

Program Budget

Actual Projected

	FY 2014	FY 2015	FY 2016
Expenses	Total Program Expenses	Total Program Expenses	Total Program Expenses
Salary and Benefits	3,218,000	3,055,500	2,983,000
Contract Services	280,000	280,000	280,000
Occupancy (rent, utilities, maintenance)	250,000	237,325	224,650
Training & Professional Development	16,000	16,000	16,000
Insurance	27,500	28,000	28,500
Travel	1,000	1,000	1,000
Capital & Equipment Expenses	125,000	125,000	125,000
Supplies, Printing, Copying & Postage	73,000	73,000	73,000
Evaluation			
Marketing	20,000	20,000	20,000
Conferences, meetings, etc.	9,000	9,000	9,000
Administration			
*Other - Library Materials	540,000	545,000	550,000
*Other - Miscellaneous	2,000	2,000	2,000
*Other - Transfers	200,000	200,000	200,000
TOTAL EXPENSES	4,671,500	4,591,825	4,512,150
	Revenues	Revenues	Revenues
Contributions, Gifts, Grants & Earned Revenue			
Local Government: Operating levy	2,680,000	2,682,000	2,682,000
Local Government:			
Local Government:			
State Government	1,812,000	1,871,000	1,900,000
Federal Government			
*Other - Rent from cell tower and meeting rooms	77,000	78,000	79,000
*Other - Rent from partnership with Shaker Schools	100,000	150,000	200,000
*Other -			
Membership Income			
Program Service Fees	150,000	152,000	153,000
Investment Income	2,650	2,700	2,800
TOTAL REVENUES	4,821,650	4,935,700	5,016,800

Additional Page 15 outlines the 3-year forecast program expenses not included in the original application

Question #1

The application is looking at some consolidation. However, the application is based on the Program Policies which uses the approach of Efficiency and Shared Services.

As to efficiency, the study will look at combining two library branches into one, and study the possibility of consolidating the two-floor operation at the main library into a one-floor operation. Shared Service delivery will also be explored by sharing computer center and training lab facilities with the Shaker Heights City Schools, an additional partner that has become interested in the project in order to share a variety of spaces.

The Shaker Schools hired a new superintendent in [July 2013](#), and he has proposed a Family Learning Center for the second floor of the main library. The Personalized Learning for All Center will provide an innovative learning environment for students, staff, and the community. Shared services, such as a computer center, training lab, and classroom space will be established. The schools have applied for a "Straight A" grant to establish the learning center in 13,000 square feet on the second floor of the main library. The learning center will initially accommodate up to 90 students who are currently enrolled in alternative learning at the North Coast Academy or other charter school operations. It will also house a teacher-training program with John Carroll University, and a high school AP program, computer classes, GED classes, continuing education, or other enrichment programs for the community.

The facility and feasibility study will evaluate: consolidating library operations from two branches to one; consolidating library operations from two floors to one; sharing services between the library and schools for school classes, adult learning, computer center, and other community programs. Therefore, the study will demonstrate both efficiency and shared services.

A partnership with the Shaker Schools was established after we submitted our LGIF grant application.

Question #3

Attached, please find an additional page 15 to outline the 3-year forecast program expenses not included in the original application. The return on investment was altered based on the revised programs forecasts, which, in turn altered the magnitude factor.

Expected Return on investment

$\$998,675 / \$13,775,475 \times 100 = 7.249\%$ (Less than 25%)

Magnitude of project

.07249 x 998,675 / 1000 = 72 (Project has a Magnitude factor of 50 or above) YES
Our magnitude factor is now lower because we were not able to count the initial savings from staff reduction planned for 2014 as some of it occurs in preparation for the project.

Question #4:

Budget projections were based upon the following assumptions:

- Our program budget is based on the General Operating Budget for the Library as our project relates to library operations.
- Traditional sources of income will increase slightly over the next three years and the Public Library Fund from the State of Ohio can only increase slowly until the economy of the state shows growth.
- Expenses must decrease to keep the library in the black as \$200,000 from real estate taxes was lost due to a decrease in property values, and expenses have increased by \$100,000.
- Efficiencies in staffing must be found because it is the area of greatest expense for the library and the only area in which cuts can be made that are significant enough to bring the budget under control. The first reductions will be implemented 12-29-13 and will result in a savings of \$300,000.
- Other expenses are assumed to remain stable with judicious and careful monitoring of the budget.
- Further reductions must be made to allow the library to provide services at the current level.
- Once the study is completed, changes to the facility will take until mid 2015 to complete.

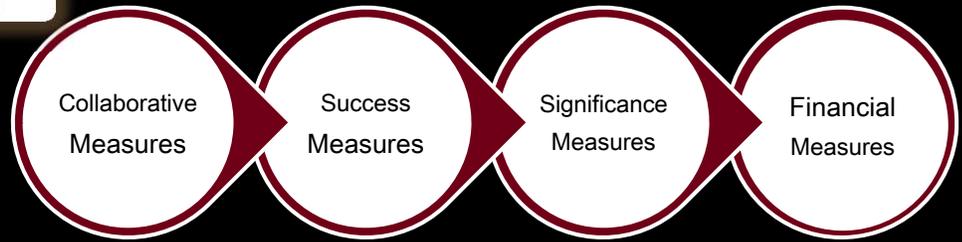
Based on information from our Maintenance Services Supervisor, the Library will experience a 15% reduction in utility costs from renovations in HVAC, insulation, windows and lighting. These renovations will allow for increased efficiency and lower costs. Additionally, with improved sight lines resulting from building renovations, one adult and one young adult librarian will no longer be needed, and maintenance staff can be reduced by one. This represents a savings of \$145,000 a year.

Our income is based on a partnership with the Shaker Heights City Schools which seeks to rent the Library's second floor to create a Personalized Learning for All Center. The Center is designed to provide an innovative learning environment for students, staff, and the community. Shared services, such as a computer center, training lab, and classroom space will be established.

- Income from the partnership with the schools will begin in 2014 as the school starts to occupy the Library's second floor. We anticipate increased school occupancy and use in 2015 and 2016. Projected figures begin with \$100,000 in rental income for the space the schools will use. This will increase by \$50,000 for the following two years as they phase in their Learning Center and share our Library space.



Ohio
Local Government
 Innovation Fund



Round 7: Application Form

Step One: Fill out this Application Form in its entirety.

Step Two: Fill out the online submission form and submit your application materials. All supplemental application materials should be combined into one file for submission.

LGIF: Applicant Profile

Lead Agency	
Project Name	
Type of Request	
Request Amount	
JobsOhio Region	
Political Subdivision Type <small>Choose one that best describes your organization</small>	
Project Type	
Project Approach	



**Development
 Services Agency**

Website: http://development.ohio.gov/cs/cs_localgovfund.htm

E-mail: LGIF@development.ohio.gov

Phone: 614 | 995 2292

Lead Applicant		Round 7	
Project Name		Type of Request	

Instructions

- Make sure to answer each question appropriately in the space provided, not exceeding the space allowed by the answer box.
- Examples of completed applications are available on the LGIF website, found here:
http://development.ohio.gov/cs/cs_localgovfund.htm

Lead Agency			
Mailing Address:	Name:		
	Street Address:		
	City:		
	Zip:		
In what county is the lead agency located?			
<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Ohio House District:</td> <td style="width: 50%;">Ohio Senate District:</td> </tr> </table>		Ohio House District:	Ohio Senate District:
Ohio House District:	Ohio Senate District:		

Section 1
Contacts

Project Contact		
Please provide information about the individual who should be contacted regarding this application.		
Mailing Address:	Name:	Title:
	Street Address:	
	City:	
	Zip:	
Email Address:	Phone Number:	

Fiscal Agency:		
Please provide information for the entity and individual serving as the fiscal agent for the project.		
Mailing Address:	Fiscal Agency:	
	Fiscal Officer:	Title:
	Street Address:	
	City:	
	Zip:	
Email Address:	Phone Number:	

Population		
Does the applicant (or collaborative partner) represent a city, township or village with a population of less than 20,000 residents?	Yes	No
	List Entity	
Does the applicant (or collaborative partner) represent a county with a population of fewer than 235,000 residents?	Yes	No
	List Entity	

Single Applicant		
Is your organization applying as a single entity?	Yes	No

Lead Applicant		Round 7	
Project Name		Type of Request	

Collaborative Partners

Does the proposal include collaborative partners?	Yes	No
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Applicants applying with collaborative partners are required to show proof of the partnership with a signed partnership agreement and a resolution of support from each of the partner's governing entities. If the collaborative partner does not have a governing entity, a letter of support from the partnering organization is sufficient. These documents must be received by the end of the cure period in order for each entity to count as a collaborative partner for the purposes of this application.

