Mayor Infeld called the regular meeting to order at 7:03 p.m.

Roll Call:

Present: Mrs. Susan Pardee
         Mr. Phillip Ertel
         Mr. John Rach
         Mr. Steven Sims
         Mrs. Michele Weiss
         Mr. Mark Wiseman

Absent: Mrs. Pamela Cameron

Also Present: Law Director Luke McConville
              Finance Director William N. Sheehan III
              Clerk of Council Kelly M. Thomas
              Police Chief Steven Hammett
              Service Superintendent Jeffrey Pokorny
              City Engineer Joseph Ciuni
              Building Commissioner Larry Brown

MOTION BY MRS. PARDEE, SECONDED BY MR. WISEMAN to excuse the absence of Mrs. Cameron. On roll call, all voted “aye.”

Approval of Minutes from Regular Meeting March 20, 2017

Mayor Infeld asked that on page 2 that the words “and that an initial meeting was held on March 7.” be added at the end of her last comment under item “C”.

There were no other corrections or additions to the March 20, 2017 meeting minutes.

MOTION BY MRS. WEISS, SECONDED BY MR. ERTEL to approve the minutes from March 20, 2017 as amended. On roll call, all voted “aye.”

Approval of Minutes from Regular Meeting April 3, 2017

Mr. Sims provided his revisions to the Clerk prior to the meeting, but added one addition correction on page 3, paragraph 15; change the word “his” to “the” services and Utilities committee to review and on page 6 change the word “bank holders” to “bond holders”.

Mr. Rach noted a few typos and asked that the topic for agenda item “A” be noted instead of “see attached transcript….”

MOTION BY MR. SIMS, SECONDED BY MR. RACH to approve the minutes from April 3, 2017 as corrected and amended. On roll call, all voted “aye.”

Comments from Audience

There were no audience comments.

Mayor’s Report to Community

- The League of Women Voters Heights Chapter will be holding a community Discussion with Cleveland Heights-University Heights Superintendent of Schools, Dr. Talisa Dixon on Sunday, April 23 from 2:00—4:00 pm; Meeting Room A in the Heights Main Library. Dr. Dixon will speak and take written questions from the audience. Among the topics she has been suggested to address are trends and changes in school curriculum at all levels, the core curriculum, requirements from the State of Ohio and how these have changed, and the difficulties of assessing achievement versus assessing student growth. She will also be able to tell us about the progress of plans for the reopening of Heights High School later this year, as well as the next phase of reconstruction.
Geraci’s has been included in “the best of the East” selection of restaurants that will be presented by Cleveland Magazine. There will be a tasting Thursday, April 20 for 40 competing restaurants at Landerhaven from 6pm to 9pm.

The Cleveland Restoration Society staff will be at City Hall tomorrow, Thursday, April 20 at 6:30pm to answer any questions from how to find a contractor to scheduling an appointment to come out to house to see what may be needed for home improvement. This is a free service because University Heights partners with the Restoration Society to offer the Heritage Home Loan program to residents at a low interest from KeyBank and Third Federal.

Cedar/Taylor Gateway Proposal to create a nice entranceway into University Heights. The City owns green space on the northeast corner. A public meeting was held on March 7th to gather community feedback. From that professional concept renderings were developed and those are posted on the City’s website, as well as forms for residents to fill-out with their feedback and ideas. It is hoped that this will be a true community effort.

Arbor Day is April 28 and Mitchell’s Ice Cream stores will be handing out free tree seedling and ice cream as long as the seedlings last.

**Agenda Items:**

A. **Oath of Office – William Sheehan III, Finance Director.**

Mayor Infeld administered the Oath of Office to the City’s new Finance Director, William Sheehan, III.

Mr. Sheehan introduced his family members.

B. **Resolution 2017-11 Authorizing Participation in the ODOT (Ohio Department of Transportation) Contract (018-18) for Road Salt.**

Mr. Pokorny stated that this was the City’s annual method of purchasing salt and recommend that the City enters into contract with ODOT for the purchase of 3,500 tons of salt. Mr. Pokorny noted that the City uses approximately 2,000 to 3,500 tons of salt each winter season. The initial delivery of 2,000 tons of salt will be delivered to the Cleveland Heights storage yard to replenish the salt used last season.

Mr. Wiseman asked if the contract for last year required the City to purchase a minimum amount of salt regardless of if it would be used or not used.

