

CITY OF UNIVERSITY HEIGHTS
MINUTES OF CHARTER REVIEW COMMISSION MEETING
JANUARY 27, 2009

Chairman Harvey Morrison called the meeting to order at 7:30 p.m.

A. ROLL CALL

Present: Mr. Harvey S. Morrison
Dr. Roderick H. Adams, Jr.
Mr. F. Michael Boyle (not at roll call)
Mr. Simon A. Carroll
Mr. Jason Patrick Ferrante
Mr. Robert McClintock
Mr. Luke McConville
Mrs. Susan Pardee
Mr. Mark N. Wiseman

Absent: Mr. Paul M. Miller
Mr. Joseph M. Shafran

Also Present: Dr. Lawrence Keller
Dr. Tom Bier

MOTION BY MR. MORRISON, SECONDED BY MRS. PARDEE to excuse the absence of Mr. Shafran and Mr. Miller. On voice vote, all voted "aye."

B. REVIEW AND APPROVAL OF AVAILABLE MINUTES

There were no corrections or additions to the minutes of December 23, 2008.

MOTION BY MR. McCONVILLE, SECONDED BY MR. CARROLL to approve the minutes of December 23, 2008 as presented. On roll call, all voted "aye."

C. DISCUSSION WITH DR. TOM BIER

Dr. Tom Bier, former director and current executive in residence for the Center for Housing Research and Policy, Levin College of Urban Affairs, Cleveland State University, studies housing policy issues and real estate trends with emphasis on factors that cause communities to decline.

Dr. Bier stated that the current housing trends will affect the future of University Heights. He noted that 25% of the people who sell their homes move out of the county, and 85% - 90% of people selling their home in University Heights move to another city. He added that movement from the eastern suburbs outward has been increasing year after year for decades. He noted that when people move they normally purchase a more expensive house; therefore, the city is also losing money.

Mr. Boyle entered the meeting at 8:44 p.m.

Dr. Bier stated that it will be difficult for the City to maintain the residents that it has because public policy encourages the move to more expensive housing through tax deduction. He also noted that when people move into a Township, they do not pay income tax. This also applies to businesses.

Dr. Bier stated that the way the government is structured through Home Rule is also significant because as a community ages the maintenance of infrastructure becomes the government's problem. The same goes for the housing stock – as the housing stock ages it is difficult to cope with the cost of aging and people move out away from the decline. He explained that due to this decline, real estate values decrease. As values decline, lower income people move into homes that they cannot afford to maintain which causes deterioration. He noted that sub-prime lending and the foreclosure dilemma have intensified this problem.

Dr. Bier stated that University Heights has a future of declining real estate because wherever there are homes for sale under \$100,000 there is serious risk to that location. He noted that there are several homes in University Heights for sale under \$100,000. He also noted that many of these home will become rental property.

Dr. Bier stated that University Heights can control its destiny through housing inspections. He stated that regardless of how the government is structured, the City must have an extremely effective housing inspection/real estate inspection and enforcement program along with a tough, but fair court system. Dr. Bier mentioned that University Heights does have point of sale and exterior inspections.

He mentioned that an initiative is underway through the Northeast Ohio Mayors and City Managers Association to establish regional tax sharing in Northeast Ohio and regional planning. Dr. Bier stated that Mayor Rothschild is a strong supporter of this initiative. He noted that it will be imperative for University Heights to lend its support to this initiative because University Heights will benefit from tax sharing. Dr. Bier stated that it is also time for jurisdictions to merge. He noted that there are regional sharing programs currently underway, but the fundamental change will have to be the merging of jurisdictions.

Mr. Ferrante noted that he moved from the west side, and he has noticed that people are moving out to the newer areas, but he chose a more established neighborhood in University Heights. Mr. Ferrante inquired as to what type of population impact University Heights will face in the future if people continue to move out. Dr. Bier responded that people will continue to move in until the housing stock becomes so undesirable that no one wants it and it will become abandoned. He mentioned that it would be many decades before something like that would happen in University Heights.

Mr. McClintock inquired as to the statistics relating to the percentage of increase in CMHA Section 8 housing in University Heights. Dr. Bier did not have that data.