Nature of the Partnership

As agreed upon in the signed partnership agreement, please identify the nature of the partnership with an explanation of how the lead agency and collaborative partners will work together on the proposed project.

Section 2
Collaborative Partners

Lead Applicant		Round 7	
		Type of Request	

List of Partners

Please use the following space to list each collaborative partner who is participating in the project and is providing BOTH a resolution of support for the Local Government Innovation Fund application and has signed the partnership agreement.

Collaborative Partner # 1	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 2	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 3	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 4	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 5	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 6	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Section 2 Collaborative Partners

Lead Applicant		Round 7	
Project Name		Type of Request	

Collaborative Partner # 7	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 8	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 9	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 10	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 11	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 12	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 13	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Section 2 Collaborative Partners

Lead Applicant		Round 7	
Project Name		Type of Request	

Project Information

Provide a general description of the project, including a description of the final work product derived from the grant study or loan implementation project. This information may be used for council briefings, program and marketing materials.

Section 3

Project Information

Lead Applicant		Round 7	
Project Name		Type of Request	

Project Information		
Has this project been submitted for consideration in previous LGIF rounds?	Yes	No
If yes, in which round(s)?		
What was the project name?		
What entity was the lead applicant?		

Past Success		
Provide a summary of past efforts to implement a project to improve efficiency, implement shared services, coproduction or a merger (5 points).		
Applicant demonstrates Past Success	Yes	No

Section 3

Project Information

Scalable		
Provide a summary of how the applicant's proposal can be scaled for the inclusion of other entities (5 points).		
Applicant demonstrates a Scalable project	Yes	No

Lead Applicant		Round 7	
		Type of Request	

Replicable		
Provide a summary of how the applicant's proposal can be replicated by other entities. A replicable project should include a component that another entity could use as a tool to implement a similar project (5 points).		
Applicant demonstrates a Replicable project	Yes	No

 Section 3
Project Information

Probability of Success		
Provide a summary of the likelihood of the grant study recommendations being implemented. Applicants requesting an implementation loan should provide a summary of the probability of savings from the loan request (5 points).		
Applicant demonstrates Probability of Success	Yes	No

Lead Applicant		Round 7	
Project Name		Type of Request	

Performance Audit/Cost Benchmarking		
<p>If the project is the result of recommendations from a prior performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code, or is informed by a previous cost benchmarking study, please attach a copy with the supporting documents. In the section below, provide a summary of the performance audit findings or cost benchmarking study results (5 points).</p>		
Prior Performance Audit or Cost Benchmarking	Yes	No

Section 3
Project Information

Economic Impact		
<p>Provide a summary of how the proposal will promote a business environment through a private sector partner (5 points) and/or provide for community attraction (3 points).</p>		
Applicant demonstrates Economic Impact	Yes	No

Lead Applicant			
		Type of Request	

Response to Economic Demand		
Provide a summary of how the project responds to substantial changes in economic demand for local or regional government services. The narrative should include a description of the current and future expected service level needs (5 points).		
Applicant demonstrates Response to Economic Demand	Yes	No

Section 3
Project Information

Budget Information

General Instructions

- Both the Project Budget and Program Budgets are required to be filled out in this form.
- Consolidate budget information to fit in the form. Additional budget details may be provided in the budget narrative.

Project Budget:

- The Project Budget should detail expenses related to the grant or loan project.
- The Project Budget justification must be explained in the Project Budget Narrative section of the application. This section is also used to explain the reasoning behind any items on the budget that are not self explanatory, and provide additional detail about project expenses.
- The Project Budget should be for the period that covers the entire project. The look-back period for in-kind contributions is two years. These contributions are considered a part of the total project costs.
- For the Project Budget, indicate which entity and revenue source will be used to fund each expense. This information will be used to help determine eligible project expenses.
- Total Sources must equal Total Uses. Include staff time and other in-kind matches in the Total Uses section of the budget.

Program Budget

- Use the Program Budget to outline the costs associated with the implementation of the program in your community.
- Six years of Program Budgets should be provided. The standard submission should include three years previous budgets (actual) and three years of projections including implementation of the proposed project. A second set of three years of projections (one set including implementation of this program and one set where no shared services occurred) may be provided in lieu of three years previous if this does not apply to the proposed project.
- Please use the Program Budget Narrative section to explain changes in expenses and revenues, and to defend the budget projections. If the budget requires the combining of costs on the budget template, please explain this in the narrative.

Return on Investment:

- A Return on Investment (ROI) calculation is required, and should reference cost savings, cost avoidance and/or increased revenues indicated in Program Budget sections of the application. The ROI should be calculated over a three-year period. Use the space designated for narrative to justify this calculation, using references when appropriate.

For Loan Applications only:

- Using the space provided, outline a loan repayment structure.
- Attach three years of prior financial documents related to the financial health of the lead applicant (balance sheet, income statement and a statement of cash flows).

Lead Applicant		Round 7	
Project Name		Type of Request	

Project Budget

Use this space to outline all sources of funds and the uses of those funds. Both sections should include all funds related to the project, including in-kind match contributions. Use the project budget narrative on the next page to justify the project budget. Indicate the line items for which the grant will be used.

Sources of Funds

LGIF Request:

Cash Match (List Sources Below):

Source:	<input type="text"/>

In-Kind Match (List Sources Below):

Source:	<input type="text"/>
Source:	<input type="text"/>
Source:	<input type="text"/>

Total Match:

Total Sources:

Uses of Funds

	Amount	Revenue Source
Consultant Fees:	<input type="text"/>	<input type="text"/>
Legal Fees:	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>

Total Uses:

Local Match Percentage:

* Please note that this match percentage will be included in your grant/loan agreement and cannot be changed after awards are made.

Local Match Percentage = (Match Amount/Project Cost) * 100 (10% match required)
 10-39.99% (1 point) 40-69.99% (3 points) 70% or greater (5 points)

Section 4
Financial Information

Lead Applicant		Round 7	
Project Name		Type of Request	

Project Budget Narrative: Use this space to justify any expenses that are not self-explanatory.

