further discussed the labor market, career paths within the department, training opportunities, and professional development.

In response to a question from Council, Commissioner Meyers explained that the department is appropriately staffed for its typical levels of demand. He also expressed confidence that Council's recently proposed changes to the housing license timeline will be executed successfully.

Commissioner Meyers remarked on the technology used in the department and how it enhances productivity.

Finance Committee adjourned at approximately 1:00 p.m.

**FY19 CDBG & ESG Budget Hearing (Resolution 9042-18)
December 1, 2018**

**Community Development Block Grant (CDBG)
FY19 Funding Requests & Administration/CAC Allocation Recommendations
Projected FY19 CDBG Award: \$1,900,000**

Applicant	Program	Request	Admin Rex	CAC Rex		
Planning & Development	CDBG Administration	\$285,000	\$285,000	\$285,000		
Planning & Development	Economic Development Fund	\$280,000	\$280,000	\$280,000		
Planning & Development	Code Enforcement	\$90,000	\$90,000	\$90,000		
Public Works	Street Improvements	\$460,000	\$460,000	\$460,000		
Commy Development	Propty Revitalization	\$100,000	\$100,000	\$100,000		
Commy Development	Rehab, Access & Maint (RAMP)	\$50,000	\$50,000	\$50,000		
Commy Development	HOME Activity Delivery	\$20,000	\$20,000	\$20,000		
Commy Development	Storefront Renovation	\$300,000	\$300,000	\$300,000		
LakewoodAlive	Paint Rebate	\$30,000	\$30,000	\$30,000		
LakewoodAlive	Housing Outreach	\$73,048	\$43,647	\$45,108		
Lkwd Community Services Center	Food Pantry	\$36,062	\$19,300	\$20,490	Public Services	
Lkwd Community Services Center	Employment Services	\$38,964	\$39,868	\$38,404		
Lkwd Community Services Center	Case Management Services	\$24,126	\$19,301	\$20,566		
Human Services	Childcare Scholarship Assistance	\$78,000	\$68,846	\$72,899		
Human Services	Senior Supportive Services	\$38,916	\$31,340	\$32,010		
Domestic Violence Center	Victim Advocacy Services	\$20,020	\$13,482	\$15,731		
North Coast Health	Health Services	\$64,500	\$49,216	\$39,792		
Total CDBG Allocations		\$1,988,636	\$1,900,000	\$1,900,000		
Total Public Services Allocations (max 15%)		18.79%	15.00%	15.00%		
Direct Low-Mod Benefit (min 70%)		82.39%	81.42%	81.42%		

**Emergency Solutions Grant (ESG)
FY19 Funding Requests & Administration/CAC Allocation Recommendations
Projected FY19 ESG Award: \$150,000**

Applicant	Program	Request	Admin Rex	CAC Rex
Lkwd Community Services Center	Emergency Shelter	\$20,310	\$20,000	\$20,000
Lkwd Community Services Center	Homelessness Prevention	\$125,000	\$125,000	\$125,000
City of Lakewood	ESG Administration	\$5,000	\$5,000	\$5,000
Total ESG Allocations		\$150,310	\$150,000	\$150,000

Building Department 2019 Budget Hearing Overview (2018 in review – data through November 15)

Property Maintenance

2018 Housing Survey (Housing Forward Strategy):

- ✓ 12,000+ - 1, 2, 3 family properties surveyed in October
- ✓ Results have been tabulated, and verified.
- ✓ Ratings audit in December
- ✓ Communication to Residents in January 2019
- ✓ Inspections begin 1Q 2019

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Correction Notices

TYPE	2017	2018	% CHANGE
*C of O's	397	331	-17%
Complaints	1042	739	-29%
Exterior	340	822	142%
PM & S	103	113	10%
Total Volume:	1882	2005	7%