Dr. Keller stated that the Charter can empower City officials to work cooperatively with other cities.

D. DISCUSSION WITH DR. LAWRENCE F. KELLER

Dr. Larry Keller, Associate Professor Emeritus, Public Administration Program, Levin College of Urban Affairs, Cleveland State University, presented the following handouts to the Commission members prior to this meeting: "Municipal Law and the Ohio Constitution," "Forms of Municipal Government" and "Understanding and Developing Village and City Charter."

Dr. Keller took the opposite view about cities merging. He stated that if cities merge, there would be a loss of meaningful citizen participation in government. But, he did agree that cities must do business differently. He stated that cities must market themselves and offer cooperation whereby

citizens can use the resources of the City. He also noted that cities should have policies that support technology. Dr. Keller stated that people want to know that their government is being professionally operated. He added that the variation between mayoral administrations is often times so different that it is difficult to have long term strategies. He mentioned that young people also get turned off by politics in local government. Therefore, the City needs to change to a professional government.

Dr. Keller was an advocate of the Council-Manager form of government and stated that it is imperative for inner-ring suburbs to become more professional with respect to following the Charter and having constitutional values and using those values to improve the community. He noted that the Council-Manager form of government is not going to solve the City's problems, but it is a necessary change needed in Northeast Ohio to address the challenges that cities are facing.

Dr. Keller stated that cities should maintain their independence, and instead of merging, cities should look more into working together. He added that each of the cities must provide a form of government that encourages professionalism. Dr. Keller noted that the Charter can empower the City to do business in a different way.

Dr. Bier explained that within 50 years suburbs will be devastated unless there is State policy to invest in the maintenance of older jurisdictions before investing in the expansion of newer communities, and making it more expensive for people to move out. Dr. Keller mentioned that the local jurisdictions must be ready for that situation by the local government preserving the housing stock through inspections, offering educational resources to residents, and marketing the community.

Mrs. Pardee inquired if there are policies or government structures in place that have reversed the trend of individuals moving out and attracting people back into the community. Dr. Bier replied that the area around the University of Philadelphia is a good example, but the university was very involved in that effort. He also stated that the proximity to John Carroll University is important because students do not like meaningless politics. Therefore, a professional government is essential. He also noted that students want to be around happening places like coffee shops.

Mr. Morrison inquired into the cost of a potential City Manager or City Administrator for the City of University Heights. Dr. Keller hesitated to give an exact amount, but noted that he would research it and provide an estimate later. He added that some City Managers earn up to \$200,000 per year depending on the size of the city. He added that the City Manager is the highest paid public official in the City, which is similar to school superintendents. But in most cases, the City Manager will save the City the amount of his salary every year. Mr. Carroll inquired how the City Manager can save his entire salary. Dr. Keller responded that because of the City Manager's skills and expertise he can save his salary by constantly reviewing the operations of the City and making it more efficient. He added that if the manager does not perform the Council has the authority to terminate him.

Mr. Wiseman inquired if there is an article or study to substantiate the claim that the City Manager earns his salary back for the municipality within a year. Dr. Keller mentioned that he gets a lot of his information from interaction with City Managers. However, he will try to find such a document. Mr. Wiseman requested that the information be forwarded to the Commission.

Mr. Wiseman inquired as to the power of the Mayor to run the City under the Council-Manager form of government. Dr. Keller replied that in a Council-Manager structure, the Mayor's position is ceremonial only and in most instances the President of Council is given the title of Mayor. He added that in a Council-Manager form of government there is no separation of powers. Dr. Keller believes that separation of powers is needed at the federal level, but it is harmful at the local level.

He added that in the Mayor-Council form of government there is a separation of powers. There is an independently elected Council and an independently elected Mayor, each with their own authority, and the Mayor is the Chief Executive Officer of the City. However, in the Council-Manager form of government, the Council has all the power with the authority to hire and fire a City Manager at its pleasure. Dr. Keller noted that in the Council-Manager form of government the Mayor has some statutory duties. But, he encouraged caution relating to what powers are given to the Mayor and how the incumbent in that office is determined. Dr. Keller also mentioned that the Mayor could be a facilitator for the City Manager in a political environment.