Section 4
Financial Information

Lead Applicant		Round 7	
Project Name		Type of Request	

Program Budget

Actual ___ Projected ___	FY _____	FY _____	FY _____
Expenses	Total Program Expenses	Total Program Expenses	Total Program Expenses
Salary and Benefits			
Contract Services			
Occupancy (rent, utilities, maintenance)			
Training & Professional Development			
Insurance			
Travel			
Capital & Equipment Expenses			
Supplies, Printing, Copying & Postage			
Evaluation			
Marketing			
Conferences, meetings, etc.			
Administration			
*Other - _____			
*Other - _____			
*Other - _____			
TOTAL EXPENSES			
Revenues	Revenues	Revenues	Revenues
Contributions, Gifts, Grants & Earned Revenue			
Local Government: _____			
Local Government: _____			
Local Government: _____			
State Government			
Federal Government			
*Other - _____			
*Other - _____			
*Other - _____			
Membership Income			
Program Service Fees			
Investment Income			
TOTAL REVENUES			

Lead Applicant		Round 7	
Project Name		Type of Request	

Program Budget

Actual ___ Projected ___	FY _____	FY _____	FY _____
Expenses	Total Program Expenses	Total Program Expenses	Total Program Expenses
Salary and Benefits			
Contract Services			
Occupancy (rent, utilities, maintenance)			
Training & Professional Development			
Insurance			
Travel			
Capital & Equipment Expenses			
Supplies, Printing, Copying & Postage			
Evaluation			
Marketing			
Conferences, meetings, etc.			
Administration			
*Other - _____			
*Other - _____			
*Other - _____			
TOTAL EXPENSES			
Revenues	Revenues	Revenues	Revenues
Contributions, Gifts, Grants & Earned Revenue			
<i>Local Government:</i> _____			
<i>Local Government:</i> _____			
<i>Local Government:</i> _____			
<i>State Government</i>			
<i>Federal Government</i>			
*Other - _____			
*Other - _____			
*Other - _____			
<i>Membership Income</i>			
<i>Program Service Fees</i>			
<i>Investment Income</i>			
TOTAL REVENUES			

Lead Applicant		Round 7
Project Name		Type of Request

Program Budget

Use this space to justify your program budget and/or explain any assumptions used for the budget projections. These projections should be based on research, case studies or industry standards and include a thoughtful justification.

Section 4: Financial Information Scoring

(5 points) Applicant provided complete and accurate budget information and narrative justification for a total of six fiscal years.

(3 points) Applicant provided complete and accurate budget information for at least three fiscal years.

(1 point) Applicant provided complete and accurate budget information for less than three fiscal years.

Lead Applicant		Round 7	
Project Name		Type of Request	

Return On Investment

Return on Investment (ROI) is a performance measure used to evaluate the efficiency of an investment. To derive the expected ROI, divide the net gains of the project by the net costs (for a three-year period). For these calculations, please use the implementation gains and costs, NOT the project costs (the cost of the feasibility, planning or management study)--unless the results of this study will lead to direct savings without additional implementation costs.

Return on Investment Formulas:

Consider the following questions when determining the appropriate ROI formula for your project. Check the box of the formula that you are using to determine your ROI. These numbers should refer to savings/revenues illustrated in projected program budgets, and should reflect a three-year period.

Do you expect cost savings from efficiency from your project?

Use this formula:
$$\frac{\text{Total \$ Saved}}{\text{Total Program Costs}} * 100 = \text{ROI}$$

Do you expect cost avoidance from the implementation of your project/program?

Use this formula:
$$\frac{\text{Total Cost Avoided}}{\text{Total Program Costs}} * 100 = \text{ROI}$$

Do you expect increased revenues as a result of your project/program?

Use this formula:
$$\frac{\text{Total New Revenue}}{\text{Total Program Costs}} * 100 = \text{ROI}$$

Do you expect some combination of savings, cost avoidance or increased revenue as a result of your project/program? (Total Gains combines \$ Saved, Costs Avoided and New Revenue)

Use this formula:
$$\frac{\text{Total Gains}}{\text{Total Program Costs}} * 100 = \text{ROI}$$

Expected Return on Investment = _____ * 100 =

Expected Return on Investment is:

- | | | |
|--------------------------|---------------------|------------------------------|
| Less than 25% (5 points) | 25%-75% (10 points) | Greater than 75% (15 points) |
|--------------------------|---------------------|------------------------------|

Questions about how to calculate ROI? Please contact the Office of Redevelopment at 614-995-2292 or lgif@development.ohio.gov

Section 4
Financial Information

Lead Applicant		Round 7	

Return on Investment Justification Narrative: In the space below, describe the nature of the expected ROI calculation providing justification for the numbers presented in the ROI calculation. This calculation should be based on the savings, cost avoidance or increased revenues shown in the program budgets on the preceding pages. Use references when appropriate to justify assumptions used for cost projections.

Section 4
Financial Information

Lead Applicant		Round 7	
Project Name		Type of Request	

Magnitude of Project

If the project has an expected ROI of 74.99 percent or less, complete the following calculation. Projects with a Magnitude Factor of 50 or above score (5 points.)

$$\frac{\text{ROI\%}}{1000} \times \text{Savings Amt} = \text{Magnitude Factor}$$

Project has a Magnitude Factor of 50 or above Yes No

Cost Savings

This project will decrease specific line items in the existing budget. The specific line items should be evidenced by an expected decrease in specific line items for the next three years. In the space below please list the specific line item in the Program Budget section and the total dollar amount saved in the next three years (5 points).

Applicant demonstrates Cost Savings Yes No

Core Services

Does the project affect core services in your community? Explain how this project meets the basic needs of your community by providing services for which the lead applicant is primarily responsible (5 points).

Project affects Core Services of the Lead Applicant Yes No

Section 4
Financial Information

Lead Applicant		Round 7	
Project Name		Type of Request	

Loan Repayment Structure

Please outline your preferred loan repayment structure. At a minimum, please include the following: the entities responsible for repayment of the loan, all parties responsible for providing match amounts and an alternative funding source (in lieu of collateral). Applicants will have two years to complete their project upon execution of the loan agreement, and the repayment period will begin upon the final disbursement of the loan funds. A description of expected savings over the term of the loan may be used as a repayment source.

Section 4
Financial Information

Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity or other collateral (i.e. emergency, rainy day or contingency fund, etc).

Applicant clearly demonstrates a secondary repayment source (5 points)	Applicant does not have a secondary repayment source (0 points)
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Lead Applicant		Round 7	
Project Name		Type of Request	

Scoring Overview

Section 1: Collaborative Measures

Collaborative Measures	Description	Max Points		Self Score
Population	Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the smallest population listed in the application. Applications from (or collaborating with) small communities are preferred.	5		
Participating Entities	Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support.	5		

Section 2: Success Measures

Past Success	Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.	5		
Scalable	Applicant's proposal can be scaled for the inclusion of other entities.	5		
Replicable	Applicant's proposal can be replicated by other local governments.	5		
Probability of Success	Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.	5		

Section 3: Significance Measures

Performance Audit Implementation/Cost Benchmarking	The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.	5		
Economic Impact	Applicant demonstrates the project will promote a business environment and will provide for community attraction.	5		
Response to Economic Demand	The project responds to current substantial changes in economic demand for local or regional government services.	5		

Section 4: Financial Measures

Financial Information	Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three-year period following the project.	5		
Local Match	Percentage of local matching funds being contributed to the project. This may include in-kind contributions.	5		
Expected Return	Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue or cost avoidance) an expected return. The return must be derived from the applicant's cost basis.	15		
Magnitude Factor	Applicant demonstrates a magnitude factor of 50 or above, based on the ROI percentage and the dollar amount of project gains estimated in the ROI calculation.	5		
Cost Savings	Applicant demonstrates specific line items in the current budget that will decrease as a result of this project.	5		
Core Services	Applicant demonstrates that the project affects core services provided in their community.	5		
Repayment Structure (Loan Only)	Applicant demonstrates a viable repayment source to support loan award.	5		

Total Points				
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**LGIF: Shaker Heights Public Library Facilities Assessment and Feasibility Study Grant
Attachments**

1. Partnership Agreement
2. City Ordinance Number 13-70
3. Library Resolution
4. Library Strategic Plan
5. Mayor's Financial Task Force Report

PARTNERSHIP AGREEMENT
BETWEEN THE CITY OF SHAKER HEIGHTS
AND THE SHAKER HEIGHTS PUBLIC LIBRARY

On the 3rd day of September, 2013 (“Effective Date”), the City of Shaker Heights (“City”), and the Shaker Heights Public Library (“Library”), (collectively, the “Parties”), hereby enter into a Partnership Agreement for the purpose of supporting the application by the City for a Local Government Innovation Fund grant for a “Facilities Assessment and Feasibility Study for Shaker Library.”