Mr. Pokorny replied no; and that the year previous to last year was where there was a minimum amount. Last year the City purchased directly through the salt vendor.

Mr. Wiseman asked if there was a penalty for skipping a year with ODOT and then returning. And also, if the Resolution was passed and the City signed the contract would the City then be locked in to accept whatever deal/pricing ODOT gets or is the City able to review the pricing and choice to go on our own.

Mr. Pokorny replied no; the City has the option to join any year it desires. This contract is for a one year period. Once the City signs the contract, it is locked in to whatever deal ODOT gets. However, the City can get out of this contract if it does so before June 1, 2017 but the bidding process will probably not be completed by that time.

Mr. Sims asked if there was a minimum amount of salt that the City had to purchase.

Mr. Pokorny responded yes; 90% of the 3,500 tons. The guarantee 90% has been the minimum required percentage for the past 3 years, prior to that the minimum percentage was 80%.

There was no other discussion.

MOTION BY MR. SIMS, SECONDED BY MRS. WEISS to approve Resolution 2017-11 Authorizing Participation in the ODOT (Ohio Department of Transportation) Contract (018-18) for Road Salt. On roll call, all voted “aye.”
C. Resolution 2017-12 In Support of Fair Housing Month and the 49th Anniversary of the Signing of The Fair Housing Act (on emergency)

Mayor Infeld stated that Resolution 2017-12 was on emergency so that it would be in effect during Fair Housing Month which is April. University Heights like other heights communities was very active in previous decades, particularly the 1970’s trying to make sure housing was available in this and other heights community to anyone. As time has progress and as society has begun to recognize other classes of citizens who have historically been discriminated against. This also includes no discrimination on Federally protected classes - housing based on religion, sexual orientation, gender identity, age, disability, military status.

Mr. Sims stated he was happy to see that the City was acknowledging Fair Housing Month. Mr. Sims noted that previously in his life he served as the Director of the Department of Development for Cuyahoga County where there was a Fair Housing Office, and at that time there were several non-profit agencies that were involved in housing and asked if the Administration was aware if any of those were still active or existed.

Mayor Infeld mentioned the Heights Community Congress folded into the Housing Resourcing Advocacy Coalition and as a combined group offer testing of housing. The testing involves using volunteers (sometimes paid) to go into a community to look at housing types with a realtor and test the realtor with a set of standards and questions for the uniformity amongst the communities.

Mr. Sims noted that those types of organizations are always happy to receive any level of support they can have. Mr. Sims asked that this Resolution be transmitted to any such organization as well as the County Executive.

Mr. McConville commented that another such agency was the Housing Center and that he would supply the Administration with the exact name and information.

Mayor Infeld added that University Heights, as well as all the “heights” communities are very accepting and that the Resolution will also be sent to the Cleveland Area Board of Realtors. The housing inspectors also go to Fair Housing training yearly.

MOTION BY MRS. PARDEE, SECONDED BY MR. SIMS approve Resolution 2017-12 in Support of Fair Housing Month and the 49th Anniversary of the Signing of The Fair Housing Act, on emergency. Roll call on suspension of the rules, all voted “aye” and Roll call on passage, all voted “aye.”

Mrs. Weiss commented that she wanted to make a motion to add an item to the agenda, but added that she didn’t think it was a good practice to add items during the meeting. And noted that she had spoken to the Law Director based on the Governmental Affairs Committee recommendation for a discussion of the R.I.T.A. tax credit to be placed on the Council meeting agenda and that request was denied. Mrs. Weiss added that transparency is very important and that is why she did not think adding items to the agenda during a meeting was a good practice. A discussion about having item on the agenda can be taken up at a committee meeting; in terms of looking at an Ordinance to allow Council the opportunity to add items to the agenda.

Mayor Infeld stated that according to the City’s procedures, Council has an opportunity through its committee reports to talk to the community about what is discussed in their Council Committee meetings.

Mrs. Weiss replied that she followed the procedures and that during her committee report she provided Council with a verbal report of what occurred during the committee meeting and at that point Council recommended that the discussion be placed on the next Council meeting agenda so that residents would have the opportunity to come to the meeting and listen.

Mr. Wiseman stated he didn’t think there was a specific procedure where Council has to bring something up at their Committee meeting and then asked to have it placed on the agenda. Mr. Wiseman stated that Council has every right to ask the Administration to place something on the agenda for an upcoming meeting; there is nothing written in the Charter or the Ordinances that he has seen that prevent Council from adding something to the agenda. It is Council agenda and it Council that votes on things.