*Data through September

Construction

Permits

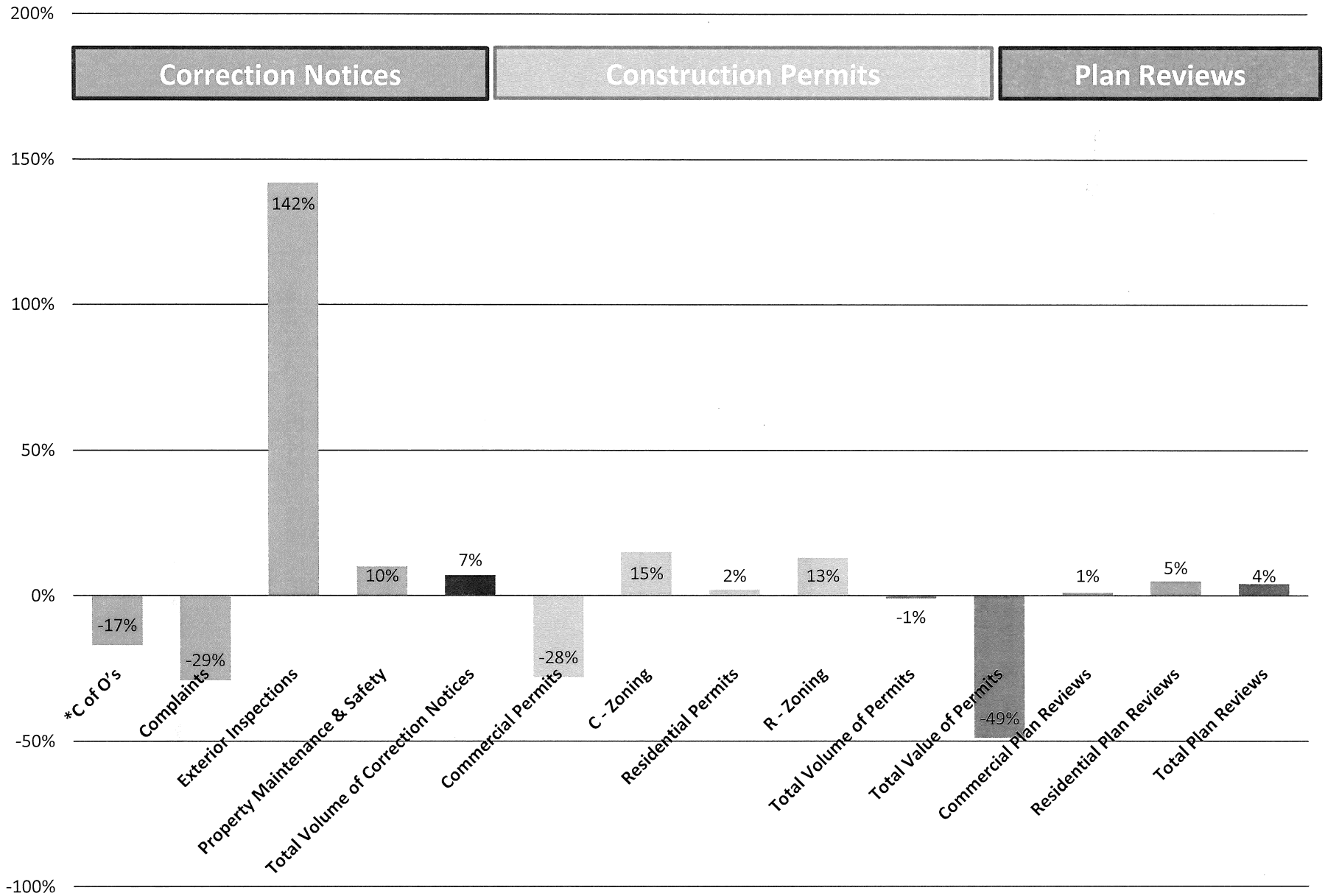
TYPE	2017	2018	% CHANGE
Commercial	524	378	-28%
C - Zoning	66	76	15%
Residential	1656	1697	2%
R - Zoning	502	568	13%
Total Volume:	2748	2719	-1%
Total Value:	\$68 MM	\$35 MM	-49%

Note: Large projects in 2017 - \$18MM (FHC), \$7MM (Westerly), \$1.3MM (Giant Eagle) = \$26MM
 Largest project in 2018 – \$3.5MM (St. Peters Church)

Plan Review

TYPE	2017	2018	% CHANGE
Commercial	168	170	1%
Residential	500	527	5%
Total:	668	697	4%

Summary of % Change 2017 to 2018





Department Updates

CitizenServe Database System (Implementation January 1, 2019)

- ✓ Improved functionality = easier to navigate than Web Q&A
- ✓ Public interface = Easier/faster/more convenient processing of permits, registrations and licenses
- ✓ Up-to-date property information uploaded from county = better property & owner information

Hired PT Residential Plans Reviewer

- ✓ Increased capacity for State mandated project plan review of residential projects
- ✓ Reduced residential plan review time to 10 days, a reduction of 28%

Open Position for Building Inspector/ESI

- ✓ Shortage in candidate pool makes finding qualified (State Certified) candidates difficult
- ✓ We have had success growing inspectors from within through the State 4 year trainee program (Currently have 1 BI trainee and 1 ESI trainee in-house)
- ✓ We implemented a career path for inspectors to grow within the department, making us competitive with neighboring jurisdictions.
- ✓ Limited use of outside agencies on time intensive projects has allowed us to bridge the gap, allowing our inspectors more flexibility to provide better service to our residents and businesses during peak demand