Whereas, the City and Shaker Heights Public Library have agreed to collaborate to conduct a “Facilities Assessment and Feasibility Study for Shaker Library,” in order to develop comprehensive operations and maintenance plans which will allow the Library to operate in the most efficient and cost-effective manner; and

Whereas, the Parties desire that the City apply for a grant from the Local Government Innovation Fund to pay for the “Facilities Assessment and Feasibility Study for Shaker Library,” and the Fund requires collaborative partners to show proof of the partnership with a signed partnership agreement and a resolution of support from each of the partner's governing entities; and

Whereas, the Parties agree that it is critical to the Shaker Heights community to find creative ways to hold the line on taxation for the residents as well as to help the Library find ways to continue to provide high levels of service to the community; and

Whereas, the Library is a strong anchor in the City’s governmental and commercial area with its Main Library Building, which is owned by the City and leased to the Library, and to lose its presence would be a great loss to the City; and

Whereas, a facilities assessment of the aging structures of both the Main Library and the Bertram Woods Branch will help to determine and project maintenance needs over a 10-year period, identify major building and structural issues, provide estimated costs and a prioritized time schedule for each identified liability over the next decade, examine options and make recommendations for both library facilities that could lower operational costs while maintaining current library service levels; and

Whereas, the feasibility study will help the City and the Library identify and prioritize the Library’s fiscal strengths and liabilities while re-imagining its physical presence in the community, and it will also provide recommendations to achieve potentially significant operational cost savings over the current library model; and

Whereas, the City Council of the City has adopted an Ordinance in support of the Partnership described in this Agreement in Ordinance No. 13-70, enacted on August 26, 2013, which Ordinance is attached hereto.

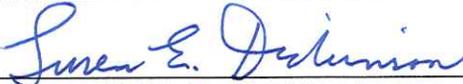
Now, therefore, the City and Library hereby enter into a partnership as described herein:

- (1) The Parties agree that the City will apply to the Local Government Innovation Fund for a grant for a “Facilities Assessment and Feasibility Study for Shaker Library.”
- (2) The application will seek a grant of \$45,000.

- (3) In-kind contributions will include the City's and Library's staff time in working with the architects and convening meetings with affected parties to help with the Assessment and Study.
- (4) The Library will evaluate and select the architectural consultant to conduct the Facilities Assessment and Feasibility Study.
- (5) The Library will enter into a contract with the consultant chosen by the Library, and serve as Fiscal Agent to handle all oversight and payment of the consultant. The Library will submit invoices to the City for payment of the grant funds to the Library or consultant.
- (6) During the Assessment and Study:
 - a. The consultant will meet regularly with the City and Library to review findings;
 - b. The Parties will help the consultant obtain the necessary information to complete an informed assessment.
- (7) The Scope of Work for the Assessment and Study will be based on the scope of services provided by the consultant and approved by the Parties.
- (8) In evaluating the options for cost savings and enhanced facilities, the community and Library users will be consulted to ensure that the Library meets and exceeds its current ability to provide services. The Assessment and Study will be shared with the community and institutional users as well as other community libraries, so that the methodology can be replicated by others.
- (9) This Partnership Agreement shall continue throughout the application process for a grant, the contracting with a consultant, the conduct of the assessment and study, and the communication and cooperation following the assessment and study to communicate the results and strategize as to the implementation of the recommendations.

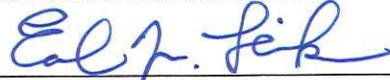
Representatives of the Parties to this Agreement, indicating their party's approval of the terms herein, have signed as of the dates set forth below.

SHAKER HEIGHTS PUBLIC LIBRARY

By: 
Luren E. Dickinson, Director

Date: 8-29-13

CITY OF SHAKER HEIGHTS

By: 
Mayor Earl M. Leiken

Date: 9/03/13

ORDINANCE NO. 13-70
BY: Earl Williams, Jr.

Authorizing the City to apply for and accept a grant of up to a maximum of \$45,000 from the State of Ohio Local Government Innovation Fund for costs to conduct a facilities assessment and feasibility study with the Shaker Heights Public Library, and declaring an emergency.

WHEREAS, the City and Shaker Heights Public Library have agreed to collaborate in order to obtain funds to conduct a facilities assessment and feasibility study to develop comprehensive operations and maintenance plans which will allow the Library to operate in the most efficient and cost-effective manner; and

WHEREAS, to fund the assessment and study, the City plans to apply for a grant of up to a maximum of \$45,000 from the State of Ohio Local Government Innovation Fund; and

WHEREAS, the City and Library will enter into a cooperative agreement in order to hire a consultant with the grant funds to conduct the assessment and study; and

WHEREAS, said grant requires no matching cash funds from the City.

NOW, THEREFORE, BE IT ORDAINED, by the Council of the City of Shaker Heights, Ohio:

Section 1. This Council approves the application by the City of Shaker Heights in order to seek a grant of up to a maximum of FORTY-FIVE THOUSAND DOLLARS (\$45,000) from the State of Ohio Local Government Innovation Fund for costs associated with a facilities assessment and feasibility study to develop comprehensive maintenance and operating plans to operate the Shaker Heights Public Library in the most efficient and cost-effective manner.

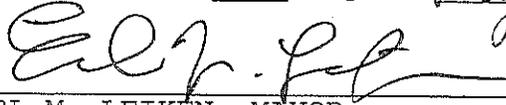
Section 2. The Mayor and Director of Planning are authorized to apply for and accept a grant from the State of Ohio Local Government Innovation Fund for costs associated with a facilities assessment and feasibility study for the Shaker Heights Public Library.

Section 3. The Mayor is authorized and directed to enter into such agreements as may be necessary in conjunction with the grant in the maximum amount of \$45,000 from the State of Ohio Local Government Innovation Fund for costs associated with a facilities assessment and feasibility study, as approved by the Director of Law. The grant does not require any matching funds from the City.

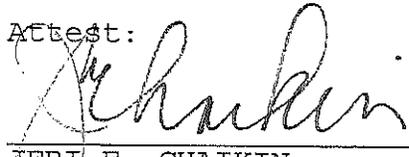
Section 4. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare for the reason that the grant application deadline is September 9, 2013, and, therefore, this ordinance shall take effect immediately upon its enactment and approval by the Mayor.

Enacted August 26, 2013.

Approved this 27th day of August, 2013.


EARL M. LEIKEN, MAYOR

Attest:

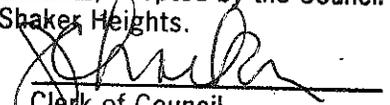


JERI E. CHAIKIN
Clerk of Council

coun13/0801LGIFlibrarygrant

CERTIFICATION

The undersigned does hereby certify that the foregoing is a true and correct copy of Ordinance No. 13-90, adopted by the Council of the City of Shaker Heights.


Clerk of Council

Date August 29, 2013.

SHAKER HEIGHTS PUBLIC LIBRARY
Board of Trustees
Regular Meeting
Monday, June 10, 2013

Attendance

Members Present: Ms. Allen, Mr. Anagnostos, Mr. Anderson, Dr. Hutt, Ms. Shatten, Ms. Williams

Members Absent: Mr. Miller

Staff Present: Ms. Aiken, Mr. Dickinson, Ms. Miller, Ms. Switzer

Others: Anne Williams, League of Women Voters Representative

Ms. Shatten called the regular meeting of the Shaker Heights Public Library Board of Trustees to order at 6:30 p.m. in the Dietz Community Room.