Mr. McClintock asked Dr. Keller to comment on the Charter for the City of Oregon, Ohio. Dr. Keller replied that the City of Oregon has a variation of the Mayor-Council form of government with an empowered Mayor (Chief Executive Officer), and a City Administrator (Chief Administrative Officer). In this case, the Mayor appoints the City Administrator with confirmation by the Council. Dr. Keller pointed out that there are variations within the Mayor-Council form of government. One in which, the City Administrator is appointed by the Mayor by ordinance.

Mr. Wiseman wanted to know about the advantages or disadvantages of having a Strong Mayor versus a Weak Mayor. Dr. Keller explained that in the Council-Manager form of government, there is still a Mayor, but he is controlled by the Council at a formal legal level. The major issue is how to get a good Council that understands the politics, but wants professional results.

Mr. Wiseman inquired if there is transitional costs involved in a fundamental change in the form of government. Dr. Keller replied that there would be a cost involved in having a firm assist with hiring a City Manager. He mentioned that the best way to institute a change in the form of government would be to coincide with the end of a Mayoral term to minimize the transitional costs.

Mr. Boyle requested an explanation about young people being involved in government and not caring for the politics. Dr. Bier used the Medical Mart project as an example of unprofessional politics that they do not care to participate in, and, therefore, desire to move out of the county. Mr. Boyle inquired if Dr. Bier has made a presentation to the Council or the Mayor. Dr. Bier responded that he has not made a formal presentation to the City.

Dr. Keller stated that he encourages required training for all newly elected Council members within one year of taking office. He noted that by requiring the training in the Charter, the municipality will pay for it. He also noted that this type of training is available at Cleveland State University, Kent State University, and the Ohio Municipal League. Cleveland State University offers the Newly Elected Council Member Series for a minimal fee of approximately \$50.00. He mentioned that Mayfield Village requires training in its Charter. Mr. Morrison requested information on communities which have training requirements in their Charters, as well as the salary for City Managers and City Administrators. Dr. Keller stated that he would provide the information.

Dr. Keller recommended that a strategic retreat also be required in the Charter as the first order of business at the beginning of a new term of Council prior to the election of officers. He mentioned that the morning session could be spent learning the trends facing the city over the next few years with people like Dr. Tom Bier and Mr. Paul Alsenas, director, County Planning Commission. During the afternoon session, the Council could discuss the main issues facing the City within the next two years and then prioritize their issues. After which, officers would be elected.

Mr. Boyle inquired as to why elected and appointed officials would be against a change in the form of government. Dr. Keller responded that some people are committed to a separation of powers, some people like strong executive leadership, some people have come up in the election process. He added that these people are serious about government and public service and may believe that people from outside the community cannot provide the leadership that at a local elected executive could.

Mr. Boyle stated that change, such as running the City like a business, is imperative for University Heights to survive. He asked if the size of the city makes a difference to the Council-Manager form of government. Dr. Keller replied that cities with populations of 25,000 to 250,000 typically have a Council-Manager structure, the cities tend to be nonpartisan in politics, and can afford the salary. Smaller cities may have difficulty paying the salary for a City Manager. He added that if the community is committed to a Council-Manager form of government it will work well regardless of size. Mr. Boyle mentioned that the Commission is faced with several conflicting opinions about what form the government should take. It was Dr. Keller's opinion that a Council-Manager plan would provide more effective executive leadership than a Mayor-Council plan because the City would have a larger pool to draw from during the interview process and because of the candidates' professional competency and commitment to local government. However, he pointed out that some Mayors are just as good as a City Manager.

Mr. Boyle mentioned that the City's organizational chart is very flat. He noted that he has been focusing on checks and balances, accountability, and constant reviews to make sure the City is operating efficiently. After listening to Dr. Keller's presentation, he added that it seems the best way to do that is with a Council-Manager form of government. Dr. Keller stated that the system must be supported, but holding the manager accountable for his job is the best way to gain efficiency. He added that sometimes the Mayor-Council structure becomes too politically charged to be effective and that is why a separation of powers is not needed at the local level.