MOTION BY MRS. WEISS, SECONDED BY MR. WISEMAN to discuss the R.I.T.A. tax credit. On roll call, all voted “aye.”

D. Discussion regarding the R.I.T.A. tax credit.

Mrs. Weiss stated that the discussion is to possibly rescind the increase tax rate that was put in place many years ago for R.I.T.A. for the .25%. Mrs. Weiss added that there was a lengthy discussion regarding this during her Governmental Affairs Committee about what rescinding the tax credit would look like for the city. The
.25% tax rate reduction would equate to about $490,000 that would go back to the citizens, residents of University Heights. There were four Council members present at the committee meeting and they all thought it would be a good opportunity for this to be placed on the agenda so that all the Council members could discuss it.

Mrs. Weiss added that on R.I.T.A.’s website, University Heights is the highest tax community in Cuyahoga County. And when you have people looking to move from various places and if they see where University Heights is the highest taxes it may be a no brainer to look at another community. Another point is that University Heights is in a great area being close to downtown. Currently downtown is a booming place where people want to be, but to live in downtown is cost prohibitive. University Heights has a great housing stock and the prices of the homes are low and downtown is just down Cedar hill. Council also wants to try to give something back to the residents, as they don’t receive a lot of services for the amount of taxes that are being paid. Giving back the .25% tax credit to the citizens shows Council care about the high level of taxes the residents have to pay to live in University Heights. For the last three years, the City has had a $2.5mil surplus, but if it is a $2mil surplus the City would still be in good standing. And over the past few years only about $1.6/$1.8mil has been spent on street repairs with that surplus. The City is also doing good with having $8mil in investments in the bank. The City is in the black and can do something for the resident and this would be a great thing to do. Hopefully in the next few years University Square will up and running well to help defray the cost if the Wiley Schools move out completely because the City is receiving monies from that payroll taxes.

Mayor Infeld clarify Mrs. Weiss’ motion as item “d” a discussion to possibly rescind the tax rate put in by R.I.T.A. many years ago of .25%.

Mr. Rach cautioned the Mayor’s wording as the discussion wasn’t to necessarily rescinding the increase; it was to increase the credit for residents. People who still work in University Heights are still obligated to pay the .25% income tax to R.I.T.A. The committee proposal was increasing the tax credit, currently people who live in University Heights get a 1% credit and that would be increased to a 1.25% tax credit. Mr. Rach noted that according to the U.S. Census report University Heights has median family income of $60,313. The proposal would save the average family household $150 yearly. The committee looked at this from the standpoint with hopefully University Square coming on line soon in the future, the committee wants University Heights to be an attractive place for people to move to. With top of Cedar hill in Cleveland Heights having a 2.25% income tax rate so people can move there, Shaker Heights is building a new condo district at Warrensville/Van Aken District with a 2.25% tax rate and Beachwood has the Vue Condos with 2.0%. The proposed tax credit would put University Heights in line with the surrounding cities.

Mr. Wiseman commented that the proposed change would be a restoration of the tax credit that was taken away from the University Heights residents in 2006 by the City Council to shore up a gap in the city’s finances. Mr. Wiseman added that at that time he (Mr. Wiseman) thought that there was decision made that if at any further adjustment in the credit for R.I.T.A., whether positive or negative had to be presented as a ballot issue for the citizens. So, it is very important to say that this is not something that Council is going to enact because it’s not within their power to do so because the original enacting legislation requires it to be a ballot issue. But also, this is something that the citizens enjoyed in 2006. Every year the residents are informed and reminded of the bountiful surplus the city has. The city taxes have been incrementally increased for the schools, library, park, county levies, etc. and although the .25% tax credit wouldn’t take care of those other tax levies but on some measure the city needs to recognize that the surplus that is being built up every year is on the backs of the residents and it is now time to ask them if they feel like the city needs to continue to do this; or if it they should get something that was effectively taken away from them 10 years ago.

Mrs. Weiss asked Mr. McConville if this needed to go on the ballot.

Mr. McConville replied he didn’t know the answer at that time. The way the State Statute is written it says that anytime a tax measure is presented that relates to a tax percent is 1% or more it goes to the ballot. But the way the Statute is written it is contemplating a tax increase. Mr. McConville said at this point he didn’t know if it would apply to a decrease and that he would have to research that.