Director's Report

Mr. Anagnostos arrived at 7:17 p.m.

C. Facilities Assessment & Feasibility Study RFP

The Library will pursue a Local Government Innovation Grant in partnership with the city of Shaker Heights, which will serve as lead applicant, to fund a Facilities Assessment & Feasibility Study. The Architect Review Team met May 23 to review and discuss the 11 RFP responses. Each participant rated the firms on five criteria. An agreement was reached on the four top firms. Each of the four firms was asked to do a presentation on June 4. The team met again to hear the reports which consisted of a twenty-five minute presentation and twenty-five minute question and answer period. At the close of the evening the team rated the firms again and a consensus was reached. The Architect Review Team recommends HBM for a fee of \$40,200 and requests Board approval to partner with the City to seek project funding through a Local Government Innovation Fund grant.

2013-55 Ms. Allen moved and Dr. Hutt seconded the motion to approve HBM for the Facilities Assessment & Feasibility Study for a fee of \$40,200 and to partner with the City to seek project funding through a Local Government Innovation Fund grant.

Roll Call: Ayes: Ms. Allen, Mr. Anagnostos, Mr. Anderson, Dr. Hutt, Ms. Shatten, Ms. Williams

Nays: None. Motion carried

Shaker Heights Public Library - Balanced Scorecard Strategic Plan 2012-2014

Mission: Shaker Heights Public Library builds community and enriches lives by bringing together people, information, and ideas.

STRATEGIC THEMES			
We provide innovative, customer-driven services in vibrant, welcoming spaces.	We improve services by having efficient, cost-effective processes.	We have a knowledgeable, passionate, and tech-savvy staff with the tools they need to provide excellent customer service.	We are fiscally strong and we budget strategically.
CUSTOMERS	Integrate the library into all aspects of community life.	Provide a positive customer experience.	Create spaces that are welcoming and easy-to-navigate.
↑		↑	
INTERNAL PROCESSES	Improve delivery, use, and application of technology	Reduce the time and cost of business processes	
↑		↑	
ORGANIZATIONAL READINESS	Foster employee skills and development	Improve performance management process	
↑		↑	
FINANCIAL	Contain and reduce costs	Explore feasibility of new facility	

SHAKER HEIGHTS PUBLIC LIBRARY STRATEGIC PLAN 2012-2014

Strategy map		Balanced scorecard		Action plan
Strategic theme	Objectives	Measurement	Target	Initiative
<u>Customers</u> We provide innovative, customer-driven services in vibrant, welcoming spaces.	Integrate the library into all aspects of community life.	<ul style="list-style-type: none"> Joint initiatives completed with community organizations Staff involved in community/school activities 	<ul style="list-style-type: none"> 3 new 10% of all staff 	<ul style="list-style-type: none"> Find out current staff involvement
	Provide a positive customer experience.	<ul style="list-style-type: none"> Secret shopper program Number of regular users Annual active cardholders Collection usage measures 	<ul style="list-style-type: none"> 90% compliance Increase 3 %/ year 	<ul style="list-style-type: none"> Customer service training Develop customer service standards Increase material budget Decrease wait time for holds Market collection
	Create spaces that are welcoming and easy-to-navigate.	<ul style="list-style-type: none"> Number of complaints Facility is clean and in repair Signage, layout, and presentation encourage use of collection and facility 	<ul style="list-style-type: none"> Create baseline in 2012 Reduce 30% Repairs completed within 1 week of reporting TBD depending on facility outcome 	<ul style="list-style-type: none"> Hourly facility inspection Automate work request process Arrange collection in a logical way Update signage using positive, empathetic language
<u>Internal Processes</u> We improve services by having efficient, cost-effective processes.	Improve delivery, use, and application of technology	<ul style="list-style-type: none"> Age of equipment for staff and public Implementation time for IT projects Number of web site users % staff proficient on e-reader technology, new media, % use self-charge 	<ul style="list-style-type: none"> No older than 5 yrs Reduce by 50% Get baseline E-readers - 100% pub service staff 40% 	<ul style="list-style-type: none"> Update technology plan, including annual replacement plan Automate tasks Track projects and time with help desk software Explore Google Analytics Create new web site Training program for e-readers & other tech
	Reduce the time and cost of business processes	<ul style="list-style-type: none"> # process improvements in each department 	<ul style="list-style-type: none"> At least 1/yr per department 	<ul style="list-style-type: none"> Provide self-checkout & reserve pickup Cross-train employees Web/electronic forms replace paper Update staff intranet

Approved by the Shaker Heights Public Library Board of Trustees 3/12/2012

SHAKER HEIGHTS PUBLIC LIBRARY STRATEGIC PLAN 2012-2014

Strategy map		Balanced scorecard		Action plan
Strategic theme	Objectives	Measurement	Target	Initiative
Organizational Readiness We have a knowledgeable, passionate, and tech-savvy staff with the tools they need to provide excellent customer service.	Foster employee skills and development	<ul style="list-style-type: none"> Number staff hours in training 	<ul style="list-style-type: none"> All staff complete at least 4 training hours/yr 	<ul style="list-style-type: none"> Set training attendance expectations Create core competencies
	Improve performance management process	<ul style="list-style-type: none"> All employees receive annual evaluations 	<ul style="list-style-type: none"> 100% during anniversary month 	<ul style="list-style-type: none"> Revise evaluation form to reflect core competencies and training expectations Investigate pay for performance
Financial We are fiscally strong and we budget strategically.	Reduce costs other than materials and hours of operation	<ul style="list-style-type: none"> Materials % of budget 	<ul style="list-style-type: none"> 55th percentile or higher among Cuyahoga County in 3 years 	<ul style="list-style-type: none"> Benchmark Cuyahoga County systems – materials %
		<ul style="list-style-type: none"> Operating budget (excluding materials) year-over-year change Budget carryover growth 	<ul style="list-style-type: none"> Half or less of inflation (CPI-U) Cumulative growth of \$600,000 in surplus over 3 years 	<ul style="list-style-type: none"> Begin an ongoing efficiency agenda using Target, Identify, Action approach. Early candidates: <ul style="list-style-type: none"> VOIP Analysis of partnerships & contracting to get efficiency of scale
	Explore feasibility of new facility	<ul style="list-style-type: none"> Operating and debt service costs Facility/ staffing design and productivity benchmarks 	<ul style="list-style-type: none"> < projected 5-10 yr revenue < projected 5-10 yr no-move costs Meet or exceed best-in-class staffing efficiency among recently constructed benchmark libraries 	<ul style="list-style-type: none"> Initiate facility feasibility study in conjunction with City 10-year stay/go estimate Detailed current facility assessment Determine new facility space and staffing requirements based on best practices

March 26, 2012

Mayor Earl M. Leiken
City of Shaker Heights
3400 Lee Road
Shaker Heights, OH 44120

SUBJECT: Mayor's Financial Task Force

Dear Mayor Leiken,

As Chairman of the Mayor's Financial Task Force, I want to thank you for appointing this committee and charging us to study the City's financial challenges and propose solutions. We all felt honored to serve on this committee at your request and to participate in such an important and timely initiative.

Attached are the findings and specific recommendations of this committee. From the very start we wanted to undertake a credible and robust process for you, the City Council and our residents. We hoped we have achieved this. We are ready to assist you and to respond to your questions and the questions of the City Council, the Board of Education, the Library Trustees and Shaker residents.

