
MEMORANDUM

TO: Members of Council
FROM: Tanisha R. Briley, City Manager
DATE: June 23, 2017
RE: June 26, 2017

MEETINGS & REMINDERS

Monday, June 26 - 7:00 pm. - Joint City/School Board Meeting at
the Board of Education

LEGISLATION

1. HOME agreement with HRRC
2. Tax Budget
3. National Park and Recreation Month
4. Note Ordinance

GENERAL INFORMATION

1. Enclosed are the Council Update and Agenda.
2. Enclosed is information regarding the tax budget from the Finance Director.
3. Enclosed is a Community Outreach update from the Vice City Manager.
4. Enclosed is an update from the Public Works Director.
5. Enclosed is an update from the Utilities Commissioner.
6. Enclosed is an update from the Planning Director.
7. Enclosed is an update from the Economic Development Director.
8. Enclosed is an update from the Parks and Recreation Director.
9. Enclosed is the weekly activity report from the Fire Chief.
10. Enclosed is the weekly activity report from the Police Chief.
11. Enclosed are minutes for ABR.
12. Enclosed is the agenda for the Planning Commission.

TRB/jkw
Enclosures



COUNCIL UPDATE

JUNE 23, 2017

1. LEGISLATION

- HOME Agreement with HRRC. This resolution authorizes the City Manager to enter into an agreement with the Home Repair Resource Center, a non-profit corporation, for the use of HOME Funds to administer its down payment assistance loan program; providing compensation therefor
- National Parks and Recreation Month. This resolution proclaims July 2017, *National Parks and Recreation Month*, in the City of Cleveland Heights
- Bond Anticipation Notes Renewal. This ordinance provides for the issuance and sale of \$1,285,000 of notes, in anticipation of the issuance of bonds, for the purpose of (i) reconstructing, resurfacing and otherwise improving City streets; (ii) rebuilding Monticello Boulevard and Taylor Road, including engineering and planning costs with respect thereto; (iii) acquiring motorized equipment and appurtenances thereto; and (iv) acquiring computer hardware and related equipment. These notes will renew the City's outstanding \$1,700,000 Various Purpose Notes, Series 2016 (except an aggregate pay down of \$415,000). A total payment of \$443,667.36 will be made by the City on July 26, when the Series 2016 Notes mature, which includes an interest payment of \$29,667.36. This is an annual procedure required to amortize the notes over the useful life of the projects.
- Tax Budget (First Reading). This legislation adopts the 2018 Tax Budget and sets the public hearing to be held on July 17 at 7:00 pm. This is the first reading only. Additional details regarding the Tax Budget process are included below.

2. TAX BUDGET

- The Tax Budget is a State of Ohio mandated process which substantiates the City's need to levy the full amount of authorized property tax rates. Once adopted by Council, the Tax Budget is submitted to the Cuyahoga County Fiscal Officer in July and the County Budget Commission certifies the rates to the City. Council will pass a resolution accepting this certification by October 1st which will conclude the 2017 Tax Budget process.

- The mandated public hearing will be held on July 17, 2017 just before the regular City Council meeting at 7pm. I will deliver a presentation on the financial forecast. The second and final reading of the Tax Budget legislation will follow during the City Council meeting. The second and final reading of the Tax Budget will follow during the City Council meeting.

3. BOND SALE RESULTS & CREDIT RATINGS

- The competitive public sale of bonds for the Energy Efficiency project was held on Thursday, June 22. We received three bids and the winning bid from Baird had an initial true interest cost (TIC) of 2.81%. This is well below the presale estimate of 3.60%. The net result is that, whereas the presale estimate of average annual debt service was roughly \$437,500, the final result will be closer to \$405,500 per year – a savings of almost \$600,000 over the 20-year term.
- As you may recall, the conservatively estimated annual energy savings from this project more than covered the projected debt service. The City’s position has been further strengthened by the additional savings realized due to the low interest rates received during the competitive sale.
- Additionally, the City’s bond ratings were affirmed by both Moody’s and Standard & Poors (S&P) with S&P adding a new “positive outlook” to its rating. While we were hoping for an upgrade of the AA- and A1 ratings after being downgraded two years ago following the economic recession, we were very pleased with the positive comments included by both agencies in their rating reports that validate the hard work of City Council and staff and the support of the community to improve the City’s financial position. The reports are enclosed for your reference.

4. CHECKS BETWEEN \$10,000 - \$50,000

- Agency for the Performing Arts - \$25,000.00: Cain Park Performance - Stephen Stills/Judy Collins 7/28/17
- Big Time Friends - \$16,750.00: Cain Park Performance - Punch Bros. 8/09/17
- Cuyahoga County - \$13,327.50: Jetting of Catch Basins from Jan - March, 2017
- Dubick Fixture & Supply - \$31,945.00: Cain Park Equipment - Exhaust Hood, Fryer, Pot, etc
- Home Repair Resource - \$11,000.00: Down Payment Assistance Program - 3860 Kirkwood Road
- In Klein Productions - \$28,000.00: Cain Park Performance - Lyle Lovett 8/03/17
- Lykins Oil Company - \$13,215.44: #9 No Lead Gas w/Ethanol 87
- Playworld Midstates - \$16,935.00: Turtle Park - Equipment Installation and Demo/Disposal of Old Equipment

- Snackasaurus Touring - \$18,750.00: Cain Park Performance - Andrew Bird
7/25/17
- Wade Trim - \$30,288.61: SSO Control for April, 2017

ALTERNATIVE TAX BUDGET INFORMATION

Political Subdivision/Taxing Unit

City of Cleveland Heights

For the Fiscal Year Commencing

January 1, 2018

Fiscal Officer Signature _____

Date _____

COUNTY OF CUYAHOGA

Background

Substitute House Bill No. 129 (HB129) effective June 3, 2002, was enacted by the 124th General Assembly in part to allow a county budget commission to waive the requirement that a taxing authority adopt a tax budget for a political subdivision or other taxing unit, pursuant to Ohio Revised Code (ORC) Section 5705.281.

Ohio Revised Code Section 5705.281

Under the amended version of this section pursuant to HB 129, a county budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote by the county auditor, may waive the tax budget for any subdivision or other taxing unit. However, the commission may require the taxing authority to provide any information needed by the commission to perform its duties, including the division of the tax rates as provided under ORC Section 5705.04.

County Budget Commission Duties

The county budget commission must still certify tax rates to each subdivision or other taxing unit, by March 1 for school districts and by September 1 for all other taxing authorities under ORC Section 5705.35, even when a tax budget is waived. Also, the commission is still required to issue an official certificate of estimated resources under ORC Section 5705.35 and amended official certificates of estimated resources under ORC Section 5705.36.

Therefore, when a budget commission is setting tax rates based on a taxing unit's need, for purposes of ORC Sections 5705.32, 5705.34, and 5705.341, its determination must be based on that other information the commission asked the taxing authority to provide under ORC Section 5705.281, when the tax budget was waived. Also, an official certificate must be based on that other information the commission asked the taxing authority to provide.

County Budget Commission Action

On October 11, 2002, during the Cuyahoga County Budget Commission meeting, the commission with an affirmative vote of all members waived the requirement for taxing authorities of subdivisions or other taxing units (Including Schools) to adopt a tax budget as provided under ORC Section 5705.281, but shall require the filing of this Alternative Tax Budget Information document on an annual basis.

Alternative Tax Budget Information Filing Deadline

For all political subdivisions excluding school districts, the fiscal officer must file one copy of this document with the County Fiscal Officer on or before July 20th. For school districts the fiscal officer must file one copy of this document with the County Fiscal Officer on or before January 20th.

GUIDELINES FOR COMPLETING THE ALTERNATIVE TAX BUDGET INFORMATION

SCHEDULE 1

The general purpose of schedule 1 is to meet the requirement of Ohio Revised Code (ORC) Section 5705.04 which requires the taxing authority of each subdivision to divide the taxes levied into separate levies. For help use the schedule B issued by the budget commission for the current year and add any new levies. This will help to ensure that no levies are missed.

In column 1 list only those individual funds which are requesting general property tax revenue. In column 2 purpose refers to the following terms, inside, current expenses, and special levy for example. In column 4 levy type refers to renewal, additional, and replacement for example. In column 9 identify the amount of general property tax you wish to request.

NOTE:

The general purpose of column 9 is to demonstrate the need to produce property tax revenues to cover the estimated expenditures for the budget year. ORC Section 5705.341 states in part;

"Nothing in this section or any section of the ORC shall permit or require the levying of any rate of taxation, whether within the 10 mill limitation or whether the levy has been approved by the electors, the political subdivision or the charter of a municipal corporation in excess of such 10 mill limitation, unless such rate of taxation for the ensuing fiscal year is clearly required by a budget properly and lawfully, adopted under this chapter or by other information required per ORC 5705.281."

Property tax revenue includes real estate taxes, personal property taxes, homestead and rollback, and the personal property 10,000 exempt monies.

SCHEDULE 2

The general purpose of schedule 2 is to produce an Official Certificate of Estimated Resources for all funds.

In column 3, total estimated receipts should include all revenues plus transfers in excluding property taxes and local government revenue. All taxing authority must submit a list of all tax transfers.

SCHEDULE 3

The general purpose of schedule 3 is to provide inside/charter millage for debt service. The basic security for payment of general obligation debt is the requirement of the levy of ad valorem property taxes within the 10 mill limitation imposed by Ohio law. Ohio law requires a levy and collection of ad valorem property tax to pay debt service on general obligation debt as it becomes due, unless that debt service is paid from other sources.

SCHEDULE 4

The general purpose of schedule 4 is to provide for the proper amount of millage to cover debt service requirements on voted bond issues. Major capital improvement projects are sometimes financed through the use of voted bonds. The taxing authority seeks voter approval of general obligation bonds and of the levy of property taxes outside the indirect debt limitation in whatever amount is necessary to pay debt service on those bonds.

SCHEDULE 5

The general purpose of schedule 5 is to properly account for tax anticipation notes. See schedule 5 for more details.

DIVISION OF TAXES LEVIED

(Levies Inside & Outside 10 Mill Limitation, Inclusive Of Debt Levies)
(List All Levies Of The Taxing Authority)

City of Cleveland Heights - 2018

SCHEDULE 1

I	II	III	IV	V	VI	VII	VIII	IX
Fund	Purpose	Authorized By Voters On MM/DD/YY	Levy Type	Number Of Years Levy To Run	Tax Year Begins/ Ends	Collection Year Begins/ Ends	Maximum Rate Authorized	\$ AMOUNT Requested Of Budget Commission
101-GENERAL FUND	Current Expenses		Inside and Charter		January 1, 2018	January 1, 2018	9.62	\$7,900,000.00
232-POLICE PENSION	Current Expenses		Inside		January 1, 2018	January 1, 2018	0.3	\$245,000.00
233-FIRE PENSION	Current Expenses		Inside		January 1, 2018	January 1, 2018	0.3	\$245,000.00
301-BOND RETIREMENT	Debt Service		Debt Millage		January 1, 2017	January 1, 2017	3	\$2,500,000.00
Totals							13.22	\$10,890,000

STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

SCHEDULE 2

I	II	III	IV	V	VI	VII
Fund BY Type	Beginning Estimated Unencumbered Fund Balance	Property Taxes and Local Government Revenue	Other Sources Receipts	Total Resources Available for Expenditures	Total Estimated Expenditures & Encumbrances	Ending Estimated Unencumbered Balance
101-GENERAL FUND	3,850,000.00	9,455,000.00	33,549,000.00	46,854,000.00	43,004,000.00	3,850,000.00
102-BUDGET STABILIZATION ACCOUNT	1,000,000.00	0.00	1,000,000.00	2,000,000.00	0.00	2,000,000.00
301-BOND RETIREMENT FUND	1,720,000.00	2,500,000.00	799,000.00	5,019,000.00	1,780,000.00	3,239,000.00
232-POLICE PENSION FUND	0.00	245,000.00	855,000.00	1,100,000.00	1,100,000.00	0.00
233-FIRE PENSION FUND	0.00	245,000.00	1,255,000.00	1,500,000.00	1,500,000.00	0.00
201-STREET MAINTENANCE FUND	275,000.00	0.00	1,600,000.00	1,875,000.00	1,600,000.00	275,000.00
202-FOUNDATION GRANTS FUND	55,000.00	0.00	5,000.00	60,000.00	5,000.00	55,000.00
203-FIRST SUBURBS CONSORTIUM FUND	80,000.00	0.00	50,000.00	130,000.00	50,000.00	80,000.00
204-COMMUNICATIONS DISPATCH FUND	0.00	0.00	800,000.00	800,000.00	800,000.00	0.00
205-PUBLIC WORKS MAINTENANCE FUND	400.00	0.00	0.00	400.00	0.00	400.00
206-LAW ENFORCEMENT TRUST FUND	60,000.00	0.00	12,000.00	72,000.00	35,000.00	37,000.00
207-DRUG LAW ENFORCEMENT FUND	125,000.00	0.00	100,000.00	225,000.00	115,000.00	110,000.00
208-COMMUNITY DEVELOPMENT BLOCK GRANT FUND	0.00	0.00	1,800,000.00	1,800,000.00	1,800,000.00	0.00
211-H.O.M.E. PROGRAM FUND	0.00	0.00	170,000.00	170,000.00	170,000.00	0.00
212- FEMA FUND	0.00	0.00	0.00	0.00	0.00	0.00
213-POLICE IMPROVEMENT FUND	40,000.00	0.00	20,000.00	60,000.00	20,000.00	40,000.00
214-LOCAL PROGRAMMING FUND	670,000.00	0.00	200,000.00	870,000.00	200,000.00	670,000.00
215-CAIN PARK FUND	0.00	0.00	750,000.00	750,000.00	750,000.00	0.00
216-RECREATIONAL FACILITIES IMPROVEMENT FUND	0.00	0.00	0.00	0.00	0.00	0.00

STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

SCHEDULE 2

I Fund BY Type	II Beginning Estimated Unencumbered Fund Balance	III Property Taxes and Local Government Revenue	IV Other Sources Receipts	V Total Resources Available for Expenditures	VI Total Estimated Expenditures & Encumbrances	VII Ending Estimated Unencumbered Balance
217-PUBLIC RIGHT OF WAY FUND	25,000.00		8,000.00	33,000.00	10,000.00	23,000.00
221-INDIGENT DUI TREATMENT FUND	200,000.00		2,000.00	202,000.00	15,000.00	187,000.00
222-COURT COMPUTER FUND	50,000.00		120,000.00	170,000.00	120,000.00	50,000.00
223-DUI ENFORCEMENT EDUCATION FUND	100,000.00		5,000.00	105,000.00	50,000.00	55,000.00
225-COURT SPECIAL PROJECTS FUND	1,800,000.00		150,000.00	1,950,000.00	290,000.00	1,660,000.00
226-LEAD SAFE FUND	0.00		300,000.00	300,000.00	300,000.00	0.00
227-NEIGHBORHOOD STABILIZATION PROGRAM FUND	120,000.00		0.00	120,000.00	0.00	120,000.00
230-STREET LIGHTING FUND	700,000.00		960,000.00	1,660,000.00	1,000,000.00	660,000.00
231-FORESTRY FUND	460,000.00		1,109,925.00	1,569,925.00	1,100,000.00	469,925.00
234-EARNED BENEFITS FUND	0.00		600,000.00	600,000.00	600,000.00	0.00
237-FIRST SUBURBS DEVELOPMENT COUNCIL	45,000.00		20,000.00	65,000.00	10,000.00	55,000.00
402-CAPITAL EQUIPMENT/IMPROVEMENTS FUND	765,000.00		1,000,000.00	1,765,000.00	1,000,000.00	765,000.00
411-ECONOMIC DEVELOPMENT FUND	1,600,000.00		30,000.00	1,630,000.00	50,000.00	1,580,000.00
412-CITY HALL MAINTENANCE FUND	55,000.00		35,000.00	90,000.00	15,000.00	75,000.00
415-RING ROAD CONSTRUCTION FUND	35,000.00		0.00	35,000.00	0.00	35,000.00
601-WATER FUND	2,750,000.00		2,000,000.00	4,750,000.00	2,000,000.00	2,750,000.00
602-SEWER FUND	490,000.00		1,500,000.00	1,990,000.00	1,500,000.00	490,000.00
603-PARKING FUND	415,000.00		1,340,400.00	1,755,400.00	1,450,000.00	305,400.00
606-AMBULANCE SERVICE FUND	875,000.00		840,000.00	1,715,000.00	800,000.00	915,000.00
804-OFFICE ON AGING DONATIONS FUND	0.00		4,000.00	4,000.00	4,000.00	0.00
808-YOUTH RECREATION DONATION FUND	30,000.00		5,000.00	35,000.00	5,000.00	30,000.00
809-POLICE MEMORIAL FUND	10,000.00		0.00	10,000.00	600.00	9,400.00
810-YOUTH ADVISORY COMMISSION FUND	70.00		100.00	170.00	100.00	70.00
811-JUVENILE DIVERSION PROGRAM FUND	4,500.00		5,000.00	9,500.00	5,000.00	4,500.00
857-SALES TAX FUND	300.00		30.00	330.00	30.00	300.00
858-MISCELLANEOUS AGENCY FUND	310,000.00		50,000.00	360,000.00	150,000.00	210,000.00
864-NEORS D BILLING FUND	85,000.00		10,000,000.00	10,085,000.00	10,000,000.00	85,000.00

UNVOTED GENERAL OBLIGATION DEBT

(Include General Obligation Debt To Be Paid From Inside/Charter Millage Only)
 (Do Not Include General Obligation Debt Being Paid By Other Sources)
 (Do Not Include Special Obligation Bonds & Revenue Bonds)

SCHEDULE 3

I Purpose Of Bonds Or Notes	II Date Of Issue	III Final Maturity Date	IV Principal Amount Outstanding At The Beginning Of The Calendar Year	V Amount Required To Meet Calendar Year Principal & Interest Payments	VI Amount Receivable From Other Sources To Meet Debt Payments
2014 - Refund Ring Road Improvement Bonds	07/14	12/29	\$2,140,000.00	\$187,702.00	
2015 - Off Street Parking Bonds Refunded	04/15	12/28	\$4,480,000.00	\$460,944.00	
2014 - Various Purpose Bonds	04/14	12/28	\$2,170,000.00	\$354,223.00	
2015 - Various Purpose Bonds	04/15	12/29	\$1,781,000.00	\$251,017.10	
2016 - Various Purpose Bonds	04/16	12/30	\$1,485,000.00	\$143,363.50	
2010 - Motorized Equipment Note	07/17	07/18	\$112,000.00	\$38,000.00	
2010 - Monticello & Taylor St. Improvement Note	07/17	07/18	\$181,000.00	\$14,000.00	
2010 - Street Improvement Note	07/17	07/18	\$116,000.00	\$9,000.00	
2011 - Motorized Equipment Note	07/17	07/18	\$105,000.00	\$26,250.00	
2012 - Motorized Equipment Note	07/17	07/18	\$295,000.00	\$60,000.00	
2012 - Computer Equipment Note	07/17	07/18	\$51,000.00	\$11,000.00	
2013 - Motorized Equipment Note	07/17	07/18	\$417,000.00	\$70,000.00	
2013 - Computer Equipment Note	07/17	07/18	\$8,000.00	\$2,000.00	
2013 - Water Line Improvement Note	07/17	07/18	\$185,000.00	\$5,000.00	
2017 - Energy Conservation Bond	07/17	07/37	\$6,050,000.00	\$433,000.00	
Totals			\$17,436,000.00	\$1,877,797.60	

TAX ANTICIPATION NOTES

(Schools Only)

SCHEDULE 5

Tax anticipation notes are issued in anticipation of the collection of the proceeds of a property tax levy. The amount of money required to cover debt service must be deposited into a bond retirement fund, from collections and distribution of the tax levy, in the amounts and at the times required to pay those debt charges as provided in the legislation authorizing the tax anticipation notes. (ORC Section 133.24)

The appropriation to the fund which normally receives the tax levy proceeds is limited to the balance available after deducting the amounts to be applied to debt service.

After the issuance of general obligation securities or of securities to which section 133.24 of the ORC applies, the taxing authority of the subdivision shall include in its annual tax budget, and levy a property tax in a sufficient amount, with any other monies available for the purpose, to pay the debt charges on the securities payable from property tax. (ORC Section 133.25)

	Name Of Tax Anticipation Note Issue	Name Of Tax Anticipation Note Issue
Amount Required To Meet Budget Year Principal & Interest Payments:		
Principal Due		
Principal Due Date		
Interest Due		
Interest Due Date		
Interest Due		
Interest Due Date		
Total		
Name Of The Special Debt Service Fund		

Amount Of Debt Service To Be Apportioned To The Following Settlements:		
February Real		
August Real		
June Tangible		
October Tangible		
Total		
Name Of Fund To Be Charged		

FISCAL OFFICER'S CERTIFICATE

TO THE COUNCIL OF THE CITY OF CLEVELAND HEIGHTS, OHIO:

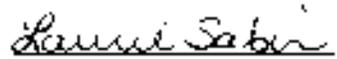
As fiscal officer of the City of Cleveland Heights, Ohio, I certify in connection with your proposed issue of \$1,285,000 of notes (the Notes), to be issued in anticipation of the issuance of bonds (the Bonds), for the purpose of (i) reconstructing, resurfacing and otherwise improving City streets, together with necessary appurtenances thereto (the Street improvements) (\$116,000 of the Notes), (ii) rebuilding Monticello Boulevard and Taylor Road, including engineering and planning costs with respect thereto (the Monticello/Taylor improvements) (\$181,000 of the Notes), (iii) acquiring motorized equipment and appurtenances thereto (the 2010 Motorized Equipment improvements) (\$112,000 of the Notes), (iv) acquiring motorized equipment and appurtenances thereto (the 2011 Motorized Equipment improvements) (\$105,000 of the Notes), (v) acquiring motorized equipment and appurtenances thereto (the 2012 Motorized Equipment improvements) (\$295,000 of the Notes), (vi) acquiring computer hardware and related equipment (the 2012 Computer Equipment improvements) (\$51,000 of the Notes), (vii) acquiring motorized equipment and appurtenances thereto (the 2013 Motorized Equipment improvements and, together with the 2010 Motorized Equipment improvements, the 2011 Motorized Equipment improvements and the 2012 Motorized Equipment improvements, the Motorized Equipment improvements) (\$417,000 of the Notes), (viii) acquiring computer hardware and related equipment (the 2013 Computer Equipment improvements and, together with the 2012 Computer Equipment improvements, the Computer Equipment improvements, and, together with the Street improvements, the Monticello/Taylor improvements, the Motorized Equipment improvements and the Computer Equipment improvements, the improvements) (\$8,000 of the Notes), that:

1. The estimated life or period of usefulness of the improvements is at least five years.
2. The estimated maximum maturity of the Bonds, calculated in accordance with Section 133.20 of the Revised Code, is (i) 15 years as to the portion of the Bonds related to the Street improvements, (ii) 20 years as to the portion of the Bonds related to the Monticello/Taylor improvements and (iii) five years as to the portion of the Bonds related to the Motorized Equipment improvements and the Computer Equipment improvements. If notes in anticipation of the related Bonds are outstanding later than the last day of December of the fifth year following the year of issuance of the original issue of notes, the period in excess of those five years shall be deducted from that maximum maturity of the related Bonds. Thus, the maximum maturity of the Bonds related to the (A) Street improvements is 12 years, (B) Monticello/Taylor improvements is 17 years, (C) 2010 Motorized Equipment improvements is two years, (D) 2011 Motorized Equipment improvements is three years and (E) 2012 Motorized Equipment improvements and 2012 Computer Equipment improvements is four years.

3. The maximum maturity of the Notes is (i) August 4, 2030, as to the portion of the Notes related to the Street improvements and the Monticello/Taylor improvements, which date is 20 years from August 4, 2010, the date of issuance of the original notes issued for those purposes, (ii) August 4, 2020, as to the portion of the Notes related to the 2010 Motorized Equipment improvements,

which date is 10 years from August 4, 2010, the date of issuance of the original notes issued for that purpose, (iii) August 3, 2021, as to portion of the Notes related to the 2011 Motorized Equipment improvements, which date is 10 years from August 3, 2011, the date of issuance of the original notes issued for that purpose, (iv) August 1, 2022, as to portion of the Notes related to the 2012 Motorized Equipment improvements and the 2012 Computer Equipment improvements, which date is 10 years from August 1, 2012, the date of issuance of the original notes issued for those purposes, and (v) July 31, 2023, as to portion of the Notes related to the 2013 Motorized Equipment improvements and the 2013 Computer Equipment improvements, which date is 10 years from July 31, 2013, the date of issuance of the original notes issued for those purposes.

Dated: July 3, 2017



Director of Finance
City of Cleveland Heights, Ohio

RatingsDirect™

Summary:

Cleveland Heights, Ohio; General Obligation

Primary Credit Analyst:

Michael J Mooney, New York (1) 212-438-4943; michael.mooney1@spglobal.com

Secondary Contact:

Benjamin D Gallovic, Chicago 312.233.7070; benjamin.gallovic@spglobal.com

Table Of Contents

Rationale

Outlook

Related Research

Summary:

Cleveland Heights, Ohio; General Obligation

Credit Profile

US\$6.05 mil GO (lid tax) bldg imp brds ser 2017 due 12/01/2037

Long Term Rating AA-/Positive New

Cleveland Hgts

Long Term Rating AA-/Positive Outlook Revised

Cleveland Hgts recreational facs imp (unlid tax) rfdg brds ser 2008 dtd 08/05/2008 due 12/01/2008-2017

Long Term Rating AA-/Positive Outlook Revised

Rationale

S&P Global Ratings revised its outlook to positive from stable and affirmed its 'AA-' rating on the city of Cleveland Heights, Ohio's general obligation (GO) bonds outstanding. We also assigned our 'AA-' rating and positive outlook to the city's series 2017 limited-tax building improvement GO bonds.