Mr. McConville stated that he sees the Commission's role as attempting to establish a structure that facilitates efficiencies, especially in terms of economics. He requested that Dr. Keller cite examples or send specific examples of charter provisions which would facilitate that. Dr. Keller stated that the cities of Lakewood, Fairview Park, Rocky River, and perhaps Westlake share jail facilities and are doing joint planning for the future. He will provide the Commission with examples that allows the community to enter into contracts and other collaborations. The provisions should also indicate who is to be responsible for those activities. Dr. Keller noted that the City should be efficient, but cannot be operated like a business because there has to be due process and other legal requirements that have to be followed in a public jurisdiction. However, the City should provide efficient services.

Mrs. Pardee stated that she understands the City Manager hires and fires employees, but she inquired if the City Administrator also hires and fires employees. Dr. Keller noted that the City Administrator can hire and fire, but it would have to be covered in the Charter and/or ordinances. He added that the administrator could be given all the administrative authority. However, if the existing Charter already gives that authority to the Mayor, then the Charter would have to be changed.

Mrs. Pardee also inquired if the City Manager would hire his own support staff once appointed. Dr. Keller replied that the City Manager seldom brings in his own staff. He added that since City Managers have training there is less of a need for staff.

Mrs. Pardee asked Dr. Keller to explain what he meant when he said the community would have to support the Council-Manager form of government. Dr. Keller explained that the Council-Manager form of government works best when partisan politics are not part of the agenda. He added with a Council-Manager structure the Council must be focused more on the public interests rather than on political ambitions.

Mr. McClintock inquired as to what the biggest obstacle may be in getting the community to support a change to the Council-Manager form of government. Dr. Keller replied that the biggest obstacle would be misconception of the City Manager position. He added that the community would have to be educated prior to the charter change going on the ballot. He warned that it would be a very contentious issue. Dr. Keller recommended that the Commission's report should indicate why the change is recommended.

Mr. McClintock suggested that a City Administrator or Chief Administrative Officer would be more accepted by the public. Dr. Keller noted that the City of Shaker Heights has a Chief Administrative Officer, and that structure has worked well for the City over the years. He noted that if the Commission decides to recommend a City Administrator or Chief Administrative Officer provisions within the Charter should specify how the person is selected, who fires that person, and what authority he will possess. It was noted that the Chief Administrative Officer in Shaker Heights is hired by the City Council and the position was established by ordinance.

Mr. Wiseman stated that since the typical size of a city with a Council-Manager form of government is 25,000 to 250,000, he inquired as to what effect this structure would have on the University Heights since its population is approximately 14,000. Dr. Keller replied that statistics do not explain why a Council-Manager form of government works best in a particular size city. But, he added that a City of 14,000 people, should be able to hire a city manager. He also mentioned that some villages, and most university towns tend to have a City Manager.

Dr. Adams inquired how the Council-Manager form of government in the City of Cleveland Heights is working out. Dr. Bier, a resident of Cleveland Heights, responded that the Mayor is a member of Council and elected by the Council members. He added that Mr. Downey has been City Manager for approximately 25 years and the City provides good services. The population of Cleveland Heights is approximately 50,000 people.

Dr. Keller noted that the Council-Manager form of government will not be more expensive than the current Mayor-Council form of government, but it will be very different. He made himself available for questions by e-mail. Mrs. Pardee thanked Dr. Bier and Dr. Keller for attending the meeting and sharing information.

E. ADDRESS QUESTIONS/COMMENTS FROM ATTENDING CITIZENS

Mr. Morrison gave the following report, which was required to be given to the public within 120 days of taking office, as required under Ordinance No. 2008-45 establishing the Charter Review Commission:

- The organizational meeting was held October 16, 2008. Mr. Harvey Morrison was elected chairman, Mr. Luke McConville was elected vice chairman, and Mr. Jason Ferrante was elected secretary.
- Biweekly meetings have been held since October 16, 2008. (Note: The meeting scheduled for Tuesday, January 13, 2008, was canceled due to inclement weather.)