Respectfully submitted,



Martin R. Kolb

Attachment

Cc: John J. Boyle
Todd Campbell
Paul H. Carleton
Christopher Hunter
Matthew D. Lehman
Carolyn Milter

Recommendations Of The Mayor's Financial Task Force

Martin R. Kolb, Chair

John J. Boyle

Todd Campbell

Paul H. Carleton

Christopher Hunter

Matthew D. Lehman

Carolyn Milter

March 26, 2012

Introduction

The Mayor's Financial Task Force was initially appointed by Mayor Earl M. Leiken in October 2009. At that time the community was experiencing unprecedented challenges as it approached its centennial in 2012. These included a lack of economic growth in Cleveland and within the region, stiff competition for residents from outer ring suburbs and significant financial challenges in maintaining the quality of community life. The Task Force was asked to review financial challenges facing the Shaker Heights community and to make specific recommendations to address them. The Task Force jointly concentrated on both the City of Shaker Heights and the Shaker Heights School District. For the benefit of all Shaker residents and taxpayers, the financial challenges for both entities required a concerted and coordinated approach. After an extensive review and analysis the Task Force submitted their findings and recommendations to Mayor Leiken in October 2010. The full report is available on the Shaker Heights website at <http://shakeronline.com/>.

Despite the best efforts of the City and the School District to address these issues, unfortunately the fiscal challenges for Shaker Heights have continued to grow. With the approval of the State of Ohio 2011-2013 biennial budget, beginning in July 2011, State funding for cities and school districts has been significantly decreased or eliminated entirely. Specifically for the City, reductions in the Local Government Fund, reductions in the Commercial Activity Tax and the elimination of the State Estate Tax will reduce revenues by \$6.5 million annually, reaching the full impact by 2014. This equates to a 16% revenue loss for the City based on 2011 total revenue. The calculation is based on the average annual estate tax receipts over a 10 year period from 2002 to 2011, the loss of one-half of 2010 local government support and the loss of the commercial activity tax. For the School District, reductions in State foundation and other sources of fiscal support are already reducing annual revenues by \$4 million.

The fiscal implications of declining revenues and State funding reductions, together with continued regional economic challenges, have placed further pressure on the Shaker community. Because of this financial situation and its potential negative effect on quality of life in Shaker Heights, Mayor Leiken asked the Task Force to review these financial issues and propose solutions in late 2011.

The charter of this Task Force effort:

1. Evaluate City operations with a focus on
 - a. Improving department productivity and efficiency
 - b. Reducing operating costs, while minimizing impact on key services
 - c. Maintaining quality of services and quality of life for Shaker residents
2. Make fiscal recommendations to the School District and Library
3. Complete this evaluation before the end of the 1st quarter of 2012

City Cost Reduction Actions

The City of Shaker Heights has been very proactive in reducing costs and achieving operating efficiencies over the last several years. Three significant economic changes have mandated a need to address operating costs in Shaker Heights:

1. Population losses -- Since 1970 Shaker Heights population has declined by 21.6%. Cleveland population has declined by 47.1%. The Cuyahoga County population has declined by 25.6%. The result is a loss of the tax base.
2. Economic downturn -- The result is stagnant income tax revenues, reduced property tax values and reduced interest income on reserves and investments.
3. Collapse of the housing market -- The result is a reduction in property values and a reduction in property taxes.

To put the impact of these economic changes into perspective, since 2007 general fund operating revenue for Shaker Heights has declined from \$36.9 million to \$35.1 million in 2011 and \$34.3 million forecast for 2012.

This revenue decline necessitated an aggressive review and reduction in operating expenditures. During the period 2008 through 2011, total full-time and part-time personnel across all City departments were reduced from 360 to 312 employees. This is a reduction of 48 employees or 13% of the employee level in place at the beginning of 2008. The savings from these workforce reductions equate to over \$3.9 million in 2012 dollars. In addition, several other cost-savings initiatives have yielded an additional \$1.6 million in benefits. These include self-insurance of worker's compensation, renegotiation of union contracts to eliminate wage increases, lower non-bargaining employee wage increases, increased employee health care contributions and the elimination of directors' bonuses. The total of these combined savings from reduced

employment and lower compensation/benefits is over \$5.5 million since the beginning of 2008.

These reductions were achieved with little noticeable impact on services to residents. While these cost reduction actions are very significant, the recent reduction in State funding of \$6.5 million together with ongoing operating pressures result in an unacceptable and unsustainable financial outlook for the City of Shaker Heights. The 2012 Shaker Heights City general fund budget shows an operating deficit of \$2.4 million (compared to a \$0.1 operating surplus in 2011). If unchecked, this deficit grows to \$4.0 million in 2013, \$6.3 million in 2014 and \$7.2 million in 2015. The financial forecast clearly shows that the current reduced revenue projection cannot cover expenditures, resulting in an operating deficit. In addition to completely eliminating Shaker's operating reserve, this forecast will lead to a severe reduction in City services and the community's quality of life, and have serious and negative implications on the City's bond rating and ability to attract new commercial and growth investment.

Financial Task Force Process

Beginning in December 2011 and continuing through February 2012, this Task Force reviewed all 15 City operating departments. The goal, as outlined earlier in this report, was to evaluate further opportunities for improving department productivity and reducing operating costs, while minimizing any impact on essential services. The discussions with each department director focused on the role of the department, cost reduction actions over the last 4 years, opportunities and recommendations for additional cost reduction actions, together with the resulting service implications of these potential actions to residents. A large amount of operating data and financial information was presented by each department to facilitate the evaluation and ultimate recommendations. The Shaker Heights Mayor, Chief Administrative Officer, Chief Financial Officer together with the department director participated in these meetings. It should be noted that this cooperative process with department directors and the opportunity to dissect department operations in this manner proved very valuable to all involved, particularly given the financial challenges facing City operations.

Because of the previous aggressive cost reduction actions by the City highlighted earlier in this report, the opportunities to further reduce costs without compromising current

services or quality of life for Shaker residents was challenging. However, this Task Force believes that immediate, although limited, cost savings opportunities are available and further opportunities for future savings also exist.

Financial Task Force Cost Reduction Recommendations

<u>Department</u>	<u>Annual Savings (\$000)</u>	<u>Rationale</u>
Police	\$130	Eliminate open position, reclassify another
Fire	\$195	Eliminate open positions, backfill with overtime
Neigh. Revitalization	\$139	Remove some work, do not fill open positions
Law	\$69	Reconfigure outside counsel role
Community Life	\$208	New lighting, contracted savings, reassign roles
Public Works	<u>\$62</u>	Eliminate apartment bldg. dumpster pick-up
Total	\$803	

These recommendations total \$803,000 annually or 2.5% of 2011 operating expenditures for the City. It is our strong belief that essential services will not be impacted by these cost actions.

Combining these cost reduction recommendations with the cost saving actions the City has previously undertaken totals nearly \$6.4 million in expenditure reductions since 2008. This enormous amount of cost actions by the City indicates strong fiscal management and accountability. Nonetheless, the significant immediate and long term operating deficit problem continues, which will erode the quality of services and community life, unless further dramatic actions to reduce costs and services and/or increase the revenue base are taken.

The Task Force also considered further actions to reduce City expenditures. These included eliminating back yard trash pick-up (\$400,000 savings), eliminating the health department (\$100,000 net savings), eliminating crossing guards (\$190,000 savings),

eliminating senior transportation (\$90,000 savings), eliminating custodial support for the Shaker Family Center (\$120,000 savings), and eliminating operating support for the Shaker Youth Center (\$70,000 savings). While these combined actions might generate an additional \$970,000 in annual savings, our opinion is that eliminating these services would significantly impact residents' quality of life. We therefore do not recommend this because of the adverse effect they would cause, while still leaving Shaker with a massive budget gap of \$4.7 million (\$6.5 million lost State of Ohio revenue, less \$1.8 million in recommended and non-recommended cost reductions).

To further illustrate the magnitude of this problem, in order to close the lost revenue shortfall only through additional cost reductions, Shaker would need to eliminate at least 50 more employees, including a significant number of police officers, fire fighters and public works employees, as well as entire departments such as Housing Inspection and Neighborhood Revitalization. These drastic actions would imperil safety, EMS response time, snow removal, trash pick-up and quality of life throughout Shaker, especially in our most vulnerable neighborhoods. We do not recommend pursuing this extreme route which would seriously compromise or eliminate existing key services and programs.