The outlook revision reflects our view of the city's improved financial position, and our expectation that its finances will continue to improve and be sustained at higher levels. The revision further reflects our expectation that the city will enact a formal reserve policy later this year, which would keep available reserves at very strong levels.

The city's limited-tax GO pledge secures the bonds. Bond proceeds are being used to finance the acquiring and installing of energy conservation measures in city buildings and facilities.

The rating reflects our opinion of the following factors of the city:

- Weak economy, with access to a broad and diverse metropolitan statistical area (MSA), yet significant population decline;
- Adequate management, with "standard" financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary performance, with an operating surplus in the general fund and a slight operating surplus at the total governmental fund level in fiscal 2015;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2015 of 19% of operating expenditures;
- Very strong liquidity, with total government available cash at 31.2% of total governmental fund expenditures and 6.3x governmental debt service, and access to external liquidity we consider strong;
- Very strong debt and contingent liability position, with debt service carrying charges at 4.9% of expenditures and net direct debt that is 44.3% of total governmental fund revenue, as well as rapid amortization, with 72.5% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

Weak economy

We consider Cleveland Heights' economy weak. The city, with an estimated population of 44,878, is in Cuyahoga County in the Cleveland-Elyria, Ohio MSA, which we consider to be broad and diverse. The city has a projected per

capita effective buying income of 115% of the national level and per capita market value of \$52,034. Overall, the city's market value grew by 1.1% over the past year to \$2.3 billion in 2017. Weakening Cleveland Heights' economy is its demographic profile, which includes a significant population decline of 5%. The county unemployment rate was 5.4% in 2016.

Located eight miles east of downtown Cleveland, Cleveland Heights is a predominantly residential suburb complemented by commercial businesses. While many residents work within the city, residents also have access to employment opportunities throughout the greater Cleveland area. We believe the city benefits from participation in the broad and diverse Cleveland-Elyria MSA. Cuyahoga County's population decreased 5.2% over the last decade. Corresponding to countywide trends, the city has also experienced a population decline, partly because of its status as an inner-ring suburb with an older housing stock. However, officials report that they are expecting to see slight population growth over the next few years, as the city is seeing some development. One project, called the Top of the Hill, is a \$100 million mixed-use development that is expected to break ground in the early spring. There is another mixed-use development that is in the very early stages, but officials report it will cost between \$75 million and \$100 million. According to the U.S. Bureau of Labor Statistics, the average unemployment rate for Cuyahoga County was 5.4% in 2016, slightly above the state (4.9%) and national (4.9%) rates. Although the city's property tax base, measured by assessed valuation, has been declining over the last few years, officials report that it will grow between 1% and 2.5% annually over the next several years.

Adequate management

We view the city's management as adequate, with "standard" financial policies and practices under our FMA methodology, indicating the finance department maintains adequate policies in some but not all key areas.

Highlights of these policies include:

- Historical trend analysis in the budgeting process;
- Monthly budget-to-actual reporting;
- A formal financial plan, showing five years of revenue line items only, which is updated annually;
- A formal five-year capital plan, which is updated annually;
- Yearly reporting on investments, coupled with a formal investment policy; and
- A formal debt policy.

Cleveland Heights plans on implementing a formalized reserve policy later this year. The reserve target is currently set at 16% in the draft copy we have received.

Strong budgetary performance

Cleveland Heights' budgetary performance is strong in our opinion. The city had surplus operating results in the general fund of 5.2% of expenditures, and slight surplus results across all governmental funds of 1.4% in fiscal 2015. Our assessment accounts for the fact that we expect budgetary results could deteriorate somewhat from 2015 results in the near term.

The city had experienced weakened budgetary performance from fiscal years 2011-2013, stemming from losses in various revenue sources, increased insurance and benefit costs, and some pressure from the city's water fund. According to management, the city transferred its water services to the Cleveland Water Department in January, and

no longer has that liability

Since fiscal 2013, the city has been posting general fund surpluses annually. Officials attribute this to various measures, which include:

- Expense reductions;
- Becoming fully insured, which has saved the city over \$1 million in a 28-month period;
- Leaving several positions vacant, which has saved Cleveland Heights between \$800,000 and \$900,000 annually;
- Stabilizing fuel costs, saving the city between \$400,000 and \$500,000 annually; and
- Eliminating the Central Service Department, saving the city roughly \$100,000 annually.

The fiscal 2017 general fund budgeted expenditures total \$43.2 million, showing a \$1.2 million surplus. Officials report that through the first quarter, the city is tracking close to budget, and that if all goes as expected for the remainder of the year, the city should finish with a general fund surplus well over \$1 million, due to management's conservative budgeting, as well as passing an income tax levy, which raised the levy to 2.25%, where it was previously 2%. Officials report that this should bring in roughly \$3 million annually for the city. Although the fiscal 2018 budget is not yet available, officials report Cleveland Heights should continue to post surpluses, although not as large as it has recently seen.

Very strong budgetary flexibility

Cleveland Heights' budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2015 of 19% of operating expenditures, or \$8 million.

With an unaudited general fund surplus in fiscal 2016 and another expected general fund surplus in fiscal 2017, we believe budgetary flexibility will continue to grow and be sustained at higher levels, and therefore remain very strong. The city plans to formalize a reserve policy later this year, stipulating a minimum target of 16% of budgeted general fund expenditures, which it is currently above.

Very strong liquidity

In our opinion, Cleveland Heights' liquidity is very strong, with total government available cash at 31.2% of total governmental fund expenditures and 6.3x governmental debt service in 2015. In our view, the city has strong access to external liquidity if necessary.

Based on its past issuance of debt, we believe that the city has strong access to capital markets to provide for liquidity needs if necessary. Cleveland Heights has \$13.8 million of various series of direct-purchase debt outstanding with multiple banks. However, there are no terms within any of the series that would lead to an immediate acceleration. Therefore, we do not believe there is any nonremote contingent liability risk associated with the direct purchase debt outstanding.

Very strong debt and contingent liability profile

In our view, Cleveland Heights' debt and contingent liability profile is very strong. Total governmental fund debt service is 4.9% of total governmental fund expenditures, and net direct debt is 44.3% of total governmental fund revenue. Approximately 72.5% of the direct debt is scheduled to be repaid within 10 years, which is in our view a positive credit factor.

The city plans to issue between \$1.5 million and \$3 million of GO debt on an annual basis to finance regular capital needs. We do not believe this will materially affect the city's debt profile. All of Cleveland Heights' debt is fixed-rate to maturity.

Cleveland Heights' combined required pension and actual other postemployment benefit (OPEB) contributions totaled 7.7% of total governmental fund expenditures in 2015. Of that amount, 7.1% represented required contributions to pension obligations, and 0.6% represented OPEB payments. The city made its full annual required pension contribution in 2015.

Eligible city employees participate in either the Ohio Public Employees Retirement System (OPERS) or the Ohio Police and Fire Pension Fund (OP&F), both multiemployer, cost-sharing state retirement systems. Employees participate in a choice of defined benefit, defined contribution, or combined plans. OPEBs are provided through the state plans. We do not consider the liabilities a significant budget pressure, as we do not expect these costs to materially increase over the next two years. The state recently enacted changes to the pension systems that are intended to stabilize employer contributions and increase funding. Per Government Accounting Standards Board (GASB) Statement No. 68 standards, which the city implemented for its financial statements for the fiscal year ended Dec. 31, 2015, employers with benefits administered through cost-sharing multiemployer pension plans such as OPERS and OP&F must report their proportionate share of the net pension liability. The funded ratio, which consists of the plan fiduciary net position as a proportion of the total pension liability, was 86.5% for OPERS and 72.2% for OP&F.

Strong institutional framework

The institutional framework score for Ohio cities is strong.

Outlook

The positive outlook reflects our opinion that the city will implement its reserve policy and that budgetary flexibility will continue to increase and be sustained at higher levels, which means there is at least a one-in-three chance we could raise the rating over the outlook's two-year period, barring no deterioration in any other credit factors. If financial performance were to weaken, resulting in diminished liquidity or flexibility, we could revise the outlook to stable.

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can

Summary: Cleveland Heights, Ohio; General Obligation

be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2017 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with such analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party distributors. Additional information about our ratings fees is available at www.standardandpoors.com/ratingfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

CREDIT OPINION
 20 June 2017

New Issue

Rate this Research >>

Contacts

Nikki S Carroll Associate Analyst nikki.carroll@moodys.com	212-553-1742
Orlie Prince VP, Sr Credit Officer/ Manager orlie.prince@moodys.com	212-553-7738

Cleveland Heights (City of), OH

New Issue - Moody's Assigns A1 to Cleveland Heights, OH's 2017 GOLT Bonds

Summary Rating Rationale

Moody's Investors Service has assigned an A1 rating to the City of Cleveland Heights, OH's \$6.1 million General Obligation (Limited Tax) Building Improvement Bonds, Series 2017. Concurrently, Moody's has affirmed the A1 rating on the city's outstanding general obligation unlimited tax (GOULT) and general obligation limited tax (GOLT) debt. The A1 rating applies to \$4.2 million and \$5.2 million of outstanding GOULT and GOLT debt, respectively.

The A1 rating reflects Cleveland Heights' moderately-sized tax base with declining socioeconomic trends and improved financial operations supported by economically sensitive revenues. It also incorporates a low debt burden and elevated pension exposure due to participation in two state cost sharing plans.

The A1 GOLT rating is the same as Cleveland Heights' general obligation unlimited tax (GOULT) rating. The lack of notching reflects the city's full faith and credit pledge to pay debt service on GOLT debt.

Credit Strengths

- » Moderately-sized tax base benefitting from proximity to the [City of Cleveland \(A1 Stable\)](#)
- » Proactive management with commitment to maintaining balanced operations and rebuilding reserves
- » Improving financial reserves and liquidity
- » Low debt burden

Credit Challenges

- » Declining socioeconomic trends
- » Moderate dependence on economically sensitive income tax revenues
- » Elevated exposure to unfunded pension liabilities

Rating Outlook

Outlooks are generally not assigned to local governments with this amount of debt outstanding.

Factors that Could Lead to an Upgrade

- » Significant and sustained increase in General Fund reserves
- » Improvement in tax base full valuation and/or resident income indices
- » Moderation of pension burden

Factors that Could Lead to a Downgrade

- » Inability to sustain balanced General Fund operations
- » Weakening of tax base valuation or resident income levels
- » Material increases in debt or pension burden

Key Indicators

Exhibit 1

Cleveland Heights (City of) OH	2011	2012	2013	2014	2015
Economy/ Tax Base					
Total Full Value (\$000)	\$ 2,661,498	\$ 2,585,571	\$ 2,472,288	\$ 2,452,563	\$ 2,419,590
Full Value Per Capita	\$ 57,164	\$ 56,145	\$ 53,920	\$ 53,717	\$ 53,309
Median Family Income (% of US Median)	101.8%	102.0%	106.3%	114.5%	112.4%
Finances					
Operating Revenue (\$000)	\$ 42,949	\$ 46,770	\$ 43,667	\$ 45,960	\$ 47,728
Fund Balance as a % of Revenues	21.4%	15.5%	10.5%	9.2%	16.9%
Cash Balance as a % of Revenues	17.4%	13.5%	8.1%	10.2%	15.2%
Debt/Pensions					
Net Direct Debt (\$000)	\$ 20,228	\$ 18,581	\$ 17,251	\$ 17,357	\$ 17,664
Net Direct Debt / Operating Revenues (x)	0.5x	0.4x	0.4x	0.4x	0.4x
Net Direct Debt / Full Value (%)	0.8%	0.7%	0.7%	0.7%	0.7%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	N/A	2.8x	3.5x	3.6x	3.4x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	N/A	5.0%	6.2%	6.7%	6.7%

Source: Moody's Investors Service

Detailed Rating Considerations

Economy and Tax Base: Moderately-Sized Tax Base in Cleveland MSA Shows Signs of Stabilization

We expect the city's \$2.3 billion tax base to remain stable in the near term given its favorable location near Cleveland but limited amount of land available for new development. Cleveland Heights is a mature, residential community serving a predominantly commuting workforce. The city benefits from its close proximity to elite healthcare and educational institutions such as [University Hospitals Health System Inc. \(A2 stable\)](#), [Cleveland Clinic Health System \(Aa2 stable\)](#), [Case Western Reserve University \(A1 stable\)](#), as well as several of the Cleveland region's museums that are located along the border of Cleveland and Cleveland Heights. The city estimates that approximately one-third of its residents are employed in either healthcare or educational sectors. Given the mature nature of the tax base along with a general decline in property values, the tax base has experienced an average annual decline of 2.0% over the last five years. After 5 consecutive years of modest tax base contraction, in fiscal 2017, the city's full valuation showed signs of stabilization and marginally increased from fiscal 2016. Officials expects modest increases in the tax base going forward due to several mixed-use developments coming online in the near term and the \$25 million expansion of a local hospital.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issue/maturity page on www.moodys.com for the most updated credit rating action information and rating history.