Mrs. Pardee pointed out that the Finance Committee and the Finance Advisory Committee discussed this exact idea among other ideas at their October 26, and November 28, 2016 meetings. Both the Finance and Finance Advisory Committees did not come to a conclusion or make a recommendation. Mrs. Pardee stated that she understood that University Heights residents are highly taxed and don’t want to pay the high taxes, but that she also believed in the City’s excellent institutions; the library, fire, police – we want to maintain the services that the city has. Mrs. Pardee stated that there is an uncertain economic environment out there. Local, State and Federal funding is a landscape that can’t be predicted comfortably. Mrs. Pardee continue to say that she would be very uncomfortable and would not support rolling the tax credit back, even at a .25% at this time. The Finance Committee and the Finance Advisory Committee did recommend reviewing after one year from the last date of their meetings. Mrs. Pardee again stated that she would not support this now because she felt
the landscape was too uncertain, she added that she would prefer to see those funds used to improve city services and improve what the city offers. Funds have been set aside for enhancements, funds have been budgeted for improvement and for gateway opportunities, and would like to see more offered on behalf of the city to attract new residents and businesses to the University Heights community.

Mr. Sims commented that he appreciated that tax burden that is placed on the residents and recognized that those taxes are higher than most of the surrounding communities and could be the highest in the State of Ohio. Mr. Sims said he understood the desire to provide some level of tax relief, but in honesty he wasn’t excited about the idea because among other things the communities that Council is comparing itself to have many other revenue streams that University Heights does not have and certainly to a much higher level, from their commercial and retail establishments. Mr. Sims stated that he felt that the city has any number of needs that go undressed because priorities are set. The City could easily deplete any surplus it has or may have in coming years. We are not setting priorities and trying to make sure that if something of an emergency nature arose that we would have the resources to address the matter. It’s been mentioned before that there are rules of thumb about the amount of resources that the community should have on hand, in excess of what is taken in. Mr. Sims said that at this point he didn’t know how far above that amount the City may be, but he did know that in the past the City was nowhere near that number. Mr. Sims added that he joined City Council in 2008 and at that time he had serious concerns about where the City stood financially. Thankfully it is a different situation today, but also that the City needs to make sure it has resources in place for a rainy day. Mr. Sims also noted that the revenue growth for the community is pretty much stagnant, they don’t move much at all, but the expenses do.

Mr. Rach also noted that according to the R.I.T.A. website when you figure in the tax credit, University Heights at its 2.25 tax rate has the highest tax rate in the State of Ohio. Mr. Rach said University Heights should be on a level playing field with its neighbors even though those neighbors have industry or business commercial areas. But, to attract and retain families in University Heights, University Heights has to be able to explain to them that University Heights is a level playing field. Historically speaking University Heights has been operating at the 2.25% up until the increase. So, this proposal would be taking the tax credit back to the way it always was.

Based on Mr. Rach’s comments, Mr. Sims reiterated he was still not convinced about the idea that the City has surplus and that those surpluses are more than what the City needs to operate. Mr. Sims said he did believe that there are unfunded needs in the community that the entire surplus could be applied to. More or as importantly, Mr. Sims believed that University Heights was in a completely different situation when he was originally appointed to City Council. So, even though the proposal is to put back in place what had already existed; what had already existed proved not to be sufficient and that was the reason why the tax increase implemented originally. Mr. Sims said he appreciated the discussion and that this needs to be study more closely.

Mrs. Pardee also noted appreciation for the tax burdens that are placed on the residents. But she personally witnessed the dire financial condition of the City and noted the monumental work that Mayor Infeld and the Finance Director at that time did in pulling the City out of that condition. Mrs. Pardee continue to say that the City is currently on solid financial footing and that she personally rarely risked reserved and conservative about this sort of thing; although she does like to use resources wisely to benefit the City. Adding that she was one on the people on the current council that had the experience of running campaigns where the community is asked to increase their taxes on their selves for the benefit of an organization or agency - that is no fun. So, the other reason Mrs. Pardee wouldn’t want to rollback anything, as minor or minimum as this may seem, is that she would never put the City in a position where a couple of years down the road the City would have to go out and make a request to increase funds because the City is in a bad financial situation. It is very hard, especially in a highly-taxed community to make a case for why more money is needed and to asked resident to vote to increase that funding.