In order to retain the quality of services and life in Shaker, it is essential to generate new revenue.

Actions to Restore Revenue Base: Income Tax Increase Essential

Although significant cost reduction opportunities are recommended in this report, Shaker's budget gap cannot be solved through these measures alone. This Task Force is very sensitive to the already high level of taxation in this community. Today in 2012, however, is an extraordinary time in Shaker's history due to the significant lost revenues from the State. To preserve Shaker, additional immediate sources of revenue are required. In order to recover the amount of lost revenues, we recommend a 0.5% income tax increase ballot issue for 2012. This level of income tax rate increase from 1.75% presently to 2.25% is estimated to generate \$6 million in new revenue annually. We believe the additional revenues provided from this tax increase are essential to maintain the quality of life in Shaker Heights. The last income tax increase in Shaker Heights was over 30 years ago in 1981.

However, to think that the City could undertake future periodic income tax increases to cover operating expenses is unrealistic and is not sustainable in Shaker Heights.

Therefore this recommended 2012 ballot issue must be a one-time event and solution, with no expectation of further increases for many years as a means to balance the City budget. Essential to this long term financial management plan are continued expense reductions and belt tightening. This is a way of life in the private sector and it must continue to be a way of life in Shaker as well.

We also recommend that the City not defer this income tax increase ballot initiative beyond 2012. Doing so would create a more troubling situation in Shaker during the next 3 years. Without immediate additional revenue the City will face an even deeper hole to recover from.

Financial Task Force Recommendations for Additional Revenue and Cost Savings

The City has benefited from strong leadership and management by the Mayor and City Council to address problems in the economy as noted above. This same proactive and strong leadership will continue to be just as critical in the future, even if the community passes a tax increase.

In that respect, the Task Force has additional recommendations for generating revenue and reducing costs:

Revenue Generating

1. The fee structures should be reevaluated and updated in all departments and especially in Community Life, Health, EMS, Building and Housing Inspection.
2. An active pursuit of gas drilling opportunities on City property can provide an additional source of income.
3. Continuing the impressive economic development initiatives currently underway in Shaker are essential to foster a vibrant commercial base. Recent examples like the Shaker LaunchHouse, the Van Aken district plan, together with improvements on Chagrin Boulevard and Shaker Towne Center all help enhance our commercial footprint. In addition, the vacated Office Max space, filled by University Hospitals, is a tremendous asset for our community. We recognize that it is a long term process to build successful businesses in the Shaker community,

including those owned and operated by Shaker residents, but these are essential to improving revenues and supplementing our homeowner's tax base.

Cost Savings and Productivity

1. Use the federally funded Energy Conservation Master Plan prepared in November 2011 as a benchmark and develop a detailed funding and operating model to gain the key energy savings opportunities highlighted.
2. Implement red light and speed control cameras from a public safety and police efficiency perspective. Placing cameras on Shaker streets will promote traffic safety and free up police officer time to focus on neighborhood safety. According to the Police Chief the number one complaint to the department from residents involves traffic violations.
3. Evaluate the use of computer desktop printers in the City (81 presently). Reducing the number of desktop printers and using building network printers saves paper and maintenance/service cost.
4. Evaluate the use of joint police dispatch possibilities with other communities.
5. Evaluate the cost of contracting for custodial service across all properties.
6. Arrange for an independent assessment of the Housing Inspection Department systems and operations, with a focus on improving productivity in this labor intensive and manual data input department. The City should also evaluate if there are some activities performed that can be eliminated or deferred.
7. Consider combining certain departments that have similar charter or roles, such as Neighborhood Revitalization and Housing Inspection, and Planning and Economic Development. While the cost saving opportunities may be very modest, if any, streamlining the organization will yield productivity gains.
8. Evaluate the use and cost of school crossing guards. Determine if there are feasible examples from other communities that may lessen the current \$190,000 annual cost without compromising student safety.
9. Explore opportunities for increased involvement between the Health Department and the Cuyahoga County Public Health Cooperative to reduce costs while maintaining vital services. Due to federal budget cuts, grants to local public health departments will almost certainly decline in future years.
10. With interest rates the lowest in several decades, we are pleased to note that the City Finance Department has begun the process to restructure and refinance the Tax Investment Funding bond payments. This will result in interest savings of

\$1.3 million through the 2031 bond maturity even after the cost of processing the refinancing package.

11. Evaluate opportunities for joint City-Schools facilities management (fields, parking lot snow plowing, etc.).
12. While the Municipal Court operates independently from the City of Shaker Heights, we encourage the Court to continue efforts to reduce operating costs.

Compensation and Benefits

1. An employee Wellness Plan has been developed and implemented with incentives for non-bargaining employee participation. This plan should be extended to bargaining employees as well. An effective Wellness Program will also likely achieve worker's compensation self-insurance program savings.
2. An independent audit of employee-dependents' medical insurance coverage should be undertaken, with significant consequences for any employee abusing this benefit.
3. The City should implement a new health care provision for working spouses of employees. Similar to what the School District has already enforced, if the working spouse has a health care insurance option offered by their employer, they must use it rather than be part of the City plan.
4. Employee payments for health care premiums should be set at 20% compared to the current 5% and 10% levels. Every 5% change in employee medical premium contributions amounts to a savings of \$225,000 annually.
5. Medical payment co-insurance should be increased to 20% from the current 10% level.
6. The City implemented a 2% wage increase for many employees in 2012, after employees had given up previous increases and accepted freezes and furloughs with reductions in pay. With a city-wide cost of \$300,000 annually for every 1% employee salary increase, the City should seek to avoid wage increases in collective bargaining contracts and for non-bargaining unit employees for the next several years. We appreciate that this is difficult for City employees; however Shaker Heights cannot support further wage increases and/or health care cost increases at this time.

A combination of additional cost savings and generating new revenue is very much a necessity for the long term financial health of Shaker Heights. Every effort to further

reduce operating expenses, including compensation/benefits and health care costs, must continue to be evaluated and implemented.

Greater Cleveland's Future: Regionalism

Shaker Heights is not alone in facing the economic challenges spelled out in this report. In order to hold down the cost of government, while maintaining essential services, communities throughout Cuyahoga and surrounding counties are exploring new ways of providing these services.

This Task Force has taken note of the fact that Shaker Heights has already joined regional initiatives including:

1. The Police Department participates in the Northern Ohio Law Enforcement Task Force and EDGE, an agreement in which five suburbs share personnel and resources in providing SWAT Team services.
2. The Fire Department has mutual aid and automatic response agreements with other communities, Joint Fire Dispatch, Chagrin Southeast Haz-Mat reciprocal agreement and Heights Area Special Rescue Team agreement.
3. Signed the county "no poaching" economic development agreement.
4. Through a grant from the Cleveland Foundation, a consulting firm is helping Shaker Heights and University Heights determine if a merger of fire departments is economically attractive and more efficient, while maintaining response time.
5. In addition, the Police Department is exploring joint dispatch opportunities with EDGE communities.

Undoubtedly, support for regional collaboration will be important for the long term future of Shaker Heights and the Greater Cleveland area. We encourage further participation in regional initiatives to improve efficiency and reduce government costs.