The city's has slightly above-average wealth levels compared to the state and nation with median family income at 118% and 117% respectively in 2015, which represents a decline from 2014 levels. The city's population has declined by 1.5% since 2010, which is similar to other Cleveland suburbs. In April 2017, the city's unemployment rate was 4.8%, higher than the state (4.4%) and national (4.3%) rates for the same period, although, overall employment numbers increased.

Financial Operations and Reserves: Cost Cutting Measures Yield Improved Finances

The city's financial operations are balanced and expected to further improve due to growing income tax collections, though this revenue source is vulnerable to fluctuations in the local economy. The city previously recorded several years of operating shortfalls due to the decline of state revenues, which caused reserves across the city's operating funds (General, Debt Service, Police Pension, Fire Pension) to fall to a low of \$4.2 million or 9.2% of revenues in fiscal 2014. Between fiscal 2012 and fiscal 2015, the city cut general fund expenditures by 8%, while general fund revenues grew by 3%. Operations began to rebound in fiscal 2014 when expenditure cuts came to fruition, allowing the city to record a \$687,000 general fund surplus. In fiscal 2015, the city closed fiscal 2015 with a \$3.5 million surplus across operating funds, nearly doubling available operating fund balance to \$8.1 million or a satisfactory 16.9% of revenues.

In fiscal 2015, 55% of the city's operating revenues are derived from its 2.0% income tax. Income tax collections have rebounded strongly since fiscal 2011, increasing at an average annual rate of 6.7% between 2012 and 2015. The increase is partly attributable to the improved economy. Property taxes were the second largest source of income providing 16.3% of revenues in fiscal 2016.

While audited results are not yet available for fiscal 2016, the city estimates that the General Fund closed with a cash-basis surplus of \$2.1 million, which would raise the operating reserves to roughly \$10.1 million or 22.3% of operating revenues. This was partly driven by the voter-approved income tax rate increase from 2.0% to 2.25% in November 2015. The city is phasing in the increase over three years and it is estimated to generate an additional \$3 million in revenue annually.

Estimates for fiscal 2017 indicate another operating surplus in excess of the \$1 million budgeted surplus. Also in January 2017, the city transitioned its water operations and maintenance to the [City of Cleveland Water Enterprise \(Aa1 Stable\)](#). The city will not receive proceeds from the transition, but will remove any future liabilities associated with the aging system.

LIQUIDITY

The city's net cash balance increased 54% from fiscal 2014 to \$7.2 million or a satisfactory 15.2% of operating revenues at the end of fiscal 2015. However, this remains below average compared to similarly-rated credits.

Debt and Pensions: Average Debt Burden Will Remain Manageable; High Pension Burden

The city has minimal plans to issue new debt, so we expect the direct debt burden of 0.7% of full valuation and 0.4 times fiscal 2015 operating revenue will remain manageable. Post-sale, the city's net direct debt burden will increase to 13% of full valuation. Officials maintain a five-year capital improvement plan, in which they plan to issue \$1-\$3 million in debt each year. This will not have a material impact on the current, average debt burden.

Cleveland Heights' pension burden is high due to their participation in a state-wide plan. The Moody's three-year adjusted net pension liability (ANPL) for the city in fiscal 2015, which incorporates adjustments we make to reported pension data, is \$162.6 million, or 6.7% of full valuation and 3.4 times fiscal 2015 operating fund revenue. Total fixed costs, inclusive of debt service and retirement plan contributions, were a manageable 15.3% of operating fund revenue in 2015.

DEBT STRUCTURE

All of the city's debt is fixed rate. Principal amortization is below average with 65.4% retired within ten years.

DEBT-RELATED DERIVATIVES

The city is not party to any derivative agreements.

PENSIONS AND OPEB

City employees are members of the Ohio Public Employees Retirement System (OPERS) and the Ohio Police & Fire Pension Fund (OP&F). Ohio statutes establish local government retirement plan contributions as a share of annual payroll. Fiscal 2015 statewide employer contributions to OPERS and OP&F were 111% and 93%, respectively, of the amounts required for both plans.

to "tread water." Contributions that equal tread water would forestall growth in reported net pension liabilities assuming other plan assumptions, including investment returns, are realized.

Ohio statute establishes a 30-year target for amortizing unfunded liabilities of all statewide cost-sharing plans. If plan actuaries determine current contribution rates and actuarial assumptions result in an amortization period exceeding 30 years, the pension fund must submit a plan for adjusting contributions or benefits to meet the 30-year requirement. The state legislature adopted benefit reforms for all Ohio cost-sharing plans in 2012 that amended annual cost-of-living adjustments for retirees, resulting in a considerable decline in reported unfunded liabilities in 2013. However, reported net pension liabilities of all Ohio cost-sharing plans grew in 2015, in part due to weak investment returns relative to plan assumptions. This trajectory raises the risk that further plan adjustments will have to be made, potentially resulting in increased city contributions.

Management and Governance

On November 4, 2015, Cleveland Heights voters approved increasing the city's income tax rate to 2.25% from 2%. The increase will boost revenues at a time when the city has been reigning in costs. Management has been proactive about budgeting revenues conservatively, raising them as necessary all the while reducing fixed costs.

Ohio cities have an Institutional Framework score of A, or moderate. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. The sector's major revenue sources, income and property taxes, are subject to caps that can be overridden with voter approval only. Revenues and expenditures tend to be predictable. Across the sector, fixed and mandated costs are generally high. Ohio has public sector unions, which can limit the ability to cut expenditures.

Legal Security

The GOILT bonds are secured by the authorization to levy a tax within the statutory 10-mill limitation available to Ohio local governments. The city's outstanding GOILT bonds are secured by the authorization to levy tax unlimited as to both rate and amount to pay debt service.

Use of Proceeds

Proceeds will be used to pay the costs of acquiring and installing energy conservation features in city buildings and facilities, which are expected to generate future cost savings.

Obligor Profile

Cleveland Heights is a city with a population of 45,388 as of the 2015 American Community Survey and is located eight miles east of downtown Cleveland. It is predominantly residential with most residents commuting into Cleveland or the surrounding areas for work.

Methodology

The principal methodology used in this rating was US Local Government General Obligation Debt, published in December 2016. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

Ratings

Ohio 2

Cleveland Heights (City of) OH

Issue	Rating
General Obligation (Limited Tax) Building Improvement Bonds, Series 2017	A1
Rating Type	Underlying LT
Sale Amount	\$6,050,000
Expected Sale Date	06/21/2017
Rating Description	General Obligation Limited Tax

Source: Moody's Investors Service

© 2017 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MOODY'S PUBLICATIONS MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO, LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGE, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESELL, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only. Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 199 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 64 705 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be reckless and inappropriate for retail investors to use MOODY'S credit ratings or publications when making an investment decision. If in doubt you should contact your financial or other professional adviser.

Additional terms for Japan only. Moody's Japan K.K. ("MJJK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan E.K. ("MSF") is a wholly-owned credit rating agency subsidiary of MJJK. MSF is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSF are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJJK and MSF are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 4 respectively.

MJJK or MSF (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJJK or MSF (as applicable) have, prior to assignment of any rating, agreed to pay to MJJK or MSF (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY250,000,000.

MJJK and MSF also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER 107BJ7B



**SPECIAL JOINT MEETING
BOARD OF EDUCATION & CITY OF CLEVELAND HEIGHTS
Cleveland Heights-University Heights City School District
2155 Miramar Boulevard | University Heights, OH 44118**

7:00 PM – SPECIAL MEETING of June 26, 2017

AGENDA

- A. Call to Order**
- B. Introductions**
- C. CH-UH Topics**
 - a. School Facilities Update
 - i. High School
 - ii. Middle Schools
- D. Superintendent's Update**
- E. CH Topics**
 - a. CH Master Plan Update
 - b. CH Development Update
 - i. Coventry School Site
 - c. Streetscape Update
 - d. Safe Routes to School Update
- F. Other Business**
- G. Adjourn**

TO: TANISHA R. BRILEY, CITY MANAGER

FROM: SUSANNA NIERMANN O'NEIL, ASSISTANT CITY MANAGER

RE: COMMUNITY OUTREACH UPDATE

DATE: JUNE 21, 2017

COMMUNITY RELATIONS:

- **Block parties this weekend- *Saturday*: Bradford (2-9:00pm) ; Vandemar (4-8:00pm)
Sunday: Rumson(1-7:00pm)**
- **There are 2 community races this weekend: Saturday is the Annual Communion of Saints 5k and Sunday is the Beaumont School Most Excellent race**
- **Cedar Lee Appreciation night “for putting up with the streetscape/construction” Thursday, July 6th 6-8:00pm. Events all along Lee Road.**
- **Coventry events: *Saturday, June 24th* – Sidewalk sale and fun/games in Lot 15 (next to the Cleaners) from Noon to 5:00pm. There will be a Dunk tank with Coventry merchants participating to raise funds for the Coventry Art Fund. Also Hungry Hungry Hippos and toilet races will be part of the fun. There will be music and the *Beer Garden* from 6:00 to 8:00pm in Coventry Yard on June 30th ,July 7th , July 28th and August 11th ; *Saturday July 15th* – Comic Book Fest and Storytelling in Coventry Yard/Pekar Park ; *Saturday August 19th* – Star Wars Day.**

PUBLIC RELATIONS:

- **Graphic Artist has designed the 40th anniversary Cain Park Arts Festival T shirts and the 90th Anniversary T Shirts for Cumberland Pool.**
- **Reminders went out regarding the Water meter installation meetings and also the Charter Review application deadline. An icon that goes to the application has remained on the homepage all month making for easy access for applicants.**

CHANNEL 20/SOCIAL MEDIA:

- **The Water meter installation meeting is airing on YouTube and on Channel 20 at 2:00pm and 7:00pm for now. Going forward throughout the year it will continue to run at 2:00pm because the installation will be ongoing.**
- ***Website statistics May 2017*: Total pages viewed 64,696
Top 5 pages : Jobs-2,667 views ; Utilities – 2,581 views ; City Hall and Staff Directory – 2,428 views ; Refuse -949 views ; Residents -909 view**



MEMORANDUM

TO: Tanisha Briley-City Manager
FROM: Alex Mannarino-Director of Public Works
DATE: June 23, 2017
RE: Weekly Update

Cedar Road Resurfacing/Cedar-Fairmount Streetscape

Work is continuing on the multi-purpose path along Cedar-Glen Parkway. Perk is almost complete with the installation of the drainage structures, and is tentatively planning on laying stone for the path next week.

The work zone has flipped, and Perk is currently working on casting adjustments and ADA ramps on the North Side of Cedar between Westminster and Norfolk.

They plan to tentatively start work in the third phase area from Norfolk to Euclid Heights sometime around the second week of July.

Lee Road Streetscape

No new updates.

Noble Road Resurfacing (Cuyahoga County Project)

Work has flipped to the east side of the street. The pavement has been milled, and the intermediate course has been installed.

Construction Project Updates

Mayfield Signalization

No new updates.

Dominion East Ohio

Cedar Road Accelerated Pipeline Replacement PIR-2083

Red Dirt has completed the installation of the mainline. They are waiting for the line to be pressure tested before they can make the tie-ins at the cross streets.

Service Department

All operations continued as normal.

Date: June 23, 2017

To: Tanisha Briley, City Manager

From: Collette Clinkscale, Utilities Commissioner

Subject: Utilities Department Weekly Update

Water

- Repaired a service leak (short side connection) at 3299 East Overlook (2-day job)
- Replaced a service leak (short side connection) at 3662 Monticello (Brentwood) (2-day job)
- Repaired water main break at the intersection of Quilliams and Stoneleigh
- Repaired connection leak at 3311 East Yorkshire
- Reset curb box and turned on 1468 Parkhill
- Repaired valve box at South Taylor and Castleton
- Check for leaks on E. Fairfax, Lamberton and Brandon
- Flushed and turned off CH delinquent accounts

Sewer

- Ran sewer machine on Bendemeer, Meadowbrook, Lamberton, Washington (2), Beechwood, Kenilworth, Euclid Heights Blvd., Woodview (2), Gretyon, Beverly, and Helmsdale
- Repaired treelawns at 3966 Rosemond, 3478 Woodridge, 903 Selwyn, 3061 North Park, 3577 Raymont and 3640 Cummings
- Cleaned blocked main at Redwood and Lee Rd.
- Sewer main investigation program

Other

- Cleveland Water hosted Community Meeting to discuss the upcoming meter change out program on Wednesday, June 21st from 6-8pm.
- Met with NEORSD regarding MCIP program
- Met with CWD on misc. items

MEMORANDUM

To: Tanisha Briley, City Manager
From: Richard Wong, Planning Director
Date: June 23, 2017
Subject: Weekly Update

Board of Zoning Appeals

At 2500 Edgehill Road a variance for a garage to be built (in the same place as the previous garage) **closer than 3' from the neighbor's** property was granted but a variance for a height exceeding **15'** was denied. Of four abutting neighbors, three were in support but one testified against the height. She said that **2500 Edgehill's** oversized backyard treehouse already was an imposition. The father had constructed most of the new garage himself without a permit before receiving a Building Department order to stop. Karen will present the granted variance at City Council's July 5 meeting.