Mr. Ertel added that the City has great resource at its disposal in the highly-educated finance advisory committee and that Council should look to them to say what they think.

Mrs. Weiss this was the type of discussion that Council prides itself on and that it is a great idea to place it with the Finance Committee and that the agenda could go out in advance so people could conduct their work regarding it.

Mr. Rach asked if tax credits could be changed from one year to the year if need be.

Mr. McConville replied he would get an answer to all the questions.
Mayor Infeld stated that she was on City Council when the City was in bad financial conditions when in 2004, 2005 the ending fund from the general fund balance was very, very low and were way outside of the recommended ending fund balance placing the City at risk of have a very high crediting if it needed to issue debt. Mayor Infeld added that there are also Federal Professional Guidelines and Recommendations from the Government Finance Officers Association about what kind of ending fund balance a City should have at year’s end. Mayor Infeld provided some of the history for 2005 where the tax rate consideration was that persons don’t have to pay as much in income tax if they work outside the city they reside. It is a tax that is applied unequally to people who live and work in University Heights than that is applied to people who live here but work elsewhere because they are already paying a tax in the city they work in. The tax rate was completely rescinded so that everybody paid 1.5% for about one year while the City studied how it get out of the finance difficulties it was facing at the time and the decision was made to go on the November 2006 ballot to change the tax rate and to restore a 1% credit. The tax rate was going to be raised to 2.5% and a tax credit would be reduced that will change the tax rate it had to go to the community for a vote.

Mr. Sims stated that despite that fact that he wasn’t excited about the idea, he commended his colleagues for trying to find ways to make sure University Heights is a sustainable community and that the residents are not over-burden and encourage them to continue to think of ways and means to make this the best possible community for the residents. This was a good thought one that deserves the kind of consideration that it has already been given and that he was in support of it going back to the Finance and Financial Advisory Committees for further discussion.

MOTION BY MRS. WEISS, SECONDED BY MR. ERTEL to table the discussion regarding the R.I.T.A. tax credit. On roll call, all voted “aye.”
E. **Motion to hold an executive session immediately following this regular meeting for the purpose of discussing personnel, legal and real estate matters**

There was no need for an executive session.

**Directors' Reports**

**Finance:** Mr. Sheehan noted the importance in keeping healthy fund balances.

Mr. Rach mentioned to Mr. Sheehan that he had submitted public records request to Mr. Heiser regarding the movement of monies from one account back into the miscellaneous contracts (renamed the Cedar/Taylor Streetscape account) account under City Council number 101-7702-54500. The question was what was the $2,238.51 that was spent out of that account spent on. Mr. Rach said he was informed the funds were used to pay for the home beautification awards, but the other part of the question that needs to be answered is what fund were the funds taken out of in previous year. Mr. Rach added that he would forward those request to him to start the process over again.

There were no other Director reports.

**Standing Committee Reports:**

**Finance Committee:** Mrs. Pardee stated the committee along with the Finance Advisory Committee will meet in May.

**Governmental Affairs:** Mrs. Weiss reported that she hopes for the committee met in the upcoming weeks to continue the discussion regarding the community enhancement dollars and hopefully start some short-term projects.

Mrs. Weiss mentioned a previous comment from Mr. Wiseman to switch up the Memorial Day Parade route so that it ends at the new community park on Fenwick.

Mayor Infeld said that was a good idea but that the units and John Carroll are in the process of being scheduled and that the nice part of having the parade end and the festivities at John Carroll is the history/tradition as well as the facilities, parking, etc. But that she would share this information with her assistant who is coordinating the parade and festivities.

**Service and Utilities Committee:** Mr. Sims stated the Service and Utilities Committee will meet in May to discuss the road improvement program. Mr. Sims said he spoke to a representative from a supplier of electrical power who will be making a presentation to the Service and Utilities Committee at one of their meetings.

Mayor Infeld noted she had received an email from him, but noted that the City has a signed contract to be a member with NOPEC as well as receiving funding from NOPEC.

There were no other committee reports.

**MOTION BY MR. RACH, SECONDED BY MR. WISEMAN to adjourn the meeting. On roll call, all voted “aye.”**

There being no further business, the meeting was adjourned.

Signed: Susan K. Infeld, Mayor

Kelly M. Thomas, Clerk of Council