- The preamble has been reviewed. A correction was made to a typographical error, whereby the word, “insure” was changed to read, “ensure.”
- Article 1 has been reviewed. No change was recommended.
- Review began on Article 6. A correction was made to a grammatical error in the second paragraph of Section 1. The first sentence was changed to read, “The Director of Law shall be in charge of the Department of Law, appointed by the Council to serve at the pleasure thereof.”
- Work on Article 6 ceased to gain information from the Mayor, Council, City Directors, Dr. Tom Bier, Dr. Larry Keller and others.
- The final three (3) directors will be interviewed at the next meeting on Tuesday, February 10, 2009 for the first hour of the meeting and then the review of Article 6 will continue.

Mr. Morrison asked the Commission members to review the Charter and ponder a possible change in the structure of government for discussion. Mr. Morrison noted that the City’s organizational chart also bears serious consideration.

With regard to the efficiency study being undertaken by the City, Mr. Morrison stated that he was offended because the Charter Review Commission has been working since October for free, and NEO|SO will conduct a parallel study for a fee of \$25,000. He added that as the Commission does its work and NEO|SO proceeds with the efficiency study, they could come up with conflicting recommendations. Therefore, Mr. Morrison requested that the time period for the Charter Review Commission be extended until such time that NEO|SO has completed its study.

Mr. Ferrante stated that he does not think less studies would be better or extending the time would be better. He explained that the efficiency expert will be involved in reviewing the details of the departments and operations of the City while the Charter Review Commission’s review is restricted to the general area of the Charter. Mr. Ferrante suggested that the efficiency study be welcomed.

Mr. Boyle disagreed with Mr. Morrison and stated that the efficiency study and the charter review are mutually exclusive. He added that the efficiency study will be an objective review of all departments and services to determine how the City is being run. He stated that regardless of the form of government and regardless of any potential charter amendments, the City officials will have two (2) exclusive documents to work from to decide the best course to take for the City’s future.

Mr. Morrison mentioned that the information being gathered by the efficiency expert could possibly help the Commission in its work and for that reason he suggested that Council consider extending the Commission’s term until it has an opportunity to review the efficiency report.

Mr. McClintock requested to see the NEO|SO proposal. The proposal will be submitted the Commission members. Mr. Morrison stated that he personally believed that the efficiency study is a move to a Council-Manager or City Administrator form of government as published in a Sun Press article.

Councilwoman Goldberg thanked the Commission members for their time and energy spent on this work. She stated that NEO|SO was hired to conduct an exception analysis study and offered to provide a copy of the proposal to all members of the Commission. Councilwoman Goldberg mentioned that the Commission’s work and NEO|SO’s work will compliment each other. She noted that the Charter Review Commission is charged to look at the Charter, which is the constitutional framework for the City.

She added that it is not in the Commission's jurisdiction to make recommendations regarding whether or not to outsource payroll, to have centralized purchasing, to determine how garbage collection should be handled, or if the Police and Fire Departments should be regionalized. Ms. Goldberg added that the exception analysis study will be a blueprint for the new leadership team. She added that NEO|SO will not make a recommendation as to the form of government as reported in the Sun Press.

Councilman Steven Sims stated that he responded to Mr. Morrison's e-mail regarding his initial concerns and then followed up with a letter to the editor of the Sun Press, which was published. He noted that NEO|SO will look at the intricacies of how the City operates, the core competencies, and help the City understand how it can work better on an operational level. He stated that the Charter Review Commission is not charged with reviewing the operational level of the City, and the work of NEO|SO will not interfere with the CRC's work. He added that the Council would not engage in any efforts that would have cross purposes. Mr. Sims added that NEO|SO's work will not impact the type of decisions that the Charter Review Commission is impaneled to make. Mr. Morrison reinforced his concern by quoting a section of the Sun Press article and inquired if the NEO|SO study will help the Commission. Mr. Sims stated that it would not.