Architectural Board of Review

Fifteen projects were approved in less than two hours.

A Bendemeer house's **two-story** addition was approved after the architect embraced many **of ABR's** suggestions from a preliminary review at the last meeting. The owner emailed that he was grateful for the assistance. He and his family will enjoy a new master bedroom-bathroom, two additional bedrooms and an office.

Plans for rooftop cell antennas at a 2360 Noble Road apartment building will be better after staff and the State Historic Preservation Office double-teamed the **applicant. The antennas will be hidden in an 8'-high** penthouse that the applicant agreed could be **8' from the front parapet rather than protruding** above the roof right at the front face of the building.

July 6th's **meeting** will have twenty cases. One of three regular members will be absent at the next four meetings, but alternate Terry Saylor is conveniently available.

Cleveland Heights
Economic Development



To: City Manager Tanisha Briley
From: Economic Development Director Tim Boland
Subject: Activities Report – June 23, 2017

Activities and Initiatives:

1. Economic Development Event

The Economic Development Breakfast was held on Thursday, June 22 at the Community Center. Thank you to the Council members who were able to attend. Overall, the event seems to have been positively received and had approximately 60 people attend. Besides a brief update from Director Boland, the program focused on access to capital for businesses. In addition to covering the City's programs, we also had representatives to ECDI, NDC, Cuyahoga County and SBA give short presentations. We have received several follow ups from businesses in attendance requesting a meeting to discuss potential projects.

Moving forward, we hope to make this a biannual or quarterly event that provides a regular opportunity to provide an update on specific projects, along with information and resources related to topics impacting our business community.

2. Coventry School Site

While staff works on finalizing a date for a community meeting per Council's decision on June 19, we are also moving forward with individual meetings with current tenants. At this time, we have meetings with four of the tenants scheduled for the week of June 26. The goal is to have a better understanding of their current and future space needs. This will allow the City to more efficiently work with them depending on how the project proceeds.



3. Municipal Small Business Initiative

This week the County formally approved the funding for the expansion of the Municipal Small Business Initiative (MSBI). As previously discussed with Council, the MSBI would provide equity to small businesses in order to help secure an SBA loan. This is accomplished through a forgivable

loan/grant. Along with this funding the program expansion, the County revised the application process/requirements. Staff is reviewing the updated program and application guidelines, which was sent to representatives of the inner ring suburbs on Friday, June 23. The City had previously submitted a letter of interest concerning participation in the program. The new application is now due to the County by July 7.

4. Business Retention Expansion Attraction Creation (BREAC) Initiative:

BREAC activity highlights include:

- Staff attended Future Heights' Planning and Development Committee meeting on Friday, June 23;
- Pursuing several new tenant options for the U.S. Bank building on Lee Road;
- Met with three existing businesses;
- Assisted two potential startups;
- Toured one available property;
- Updating of listings on Available Properties web-based tool.

Thank you,

Tim Boland

Economic Development Director

Memorandum

To: Tanisha Briley, City Manager
From: Joseph P. McRae, Parks and Recreation Director
Subject: Parks and Recreation Department Update
Date: June 23, 2017

Please find a brief summary of the Parks and Recreation Department announcements and activities attached for your review:

General Announcements

- The new Turtle Tot Lot Playground ribbon cutting will take place on Sunday, July 2 at 2pm in celebration of July being National Parks and Recreation Month.
- The Jump Start Sports Camp continues with approximately 60 kids in the camp.
- The WOW programs continued with a talk on Getting a Better Night's Sleep held on Saturday, June 17 and an outdoor yoga event in cooperation with Yoga Roots on Tuesday, June 20.

Ice Programs

- Learn to Skate lessons – all ages 3+ up & separate class for Adults on Wednesdays from June 14 – July 26.
- Learn to Play & Tot Hockey – on Mondays from June 12 – July 31 (skip July 3) from 6:15 – 7:15 pm

Senior Center

Activities for the week included:

- AARP held their monthly Board Meeting.
- Staff attended a CARE planning meeting and a meeting of eastside senior center directors.
- Fairhill Partners provided benefits information to interested seniors.

Cain Park Upcoming Events (more details at cainpark.com)

- The 2017 Cain Park musical production is the Tony-nominated Broadway musical "Rock of Ages". The show premiered on Thursday, June 8 and ends this Sunday, June 25 at the Alma Theater.
- Lipa Schmeltzer – 7pm on June 25 at the Evans Amphitheater
- The 40th Anniversary Cain Park Arts Festival takes place on July 7-9



Cleveland Heights Fire Department

Weekly Activity Report

Total Emergency Calls Year To Date	3,042
------------------------------------	-------

Total Emergency Calls for Period	120
----------------------------------	-----

Report Date Period: 06/16/2017 - 06/23/2017

Fire Data

	<u>Current Period</u>	<u>Year to Date</u>	<u>Last Year to Date</u>	<u>Current Year % of Run Count</u>
Emergency Fire Run Count	27	550	521	18.68 %
Emergency Structure Fire Count	5	40	28	
Emergency Non Structure Fire Count	22	507	483	
Emergency Vehicle Fire Count		3	10	

Emergency Medical Data

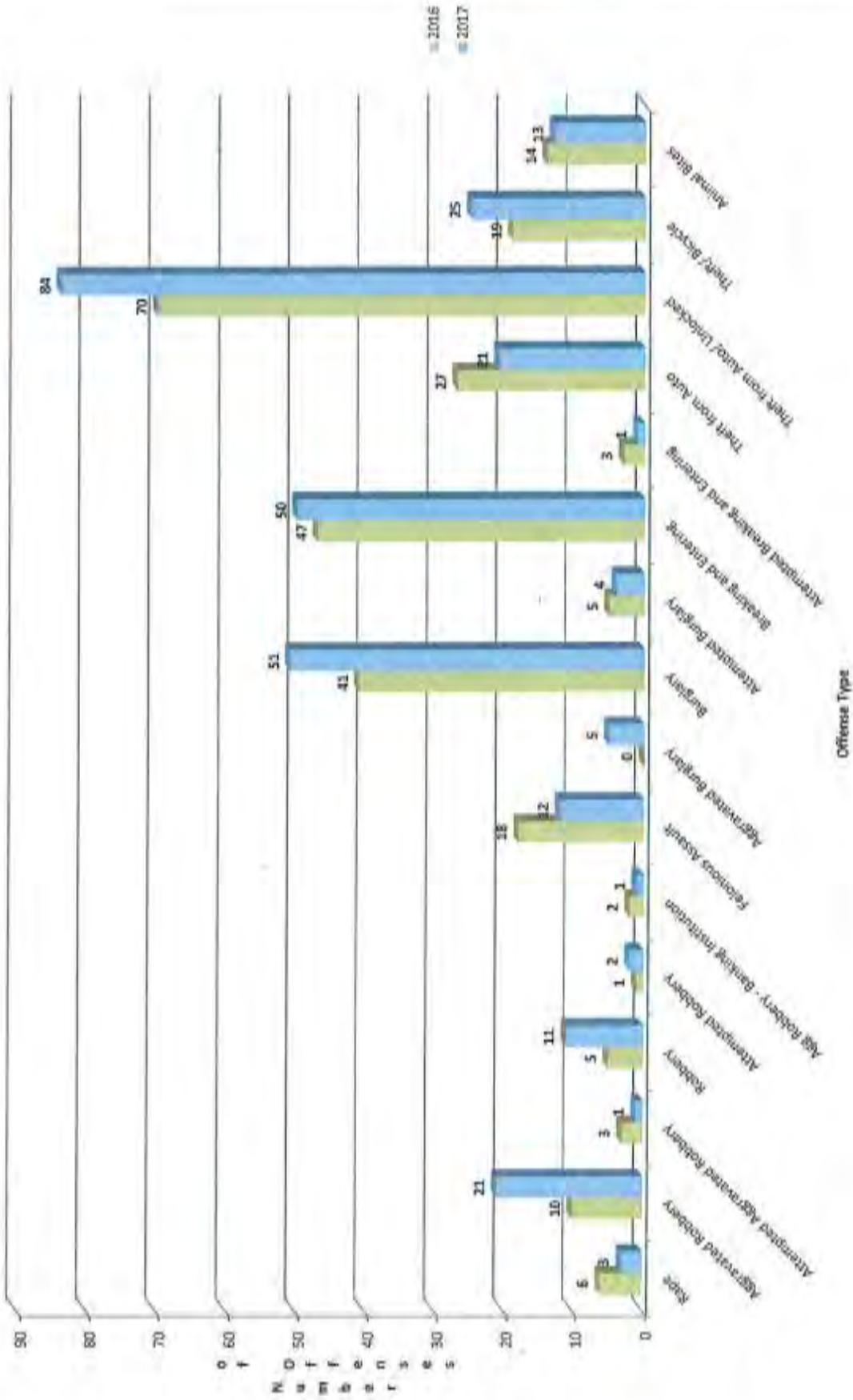
Total Emergency Run Count	93	2,492	2,381	81.32 %
Emergency Medical Run Count	91	2,427	2,299	
Automobile Accident Run Count	2	65	82	
Advanced Life Support Run Count	29	706	642	
Basic Life Support Run Count	63	1,780	1,726	
Total EMS Transports	58	1,639	1,553	
Total EMS Non Transports	32	737	703	

Mutual Aid Run Count to Date

Mutual aid received	SEFD A - 14 SHFD A - 17 ECFD A - 6 UHFD A - 16
Mutual aid given	SEFD A - 20 SHFD A - 14 ECFD A - 14 UHFD A - 10
Automatic aid received	SEFD A - 2 SHFD A - 6 ECFD A - 2 UHFD A - 5
Automatic aid given	SEFD A - 0 SHFD A - 11 ECFD A - 0 UHFD A - 8

<u>Fire Prevention Bureau</u>	<u>Current Period</u>	<u>Year to Date</u>
Total Completed Fire Inspections		762
Company Fire Inspections		38
Fire Prevention Fire Inspections		32
Fire Alarm Test Inspections		3
Kitchen Supression Test Inspections		4
Sprinkler Test Inspections		6
Other Inspections		679
Smoke Detectors Distributed	1	42

Crime Comparison:
January 1 - June 22, 2016 Compared to January 1 - June 22, 2017



**CITY OF CLEVELAND HEIGHTS
ARCHITECTURAL BOARD OF REVIEW
MINUTES OF THE MEETING
JUNE 6, 2017**

MEMBERS PRESENT: Melissa Fliegel Chair
 Michael Wellman
 ERIK Lund

STAFF PRESENT: Richard Wong Planning Director

CALL TO ORDER

Mr. Wong called the meeting to order at 7:00 p.m. at which time all members were present.

APPROVAL OF THE MINUTES OF THE MAY 16, 2017 PUBLIC HEARING

Members had no comments or questions so the minutes were approved as submitted and were signed by Ms. Fliegel.

**PUBLIC HEARING
JUNE 6, 2017**

ABR 2017-69 (continued from May 16, 2017): Meshullem and Devora Klugmann, 3797 Bendemeer Road, request to build 2-story additions on side and rear.

- Meshullem Klugmann and architect Harvey Ofer, 3435 Superior Park Drive, #11, 44118, requested a preliminary review. A 6' by 27' addition was proposed on the driveway side containing a first floor entry with a laundry and full bath on the second floor. An 18' by 37' addition was proposed in back containing a first floor office with a second floor master bedroom-bath and two more bedrooms.
- Mr. Lund said the first floor column looks spindly under the visual mass of the second floor.
- Ms. Fliegel questioned the roof shapes/ lack of alignment and the extremely long, low slope roof visible on the east elevation.
- Mr. Ofer said headroom for HVAC was a consideration. The long roof was at a 2 in 12 slope and it would be hardly visible.
- Mr. Wellman said the back addition's open area below the second floor did not look like a typical Cleveland Heights porch. Most porches are several steps above grade with a railing.
- Mr. Ofer said a later phase may enclose the patio but for now it would be open. The Klugmanns preferred the back porch to be at grade. He said this addition's design was typical of the neighborhood; additions often look added-on.
- Mr. Lund wanted the addition to work with the original architecture.
- Mr. Ofer in response to a comment by Ms. Fliegel said the two second floor east addition windows did not align because their floor levels differed.
- Mr. Wellman said the addition needed to be more cohesive with the existing home.