Schools and Library Operations

Shaker Heights will celebrate its centennial this year. This unique community has enjoyed remarkable success in maintaining the quality of its homes and parks, attracting a highly educated, affluent and diverse population, providing excellent municipal services, maintaining high quality and nationally-recognized Schools, and supporting a high standard Library system. The City, School District and Library have a long history of working together to support our residents while following separate financial paths. From a citizen perspective however, Shaker Heights is one community with a tax cost structure that places it at the high end of this region and in the State of Ohio. The City provides municipal services with an annual budget of approximately \$40 million, the Schools provide public education service with a budget of approximately \$90 million, and the Library provides their service with a budget of approximately \$5 million. Never in our 100 year history has it been more important for each of the three taxing entities to be more cognizant of the unprecedented financial pressures facing this community and cautious with their financial planning and spending. As such, there is significant value in taking a coordinated approach to planning and evaluating spending options, particularly in times like the present which are extremely economically challenging for all three entities and for our residents. While this Task Force did not specifically examine the operations of the School District and the Library, we have included recommendations for both that support a coordinated city-wide financial and tax plan.

This Task Force encourages both the Schools and the Library to undertake a similar in-depth, independent and detailed financial analysis of their operations with the focus on reducing operating costs and improving productivity. Engaging the citizen resources of the community to evaluate the School and Library product and services, as the City has done, offers unique and non-political insights and instills confidence with Shaker residents.

We commend the School District for the significant cost savings that have previously been achieved. These difficult actions were important and will help our community. We are encouraged to learn that the School District is deferring their next operating levy until 2014, a full 4 years since the most recent tax levy in 2010. This interval between levy requests is a full year longer than their previous financial plan indicated. In the October 2010 Task Force report, a stated recommendation was that the Schools “develop a financial plan with clear goals which extend the period between levies well

beyond three years with millage under 10 mills for each levy.” We are pleased that the School District is attempting to address this recommendation. To this point we also recommend that the School District tie its strategic plan to a resource-based spending plan, so that priorities are established and expenses are based on available resources or those that can be reasonably expected in the future.

The Library should develop a financial forecast that seeks no additional tax increases. If the operational outlook with this constraint is not feasible within the present funding level, the Library should look at other options that reduce the tax burden on residents of Shaker Heights. One such alternative would be to evaluate a merger with the Cuyahoga County Library system, which is a more economical tax option for Shaker residents.

Community Outlook

While these recommended actions are difficult and may not be popular among all residents and stakeholders, the fiscal pressure in our community requires tough actions and adherence to a coordinated city-wide financial and tax plan. A key necessity for Shaker Heights is to attract and retain income and tax-producing residents and businesses to assure a funding level which supports top-quality City services and safety, high-quality Schools and a good Library system. The community’s ability to attract and retain these taxpayers is dependent on the perception that the City, the Schools and the Library have much to offer without unduly burdening residents financially.

Shaker has done a remarkable job of maintaining high quality City, School and Library operations in the face of significant challenges. This is a testament to our citizens and to the quality of people who have served in office in Shaker over a period of many years. Our community continues to have unique assets which make us optimistic about the future -- high quality housing stock, the physical beauty of our parks and walking trails, attractive neighborhoods and a highly educated and diverse population. These assets make us attractive and give promise to a bright future for Shaker. The best way to assure this future is by adjusting to our changing economic circumstances and by following a sound and disciplined financial approach. It is essential that all three taxing entities -- City, Schools and Library -- have a coordinated and connected financial plan that attempts to minimize the tax burden to residents, while preserving quality. Good fiscal management is the bedrock of any sound, sustainable community.

Summary of Recommendations

A. City

1. Immediately implement the cost reduction actions outlined in this report.
2. Prepare a 0.5% income tax increase ballot initiative for this year. The City's revenue and expenditure plan must eliminate the forecasted operating deficits and maintain a general fund operating reserve of at least 15% of annual expenditures.
3. There is a key necessity to continue the City's capital investments, formerly funded by the State estate tax. Investment in infrastructure, streets, parks and recreation facilities is critical to maintaining a vibrant Shaker Heights. Essential to this is a general fund budget that fully supports ongoing capital improvements and debt service of \$4.5 million annually.
4. Develop a detailed plan around the additional revenue generating, cost savings and employee compensation/benefit productivity opportunities presented in this report.

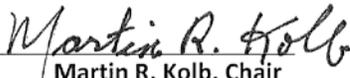
B. Schools

1. Using the City example, undertake a similar in-depth, independent analysis of operations with a focus on reducing costs, without compromising quality or the educational experience.
2. Develop a resource-based strategic plan so that priorities are established and expenses are based on available resources or those that can reasonably be expected in the future.
3. Barring an unforeseen elimination or depletion of a major funding source, defer any potential tax increases, whether for operating expenses or capital needs, until 2014 at the earliest and reduce requested millage below the 10 mil level.

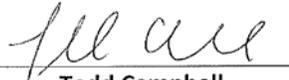
C. Library

1. Using the City example, undertake a similar in-depth, independent analysis of operations with a focus on reducing costs and improving productivity.
2. Develop a financial plan that seeks no additional taxpayer funding.
3. Evaluate the tax savings to Shaker residents and the benefits of joining the Cuyahoga County Library system.

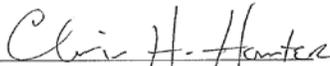
Mayor's Financial
Task Force


Martin R. Kolb, Chair

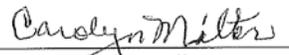

Jack Boyle


Todd Campbell


Paul Carleton


Christopher Hunter


Matt Lehman


Carolyn Milter

The Mayor's Financial Task Force

Martin R. Kolb, Chair:

- Chair, Mayor's Financial Task Force of 2010
- Retired General Manager, General Electric Company
- Past member, Shaker Heights Board of Education and Board President
- Member, City Council Finance Committee
- Member, Finance & Audit Committee Shaker Heights City School District
- Three adult sons, all Shaker City School graduates

Jack Boyle:

- Senior Fellow & Special Assistant to the President, Capital Planning, Maxine Goodman Levin College of Urban Affairs, Cleveland State University
- Retired VP Business Affairs & Finance, Cleveland State University
- Retired Chief Financial Officer, United Agencies, Inc.
- Former Mayor, City of Cleveland Heights
- Member, Shaker Planning & Zoning Appeals Board
- Master's degree, Urban Planning, Design & Development; BS Finance
- 4 adult children; 6 grandchildren in Shaker City Schools

Todd Campbell:

- Portfolio Administration Group Manager, KeyBank
- Past Board member, Fund for the Future of Shaker Heights
- Member, City Council Finance Committee
- Two children in Shaker City Schools

Paul Carleton:

- Managing Director, Carleton McKenna & Co., LLC, strategic & financial consulting firm
- Member, Business Advisory Council of Baldwin Wallace College
- Chair, Board of Trustees – Baldwin-Wallace College
- Chair, Executive Committee – Baldwin-Wallace College
- Member, Finance & Audit Committee Shaker Heights City School District
- Four adult children attended and/or graduated from Shaker City Schools

Christopher Hunter:

- Associate General Counsel – Intellectual Property, Parker-Hannifin Corporation
- Past member, Family Connections (previously Shaker Family Center), and Board President
- Past member, City Council Finance Committee and Neighborhood Revitalization Committee
- Three children in Shaker City Schools

Matt Lehman:

- Mobile Business Leader, Progressive Insurance
- Past Member, City Council Finance Committee
- Member, Board of Trustees, Shaker Schools Foundation
- Member, Board of Trustees, Shaker Youth Center
- Member, Board of Trustees, Shaker Youth Hockey Association
- Shaker City Schools graduate
- Two children in Shaker City Schools

Carolyn Milter:

- Retired Manager, Communications & Public Affairs, Cuyahoga County Department of Health and Nutrition
- Past member, Shaker Heights Board of Education and Board Vice President
- District Administrator for Cong. Dennis Eckart when he represented the Heights area
- 30-year Ludlow resident, former Ludlow PTA President, Board member Ludlow Community Association
- Three adult children, all Shaker City School graduates
- Now resides in Cleveland portion of Shaker School District