Mr. McConville stated that he views the Charter Review Commission's processes as being engaged in an intellectual exercise of learning as much as they can about the City in order to make informed decisions as the Charter is reviewed. He added that the CRC is involved with the structure and the language of the Charter, and the City officials are charged with running the City and making the political decisions.

Mr. Ferrante suggested that this matter be tabled until the Commission has an opportunity to review the proposal. Mr. Morrison requested that a copy of the ordinance hiring NEO|SO and the proposal be e-mailed to the Commission members.

Mr. Sims thanked the Commission members for their service. He noted that the charter review opens up the opportunity to add professional management to the City. He mentioned that the charter review will not be an end, but rather a starting point to position the City for the future. Mr. Sims encouraged the Commission to tailor its recommendation regarding the structure of government, if one is made, to fit the community by working within the range from Mayor-Council form to Council-Manager form of government. Mr. Sims pointed out that if a City Administrator position is added to the City's current Charter, it would not be a change in the form of government. Rather, it would be an additional resource added to the current form of government and would add the opportunity for professional management. He added that part of the Commission's charge is to consider everything and determine what would be in the best interests of the community. Mr. Sims stated that personally, he believes a necessary resource for the community is a City Administrator. Mr. Morrison asked if Council has the authority to create the position of City Administrator without a charter amendment. Mr. Sims responded that the Council can create the position of City Administrator or City Manager by ordinance. However, the position would be an employee of the Mayor and only have the responsibilities as defined by the Mayor. He added that if the position is included in the Charter the position will be institutionalized and the duties, responsibilities, and authorities of the position will be clearly defined in the Charter. He also noted that the citizens should have a say in the role and responsibilities of such a position.

Mr. Sims also pointed out that if the Commission decides to recommend a Council-Manager form of government, this would be change in the form of government. He added with this form there can still be a Mayor, who could either be elected or appointed. Mr. Sims stated that if the Commission decides

to recommend a Council-Manager structure, it must look closely at the roles and responsibilities of each position.

Mr. Ferrante asked Mr. Sims if he is advocating a City Administrator. Councilman Sims confirmed that his choice is a City Administrator.

Mayor Rothschild stated that if the form of government is changed, the Codified Ordinances would also have to be changed and the Law Director will be needed for that. She stated that the Commission only heard one viewpoint at this meeting and the speakers were not familiar with the workings of University Heights. She mentioned that three houses sold last year in the city for \$330,000 each. For informational purposes, Mayor Rothschild provided a copy of the City's 2007 Annual Report, which list several projects of the City, a case history of University Square, and the Mayor's bio listing her professional credentials. Mayor Rothschild noted that she and the directors are all professional.

Sheila Hubman, 2532 Ashurst Rd., mentioned that the Building Department is considering hiring another housing inspector.

F. NEW BUSINESS DISCUSSION, INCLUDING, BUT NOT LIMITED TO SCHEDULING OF REMAINING PERSONNEL INTERVIEWS AND INITIAL CHARTER STATUS REPORT

Mr. Wiseman offered the following suggestions about what sections of the Charter should be reviewed at each of the meetings left:

- February 10, 2009 - speakers and general discussion re: form of government and other issues;
- February 24, 2009 - Articles 1-4;
- March 10, 2009 - Article 5;
- March 23, 2009 - Article 6;
- April 14, 2009 - Article 7 and 8;
- the remainder of the time could be spent on writing the report.

Mr. Ferrante and Mrs. Pardee preferred to have discussion first on the form of government and other important issues such as Council elections. Mr. Ferrante stated that it is time to make a decision on how to proceed, particularly with the form of government issue. It was determined that the February 24, 2009 meeting will also be used for discussion of larger issues. Mr. Carroll suggested that the Commission formulate a list of the larger issues at the February 10, 2009 meeting.

G. ADJOURNMENT

MOTION BY MR. BOYLE, SECONDED BY MR. CARROLL to adjourn the meeting. On roll call, all voted "aye."

The meeting adjourned at 10:05 p.m. The next meeting will be held on Tuesday, February 10, 2009 at 7:30 p.m. in City Hall Council Chambers.

Harvey S. Morrison, Chairman

Jason Patrick Ferrante, Secretary