ACTION: Preliminary review only.

ABR 2017-70: Jerry Kramer, 3242 Clarendon Road, requests to build detached, 2 car garage.

- New Creation Builders' Diane Bija, 5309 Barkwill Avenue, 44127, said the roof will be gray to match the house's roof. 4" white vinyl siding and white trim were proposed. The overhead and side-hinged doors will be white, too, matching the look of the previous garage.

ACTION: Mr. Wellman moved to approve as submitted the garage shown on the plans by New Creation Builders, received May 9, 2017. Seconded by Ms. Fliegel, the motion was unanimously approved.

ABR 2017-71: CU-UH City School District, 2530 Canterbury Road, requests to build ground sign.

- Studio Techno Architects' Marco Ciccarilli, 12210 Euclid Avenue, 44106, described the proposed sign drawings which included photos of the site. The monument sign would be of brick matching the school's brick. The lettering would be simple, pin-mounted bronze metal. The piers would be slightly higher than the rest of the sign.

ACTION: Mr. Wellman moved to approve as submitted the sign as shown on the plans by Studio Techno Architects, received May 10, 2017. Seconded by Ms. Fliegel, the motion was unanimously approved.

ABR 2017-72: SMK Capital, 3239 Yorkshire Road, requests to build detached, 2-car garage.

- Heights Remodelling's Rick Riccardi, P.O. Box 554, Chesterland, 44026, described the garage and showed slides. The siding would be a brownish vinyl to match the home. The shingles would be brown to match the home's roof.

ACTION: Ms. Fliegel moved to approve as submitted the garage as shown on the plans by Heights Remodeling, received May 11, 2017. Seconded by Mr. Lund, the motion was unanimously approved.

ABR 2017-73: Eren Berber, 2229 Delaware Drive, requests to build detached, 2-car garage.

- Architect Joseph Hanna, 2378 Euclid Heights Boulevard, 44106, described the garage design while showing slides of the context. A three-car garage would include additional driveway pavement for the extra space.
- Ms. Fliegel suggested shifting the overhead doors so that they are at least 24" to either corner with 30" preferred.

ACTION: Ms. Fliegel moved to approve the garage as shown on the plans by Joseph Hanna, received June 6, 2017, subject to the condition that the overhead garage doors be at least 24" from the garage's corners. Seconded by Mr. Lund, the motion was unanimously approved.

ABR 2017-74: Toby & Ellen Hirshman, 1965 Mornington Lane, Unit 9, request window replacements not matching the existing windows.

- Blatchford Architects' Travis Logsdon, 12429 Cedar Road, 44106, described the proposed window change and skylights while showing slides of the building and drawings. A pair of casements were proposed as shown on the illustration. Five skylights in the living room and one skylight over the second floor stair were proposed as well. He was additionally requesting that ABR grant a general approval for other units that want the same skylights.
- Mr. Lund said that an ABR administrative review should be fine for future skylight proposals that were the same as this one's.

ACTION: Mr. Lund moved to approve as submitted the window replacement and new skylights as shown on the plans by Blatchford Architects, received May 16, 2017. Design of skylights matching this one on other Mornington Lane buildings may be approved through an ABR administrative approval. Seconded by Mr. Wellman, the motion was unanimously approved.

ABR 2017-75: June Kim, 3527 Fairmount Boulevard, requests to build attached garage and install replacement windows and vinyl siding.

- Mike Murar and June Kim presented the proposed addition and alteration while showing slides of the context. The existing three-car garage was already removed. They wanted to build a new attached garage. The roof of the addition would be sloped to avoid affecting the windows of the home's north wall.
- Ms. Fliegel said the drawings should have shown the rest of the home.
- Mr. Lund said the drawings do not show how the architecture of the garage ties into the architecture of the house. The west side of the house was needed.

ACTION: Ms. Fliegel moved to continue the request. Seconded by Mr. Lund, the motion was unanimously approved.

ABR 2017-76: Marc & Renuka Taube, 3245 Hyde Park Avenue, request to build detached, 2-car garage.

- Marc Taube and The Great Garage Company's John D'Amico, 8550 Wallings Road, 44133, described the proposed garage while showing slides of the context and drawings. The garage will be sided with vinyl lap siding that matches the home's color. Trim boards will match the home's white color. The roof will match the home's roof color and be a 6-in-12 pitch.

ACTION: Ms. Fliegel moved to approve as submitted the garage as shown on the plans by The Great Garage Company, received May 16, 2017. Seconded by Mr. Lund, the motion was unanimously approved.

ABR 2017-77: Lia Zingales, 2613 Queenston Road, requests to build rear deck.

- Lillian Zingales, the owner's daughter, described the proposed deck while showing slides of the property. She asked if the steps could be recessed so they did not protrude beyond the deck's perimeter.
- Mr. Fliegel said that recessing the steps would look good.

ACTION: Mr. Wellman moved to approve as submitted the deck as shown on the plans by Lillian Zingales, received May 16, 2017. Seconded by Ms. Fliegel, the motion was unanimously approved.

ABR 2017-78: The MetroHealth System, 10 Severance Circle, request to build emergency electrical system building, generator, oxygen tank, fuel tank, retaining walls and other site alterations.

- MetroHealth Local Government Relations Director James Haviland, 2500 MetroHealth Drive, 44109 and Makovich & Pustl Architects' Michael Molchan, 111 Front Street, 44107, described the proposal while showing slides of the site. An emergency electrical room building, a generator, a fenced oxygen tank and additional trees would be installed. The building's brick and aluminum coping would match the existing main building. The generator will be 26' x 10' x 14' high and the fuel tank will be 10' x 41" x 5' high.
- Mr. Lund asked about generator noise.
- Mr. Molchan said it measured about 70 decibels at 10' away and would need to be regularly tested but would run continuously only in an electrical outage.

ACTION: Mr. Lund moved to approve as submitted the proposed improvements as shown on the plans by Makovich & Pustl Architects, received May 16, 2017. Seconded by Mr. Wellman, the motion was unanimously approved.

ABR 2017-79: Ashley Oliver, 3567 Atherstone Road, requests to build fence in front (3' high), side (4' high) and rear yards (6' high).

- Ashley Oliver described the fence proposal while showing slides of the property.
- Mr. Lund suggested setting the first fence posts at least a foot or two from the sidewalk. He used the example of a bicyclist's handlebar catching the fence and later Ms. Fliegel mentioned the possibility of a snowblower hitting the fence.

ACTION: Ms. Fliegel moved to approve as submitted the fence as shown on the plans by Ashley Oliver, received May 16, 2017. Seconded by Mr. Wellman, the motion was unanimously approved.

ABR 2017-80: Alfred Cali, 2602 Queenston Road, requests to build rear deck with privacy wall.

- Alfred Cali described the deck and showed slides of the property. A two panel privacy screen and deck-platform would be stained to match the home's color.

ACTION: Mr. Wellman moved to approve as submitted the deck and privacy wall as shown on the plans by Alfred Cali, received May 17, 2017. Seconded by Mr. Lund, the motion was unanimously approved.

ABR 2017-81: JHI Bascom, 2617 South Taylor Road, request to install solar panels on home's roof.

- Third Sun Solar's David Zelasko, 762 West Union Street, Athens, 45701, described

the installation and said in response to a question from Ms. Fliegel that the panels would be about four inches above the roof.

ACTION: Mr. Lund moved to approve as submitted the solar panels as shown on the illustration by Third Sun Solar, received June 2, 2017. Seconded by Mr. Wellman, the motion was unanimously approved.

ABR 2017-82: Rome Busa, 3130 Corydon Road, requests to build detached, 2-car garage.

- Moxie Construction's Kevin Arko, 7179 South Meadow Drive, 44077, described the garage and showed slides of the context and drawings. A 20' by 20', two-car garage was proposed. 4" Certainteed vinyl lap siding would match the house's color.

ACTION: Ms. Fliegel moved to approve as submitted the garage as shown on the plans by Moxie Construction, received May 16, 2017. Seconded by Mr. Lund, the motion was unanimously approved.

ABR 2017-83: David A. Genszler, 932 Cambridge Road, requests to install replacement windows that do not match original style.

- David Genszler described the window proposal while showing slides of the context. Two second floor, double-hung sash in back will be replaced with Alside casement windows matching replacement windows that had been installed with the City's approval years ago.

ACTION: Ms. Fliegel moved to approve the casement replacement windows as shown on the drawings by Alside, received May 16, 2017. Seconded by Mr. Wellman, the motion was unanimously approved.

ABR 2017-84: Hibiscus Properties, Inc., 3415 Altamont Avenue, requests to install vinyl siding on house without matching lap siding's lap height dimension.

- Mike's Home Improvement's Mark Wagner, 38167 Airport Parkway, #4, 44194, described the proposed siding while showing slides of the home. The Alside Conquest double 4.5" vinyl lap siding would not match the existing 7" lap siding. The drawings showed that a red aluminum accents and parchment colored aluminum accents would preserve the home's paint scheme that was documented on the photos.
- Mr. Wagner agreed to all three members' suggestion that the corner trim boards be the contrasting accent color.

ACTION: Mr. Wellman moved to approve the siding as proposed on the drawings by Mike's Home Improvement, received May 16, 2017, with the condition that the corner boards be of a color that contrasts with the lap siding color. Seconded by Mr. Lund, the motion was unanimously approved.

ABR 2017-85: Raudel Napoles, 2855 North Park Boulevard, requests to install trellis over patio on east side of home.

- DG Construction's David Gerdes, 2509 Queenston Road, 44118, described the trellis while showing slides of the home. He said the trellis would be barely visible from North Park Boulevard. It was proposed to afford protection for two Chihuahuas that an owl had tried to take.

ACTION: Mr. Wellman moved to approve as submitted the trellis as shown on the plans by DG Construction, received May 22, 2017. Seconded by Mr. Lund, the motion was unanimously approved.

OLD BUSINESS

Mr. Wong said that the 1060 Roanoke window contractor had sent a revised drawing that was forwarded to the ABR after last month's meeting. Members agreed that the pair of double-hung windows was the right approach and agreed to the administrative ABR approval.

NEW BUSINESS

No new business was reported.

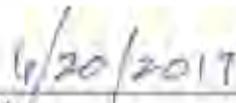
ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 8:50 p.m.

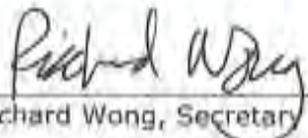
Respectfully Submitted,



Melissa Fliegel, Chair



date



Richard Wong, Secretary



date

Planning Commission
City of Cleveland Heights, Ohio

There will be a meeting of the Planning Commission of the City of Cleveland Heights at **7:00 p.m. on Wednesday, July 12, 2017**, in Council Chambers, located on the second floor of City Hall, 40 Severance Circle.

Richard Wong
Director of Planning

A G E N D A

1. Call to Order
2. Approval of Minutes for the June 14, 2017 meeting.
3. **Project No. 17-16: T-Mobile, 2360 Noble**, MF-2 multi-fam, requests Conditional Use permit to find cell antennas similar to satellite dish receiving antenna and install 9 roof-mounted antennas, RRUs and support equipment per Code chapters 1111, 1115, 1123, 1151 and 1153.

Project No. 17-17: M. Vincent, dba Lullaby Child Care, 2841 Noble, C2 Local Retail, requests Conditional Use permit for 35-child day care per Code chapters 1111, 1115, 1131, 1151, 1153 and 1161.
4. **Project No. 17-18: D & T James, dba Community Connections Academy, 2490 Lee Blvd.**, C1 Office, requests Conditional Use permit for nursing assistant training school per Code chapters 1111, 1115, 1131, 1151, 1153 and 1161.
5. Old Business
6. New Business
7. Adjournment

/kc

Proposed: 7/3/2017

RESOLUTION NO. (PD)

By Council Member

A Resolution authorizing the City Manager to enter into an agreement with the Home Repair Resource Center, a non-profit corporation, for the use of HOME Funds to administer its down payment assistance loan program; providing compensation therefor; and declaring an emergency.

WHEREAS, the City previously entered into an agreement with the Home Repair Resource Center (“HRRC”) to administer a down payment assistance loan program wherein Cleveland Heights residents who met certain criteria would receive up to a ten thousand dollar (\$10,000) loan consisting of HOME funds issued by U.S. Department of Housing and Urban Development (“HUD”) via Cuyahoga County; and

WHEREAS, this Council has determined that it would be in the City’s best interest to continue the down payment assistance program for its citizens with HRRC’s administration and under the City’s oversight.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cleveland Heights, Ohio, that:

SECTION 1. The City Manager be, and she is hereby, authorized to enter into an agreement with the Home Repair Resource Center (“HRRC”) to administer the City’s Down Payment Assistance Program with City oversight. The program shall provide up to one hundred fifty-four thousand seventy-eight dollars (\$154,078) of HOME funds issued by U.S. Department of Housing and Urban Development (“HUD”) via Cuyahoga County.

SECTION 2. The services to be performed by HRRC shall be as set forth in the Statement of Work attached hereto as Exhibit A and incorporated herein. The term of the agreement shall be from June 1, 2017 until October 31, 2018. All documents shall be in a form approved by the Director of Law.

RESOLUTION NO. (PD)

SECTION 3. Notice of the passage of this Resolution shall be given by publishing the title and abstract of contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

SECTION 4. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to allow the City's Down Payment Assistance Program to continue without interruption. Wherefore, provided it receives the affirmative vote of five (5) or more of the members elected or appointed to this Council, this Resolution shall take effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

CHERYL L. STEPHENS, Mayor
President of Council

LAURIE SABIN
Clerk of Council

PASSED:

RESOLUTION NO. (PD)

EXHIBIT A
STATEMENT OF WORK

HOME REPAIR RESOURCE CENTER

Home Repair Resource Center (“HRRC”), formerly known as FHC Housing Corporation, is a non-profit organization chartered in 1971 located at 2520 Noble Road, Cleveland Heights, Ohio. Its mission is to strengthen and promote the housing stock of Cleveland Heights through education, financial assistance, counseling and community involvement, in order to support the economic, social, and racial diversity of the community. HRRC’s programs recognize the special needs of low and moderate-income homeowners and provide incentives to encourage and facilitate their participation.

HRRC will provide down payment assistance loans to Cleveland Heights homebuyers whose annual income does not exceed 80% of the Area Median Income adjusted for family size, as issued from year to year by the U.S. Department of Housing and Urban Development (“HUD”). Loans may be issued up to \$10,000 for single family units. (A single family unit means a one- to four-family residence.) The loan is a deferred zero (0%) interest second mortgage. The loan will be repaid immediately at the time of resale, transfer, or if the property becomes absentee-owned. All program income (re-paid loans) will be returned to the City of Cleveland Heights HOME program.

In addition to direct loans to eligible homebuyers, HRRC will invoice the City for housing counseling services and personnel costs associated with the administration of the down payment assistance program. Reimbursement for Housing Counseling Services shall be \$500 per completed loan assistance and for down payment assistance; program administration shall be up to \$500 per completed loan. The total funds issued to HRRC shall not exceed \$154,078. The term shall be from July 1, 2017 until October 31, 2018.

All HOME regulations shall be followed. HRRC shall report to the City of Cleveland Heights Planning and Development Department in the manner requested by its Director.

Proposed:

RESOLUTION NO. *First Reading*

By Council Member

A Resolution approving the adoption of the 2018 Tax Budget; and declaring an emergency.

WHEREAS, the City Manager has previously prepared and submitted to the Council a proposed 2018 Tax Budget for Council's review and evaluation; and

WHEREAS, the members of the Council have subsequently met with the City Manager and her staff for the purpose of review, evaluation and their recommendations on the proposed Budget; and

WHEREAS, a copy of the proposed 2018 Tax Budget is available for inspection by the general public at the office of the Director of Finance at the City Hall; and

WHEREAS, a notice of public hearing (which will be held July 17, 2018 at 7:00 p.m) will be given at least ten (10) days prior to the public hearing on said 2018 Tax Budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cleveland Heights, Ohio, that:

SECTION 1. This Council hereby approves the adoption of the 2018 Tax Budget as is on file in the office of the Director of Finance, Clerk of Council.

SECTION 2. The Clerk of Council is hereby directed to make a copy of the approved 2018 Tax Budget a matter of record.

SECTION 3. The Director of Finance is hereby directed to file two (2) copies of the approved 2015 Tax Budget with the Cuyahoga County Budget Commission.

SECTION 4. Notice of the passage of this Resolution shall be given by publishing the title and abstract of its contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

SECTION 5. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being to permit its timely filing with the Budget Commission within the period permitted by law. Wherefore, provided it receives the affirmative vote of five or more of the members elected or appointed to this Council, this Resolution shall take effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

RESOLUTION NO. *First Reading*

CHERYL L. STEPHENS, Mayor
President of the Council

LAURIE SABIN
Clerk of Council

PASSED:

Proposed: 7/3/2017

RESOLUTION NO. (CRR)

By Council Member

A Resolution proclaiming July 2017, *National Parks and Recreation Month*, in the City of Cleveland Heights; and declaring an emergency.

WHEREAS parks and recreation programs are an integral part of communities throughout this country, including the City of Cleveland Heights; and

WHEREAS our parks and recreation are vitally important to establishing and maintaining the quality of life in our communities, ensuring the health of all citizens, and contributing to the economic and environmental well-being of a community and region; and

WHEREAS parks and recreation programs build healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreation services for those who are mentally or physically disabled, and also improve the mental and emotional health of all citizens; and

WHEREAS parks and recreation programs increase a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

WHEREAS parks and recreation areas are fundamental to the environmental well-being of our community; and

WHEREAS parks and natural recreation areas improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, and produce habitat for wildlife; and

WHEREAS our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and

WHEREAS the U.S. House of Representatives has designated July as *Parks and Recreation Month*; and

WHEREAS, the City of Cleveland Heights is honored to take part in the annual observance of *National Parks and Recreation Month* to distinguish Cleveland Heights as an attractive and desirable community to live, work, play, and visit.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cleveland Heights, Ohio, that:

RESOLUTION NO. (CRR)

SECTION 1. This Council hereby proclaims July 2017, *National Parks and Recreation Month*, in the City of Cleveland Heights and encourages residents to take advantage of the many opportunities to participate in parks and recreation programs and enjoy the amenities available through the City of Cleveland Heights' parks, Cumberland Outdoor Pool, and the Cleveland Heights Community Center.

SECTION 2. Notice of the passage of this Resolution shall be given by publishing the title and abstract of its contents, prepared by the Director of Law, once in one newspaper of general circulation in the City of Cleveland Heights.

SECTION 3. This Resolution is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to recognize *National Parks and Recreation Month* on a timely basis. Wherefore, provided it receives the affirmative vote of five (5) or more members elected or appointed to this Council, this Resolution shall take effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

CHERYL L. STEPHENS, Mayor
President of the Council

LAURIE SABIN
Clerk of Council

PASSED:

Proposed: 7/3/2017

ORDINANCE NO. (F)

By Council Member

An Ordinance providing for the issuance and sale of \$1,285,000 of notes, in anticipation of the issuance of bonds, for the purpose of (i) reconstructing, resurfacing and otherwise improving City streets; (ii) rebuilding Monticello Boulevard and Taylor Road, including engineering and planning costs with respect thereto; (iii) acquiring motorized equipment and appurtenances thereto; and (iv) acquiring computer hardware and related equipment, and declaring an emergency.

WHEREAS, pursuant to Ordinance Nos. 71-2010 and 72-2010, each passed on June 21, 2010, and Ordinance No. 84-2010, passed on July 6, 2010, there were issued \$1,635,000 of notes in anticipation of bonds for the purposes stated in clauses (i), (ii) and (iii) of Section 1, as part of a consolidated issue of \$1,850,000 Various Purpose General Obligation Bond Anticipation Notes, Series 2010, which notes were retired at maturity, together with other funds available to the City, with \$1,353,000 of notes issued in anticipation of bonds pursuant to Ordinance No. 88-2011, passed on July 18, 2011, as part of a consolidated issue of \$1,703,000 Various Purpose General Obligation Bond Anticipation Notes, Series 2011 (the 2011 Notes); and

WHEREAS, pursuant to Ordinance No. 89-2011, passed on July 18, 2011, there were issued \$350,000 of notes in anticipation of bonds for the purpose stated in clause (iii) of Section 1, as part of the consolidated issue of the 2011 Notes; and

WHEREAS, the 2011 Notes were retired at maturity, together with other funds available to the City, with the proceeds of \$1,351,000 of notes (the 2012 Refunding Notes) issued in anticipation of bonds pursuant to Ordinance No. 90-2012, passed on July 2, 2012, as part of a consolidated issue of \$2,126,000 Various Purpose Notes, Series 2012; and

WHEREAS, pursuant to Ordinance Nos. 88-2012 and 89-2012, each passed on July 2, 2012, there were issued \$775,000 of notes (the 2012 New Money Notes, and, together with the 2012 Refunding Notes, the 2012 Notes) in anticipation of bonds for the purposes stated in clauses (iii) and (iv) of Section 1, as part of the consolidated issue of the 2012 Notes; and

WHEREAS, the 2012 Notes were retired at maturity, together with other funds available to the City, with the proceeds of \$1,488,000 of notes (the 2013 Refunding Notes) issued in anticipation of bonds pursuant to Ordinance No. 120-2013, passed on July 15, 2013, as part of a consolidated issue of \$2,378,000 Various Purpose Notes, Series 2013; and

WHEREAS, pursuant to Ordinance Nos. 117-2013, 118-2013 and 119-2013, each passed on July 15, 2013, there were issued \$890,000 of notes (the 2013 New Money Notes, and, together with the 2013 Refunding Notes, the 2013 Notes) in anticipation of bonds for the purposes stated in clauses (iii), (iv) and (v) of Section 1, as part of the consolidated issue of \$2,378,000 Various

ORDINANCE NO. (F)

Purpose Notes, Series 2013, which 2013 Notes were retired at maturity, together with other funds available to the City, with the proceeds of \$2,151,000 Various Purpose Notes, Series 2014 (the 2014 Notes), issued in anticipation of bonds pursuant to Ordinance No. 89-2014, passed on July 7, 2014, which 2014 Notes were retired at maturity, together with other funds available to the City, with the proceeds of \$1,925,000 Various Purpose Notes, Series 2015, issued in anticipation of bonds pursuant to Ordinance No. 88-2015, passed on July 6, 2015, which 2015 Notes were retired at maturity, together with other funds available to the City, with the proceeds of \$1,700,000 Various Purpose Notes, Series 2016 (the Outstanding Notes), issued in anticipation of bonds pursuant to Ordinance No. 57-2016, passed on July 5, 2016, which Outstanding Notes mature on July 26, 2017; and

WHEREAS, this Council finds and determines that the City should retire the Outstanding Notes with the proceeds of the Notes described in Section 3 and other funds available to the City; and

WHEREAS, the Director of Finance, as fiscal officer of the City, has certified to this Council that the estimated life or period of usefulness of the improvements described in Section 1 is at least five years, the estimated maximum maturity of the Bonds described in clause (i) of Section 1 is 12 years, in clause (ii) of Section 1 is 17 years, in clause (iii) of Section 1 (\$112,000 of the Notes) is two years, in clause (iii) of Section 1 (\$105,000 of the Notes) is three years, in clauses (iii) (\$295,000 of the Notes) and (iv) (\$51,000 of the Notes) of Section 1 is four years and in clauses (iii) (\$417,000 of the Notes) and (iv) (\$8,000 of the Notes) of Section 1 is five years, and the maximum maturity of the Notes described in Section 3, to be issued in anticipation of the Bonds described in clauses (i) and (ii) of Section 1 is August 4, 2030, in anticipation of \$112,000 of the Bonds described in clause (iii) of Section 1 is August 4, 2020, in anticipation of \$105,000 of the Bonds described in clause (iii) of Section 1 is August 3, 2021, in anticipation of \$295,000 of the Bonds described in clause (iii) of Section 1 and \$51,000 of the Bonds described in clause (iv) of Section 1 is August 1, 2022, and in anticipation of \$417,000 of the Bonds described in clause (iii) of Section 1 and \$8,000 of the Bonds described in clause (iv) of Section 1 is July 31, 2023;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Cleveland Heights, County of Cuyahoga, Ohio, that:

SECTION 1. Authorized Principal Amount of Anticipated Bonds; Purpose. It is necessary to issue bonds of the City in the aggregate principal amount of \$1,285,000 (the Bonds) for the purpose of (i) reconstructing, resurfacing and otherwise improving City streets, together with necessary appurtenances thereto (\$116,000), (ii) rebuilding Monticello Boulevard and Taylor Road, including engineering and planning costs with respect thereto (\$181,000), (iii) acquiring motorized equipment and appurtenances thereto (\$929,000) and (iv) acquiring computer hardware and related equipment (\$59,000).

SECTION 2. Estimated Bond Terms. The Bonds shall be dated approximately July 1, 2018, shall bear interest at the now estimated rate of 5% per year, payable semiannually until the principal amount is paid, and are estimated to mature in six annual principal installments on December 1 of each year that are in such amounts that the total principal and interest payments on the Bonds in any fiscal year in which principal is payable is substantially equal. The first interest

ORDINANCE NO. (F)

payment on the Bonds is estimated to be December 1, 2018, and the first principal payment of the Bonds is estimated to be December 1, 2019.

SECTION 3. Authorized Principal Amount of Notes; Dating; Interest Rate. It is necessary to issue and this Council determines that notes in the aggregate principal amount of \$1,285,000 (the Notes) shall be issued in anticipation of the issuance of the Bonds and to retire, together with other funds available to the City, the Outstanding Notes. The Notes shall be dated the date of issuance and shall mature one year from the date of issuance; provided that the Director of Finance may, if it is determined to be necessary or advisable to the sale of the Notes, establish a maturity date that is any date not later than one year from the date of issuance by setting forth that maturity date in the certificate signed in accordance with Section 6 (the Final Terms Certificate). The Notes shall bear interest at a rate not to exceed 4% per year (computed on the basis of a 360-day year consisting of 12 30-day months), payable at maturity and until the principal amount is paid or payment is provided for. The rate of interest on the Notes shall be determined by the Director of Finance in the Final Terms Certificate.

SECTION 4. Payment of Debt Charges; Paying Agent. The debt charges on the Notes shall be payable in Federal Reserve funds of the United States of America and shall be payable, without deduction for services of the City's paying agent, at the designated corporate trust office of U.S. Bank National Association, or at the designated corporate trust office or other office of a bank or trust company designated by the Director of Finance in the Final Terms Certificate after determining that the payment at that bank or trust company will not endanger the funds or securities of the City and that proper procedures and safeguards are available for that purpose, or at the office of the Director of Finance if agreed to by the Director of Finance and the Original Purchaser (as defined in Section 6) (the Paying Agent).

SECTION 5. Execution of Notes; Book Entry System. The Notes shall be signed by the City Manager and the Director of Finance, in the name of the City and in their official capacities, provided that one of those signatures may be a facsimile. The Notes shall be issued in the denominations and numbers as requested by the Original Purchaser and approved by the Director of Finance, provided that no Note shall be issued in a denomination less than \$100,000. The entire principal amount may be represented by a single note and may be issued as fully registered securities (for which the Director of Finance will serve as note registrar) and in book entry or other uncertificated form in accordance with Section 9.96 and Chapter 133 of the Revised Code if it is determined by the Director of Finance that issuance of fully registered securities in that form will facilitate the sale and delivery of the Notes. The Notes shall not have coupons attached, shall be numbered as determined by the Director of Finance and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to this Ordinance.

As used in this section and this Ordinance:

“Book entry form” or “book entry system” means a form or system under which (i) the ownership of beneficial interests in the Notes and the principal of, and interest on, the Notes may be transferred only through a book entry, and (ii) a single physical Note certificate is issued by the City and payable only to a Depository or its nominee, with such Notes “immobilized” in the custody of

ORDINANCE NO. (F)

the Depository or its agent for that purpose. The book entry maintained by others than the City is the record that identifies the owners of beneficial interests in the Notes and that principal and interest.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of beneficial interests in the Notes or the principal of, and interest on, the Notes and to effect transfers of the Notes, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Participant” means any participant contracting with a Depository under a book entry system and includes security brokers and dealers, banks and trust companies, and clearing corporations.

The Notes may be issued to a Depository for use in a book entry system and, if and as long as a book entry system is utilized, (i) the Notes may be issued in the form of a single Note made payable to the Depository or its nominee and immobilized in the custody of the Depository or its agent for that purpose; (ii) the beneficial owners in book entry form shall have no right to receive the Notes in the form of physical securities or certificates; (iii) ownership of beneficial interests in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of beneficial interests shall be made only by book entry by the Depository and its Participants; and (iv) the Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the City.

If any Depository determines not to continue to act as a Depository for the Notes for use in a book entry system, the Director of Finance may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Director of Finance does not or is unable to do so, the Director of Finance, after making provision for notification of the beneficial owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Notes from the Depository, and shall cause the Notes in bearer or payable to order form to be signed by the officers authorized to sign the Notes and delivered to the assigns of the Depository or its nominee, all at the cost and expense (including any costs of printing), if the event is not the result of City action or inaction, of those persons requesting such issuance.

The Director of Finance is also hereby authorized and directed, to the extent necessary or required, to enter into any agreements determined necessary in connection with the book entry system for the Notes, after determining that the signing thereof will not endanger the funds or securities of the City.

SECTION 6. Sale of the Notes.

(a) To the Original Purchaser. The Notes shall be sold at not less than par plus accrued interest to Robert W. Baird & Co. Incorporated (the Original Purchaser) in accordance with law and the provisions of this Ordinance and the Note Purchase Agreement (as defined below). The Director

ORDINANCE NO. (F)

of Finance shall sign the Final Terms Certificate evidencing that sale to the Original Purchaser, cause the Notes to be prepared, and have the Notes signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Notes if requested by the Original Purchaser, to the Original Purchaser upon payment of the purchase price. The City Manager, the Director of Finance, the Director of Law, the Clerk of Council and other City officials, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Ordinance. The Director of Finance is authorized, if it is determined to be in the best interest of the City, to combine the issue of Notes with one or more other note issues of the City into a consolidated note issue pursuant to Section 133.30(B) of the Revised Code.

(b) Note Purchase Agreement. The City Manager and the Director of Finance shall sign and deliver, in the name and on behalf of the City, the Note Purchase Agreement between the City and the Original Purchaser (the Note Purchase Agreement), in substantially the form as is now on file with the Clerk of Council, providing for the sale to, and the purchase by, the Original Purchaser of the Notes. The Note Purchase Agreement is approved, together with any changes or amendments that are not inconsistent with this Ordinance and not substantially adverse to the City and that are approved by the Director of Finance on behalf of the City, all of which shall be conclusively evidenced by the signing of the Note Purchase Agreement or amendments thereto.

(c) Application for Rating; Financing Costs. The Director of Finance is authorized to request a rating for the Notes from one or more nationally-recognized rating agencies in connection with the sale and issuance of the Notes. The expenditure of the amounts necessary to secure those rating(s) and to pay the other financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Notes is authorized and approved, and the Director of Finance is authorized to provide for the payment of any such amounts and costs from the proceeds of the Notes to the extent available and otherwise from any other funds lawfully available that are appropriated or shall be appropriated for that purpose.

(d) Ohio Market Access Program. If the Director of Finance determines in the Final Terms Certificate for it to be in the best interest of and financially advantageous to the City, the City shall participate in the Treasurer of State's Ohio Market Access Program.

The Standby Note Purchase Agreement (Standby Note Purchase Agreement) and Paying Agent Agreement (Paying Agent Agreement) are hereby authorized in the forms presented to this Council with such changes not materially adverse to the City as may be approved by the officers of the City executing the Standby Note Purchase Agreement and Paying Agent Agreement. The City acknowledges the agreement of the Treasurer of State in the Standby Note Purchase Agreement that, in the event the City is unable to repay the principal amount and accrued and unpaid interest of the Notes at their maturity, whether through its own funds or through the issuance of other obligations of the City, the Treasurer of State agrees (A) to purchase the Notes from the holders or beneficial owners thereof upon their presentation to the Treasurer of State for such purchase at a price of par plus accrued interest to maturity or (B) to

ORDINANCE NO. (F)

purchase renewal notes of the City in a principal amount not greater than the principal amount of the Notes plus interest due at maturity, with such renewal notes bearing interest at the Renewal Note Rate (as defined in the Standby Note Purchase Agreement), maturing not more than one year after the date of their issuance, and being prepayable at any time with 30 days' notice, provided that in connection with the Treasurer of State's purchase of such renewal notes the City shall deliver to the Treasurer of State an unqualified opinion of nationally recognized bond counsel that (i) such renewal notes are the legal, valid and binding general obligations of the City, and the principal of and interest on such renewal notes, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes, within the ten-mill limitation imposed by law, on all property subject to ad valorem taxes levied by the City and (ii) interest on the renewal notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code, as amended, to the same extent that interest on the Notes is so excluded.

The officers signing the Notes are authorized to take all actions that may in their judgment reasonably be necessary to provide for the Standby Note Purchase Agreement, including but not limited to the inclusion of a notation on the form of the Notes providing notice to the holders or beneficial owners of the existence of the Standby Note Purchase Agreement and providing instructions to such holders or beneficial owners regarding the presentation of the Note for purchase by the Treasurer of State at stated maturity.

SECTION 7. Application of Note Proceeds. The proceeds from the sale of the Notes, except any premium and accrued interest, shall be paid into the proper fund or funds and those proceeds are appropriated and shall be used for the purpose for which the Notes are being issued. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund.

SECTION 8. Application and Pledge of Bond or Renewal Note Proceeds or Excess Funds. The par value to be received from the sale of the Bonds or of any renewal notes and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used to pay the debt charges on the Notes at maturity and are pledged for that purpose.

SECTION 9. Provisions for Tax Levy. During the year or years in which the Notes are outstanding, there shall be levied on all the taxable property in the City, in addition to all other taxes, the same tax that would have been levied if the Bonds had been issued without the prior issuance of the Notes. The tax shall be within the ten-mill limitation imposed by law, shall be and is ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of those years are certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Notes or the Bonds when and as the same fall due. In each year, to the extent other money is lawfully available for the payment of debt charges on the Notes and Bonds and is appropriated for that purpose, the amount of the tax shall be reduced by the amount of money so available and appropriated.

ORDINANCE NO. (F)

SECTION 10. Federal Tax Considerations. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Notes in such manner and to such extent as may be necessary so that (a) the Notes will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the Code) or (ii) be treated other than as bonds to which Section 103 of the Code applies, and (b) the interest on the Notes will not be an item of tax preference under Section 57 of the Code.

The City further covenants that (a) it will take or cause to be taken such actions that may be required of it for the interest on the Notes to be and remain excluded from gross income for federal income tax purposes, (b) it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Notes to the governmental purpose of the borrowing, (ii) restrict the yield on investment property, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports and (v) refrain from certain uses of those proceeds, and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Director of Finance or any other officer of the City having responsibility for issuance of the Notes is hereby authorized (a) to make or effect any election, selection, designation (including specifically designation or treatment of the Notes as “qualified tax-exempt obligations” if such designation is applicable and desirable, and to make any related necessary representations and covenants), choice, consent, approval, or waiver on behalf of the City with respect to the Notes as the City is permitted to or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes, and (c) to give one or more appropriate certificates of the City, for inclusion in the transcript of proceedings for the Notes, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Notes, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Notes.

Each covenant made in this section with respect to the Notes is also made with respect to all issues any portion of the debt service on which is paid from proceeds of the Notes (and, if different, the original issue and any refunding issues in a series of refundings), to the extent such compliance is necessary to assure exclusion of interest on the Notes from gross income for federal income tax purposes, and the officers identified above are authorized to take actions with respect to those issues as they are authorized in this section to take with respect to the Notes.

ORDINANCE NO. (F)

SECTION 11. Certification and Delivery of Ordinance. The Clerk of Council is directed to deliver or cause to be delivered a certified copy of this Ordinance to the Cuyahoga County Fiscal Officer.

SECTION 12. Satisfaction of Conditions for Note Issuance. This Council determines that all acts and conditions necessary to be done or performed by the City or to have been met precedent to and in the issuing of the Notes in order to make them legal, valid and binding general obligations of the City have been performed and have been met, or will at the time of delivery of the Notes have been performed and have been met, in regular and due form as required by law; that the full faith and credit and general property taxing power (as described in Section 9) of the City are pledged for the timely payment of the debt charges on the Notes; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Notes.

SECTION 13. Retention of Bond Counsel. The legal services of Squire Patton Boggs (US) LLP, as bond counsel, be and are hereby retained. The legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the issuance and sale of the Notes and the rendering of the necessary legal opinion upon the delivery of the Notes. In rendering those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of the City in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, the City or any other political subdivision, or the execution of public trusts. That firm shall be paid just and reasonable compensation for those legal services and shall be reimbursed for the actual out-of-pocket expenses it incurs in rendering those legal services. The Director of Finance is authorized and directed to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

SECTION 14. Compliance with Open Meeting Requirements. This Council finds and determines that all formal actions of this Council and any of its committees concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council or its committees, and that all deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, all in compliance with the law.

SECTION 15. Captions and Headings. The captions and headings in this Ordinance are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a Section means a section of this Ordinance unless otherwise indicated.

SECTION 16. Declaration of Emergency; Effective Date. This Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety of the City, and for the further reason that this Ordinance is required to be immediately effective in order to enable the City to sell the Notes at the earliest possible date, which is necessary to enable the City to timely retire the Outstanding Notes and thereby preserve its credit; wherefore,

ORDINANCE NO. (F)

this Ordinance shall be in full force and effect immediately upon its passage, provided it receives the affirmative vote of five members of Council elected thereto; otherwise, it shall be in full force and effect from and after the earliest period allowed by law.

CHERYL L. STEPHENS, Mayor
President of the Council

LAURIE SABIN
Clerk of Council

PASSED: