

The Civic Awakening of Beachwood

By Mark Naymik

It's easy to envy Beachwood, Ohio.

The 12,000 residents in this suburb located in eastern Cuyahoga County live along tree-lined boulevards and in well-maintained sub-divisions. They have access to top amenities and services, from a spacious community center with a \$5 million aquatics center to hiking trails, major retail and health centers. They enjoy an unparalleled school district flush with top academic and extracurricular activities that include two dozen advanced placement classes and strings and symphonic band programs.

It's no wonder residents have never rejected a school levy.

The suburb has been so successful that its well-educated residents (52 percent have bachelor's degrees) have had few complaints about elected officials. The best proof is the long tenure of Beachwood Mayor Merle Gorden, who attracted no opponents in his re-election bids.

But that changed in 2013 with Gorden's pursuit of a fifth term.

The Beachwood mayor's race put Gorden on the hot seat and proved to be about much more than who would occupy the corner office in the suburb's modern and well-appointed city hall, which offers the mayor a private parking garage with an elevator and an office with a fireplace.

The race became the catalyst for a civic re-awakening, one that inspired debate on planning and development, residential services and government openness that had been absent for years. The race also generated interest beyond its borders, a reflection of Beachwood's success and importance in the region.

And the race highlighted better than any other political contest in Cuyahoga County that year how the region's newspaper, The Plain Dealer, is evolving in the Internet age. The Plain Dealer and its on-line partner, cleveland.com, aggressively reported on Gorden and used the Internet to engage readers. The news organization itself became a campaign issue debated by candidates and their respective supporters.

The race for mayor began long before Gorden officially announced he would seek a fifth term. The race took root May 15 when The Plain Dealer published a story by Patrick O'Donnell on cleveland.com about Gorden's salary and public pension payments.

The story, which was carried in The Plain Dealer the next day, explained that Gorden earned \$198,000 on top of an annual retirement payment of \$157,000, the bulk from the public retirement pension. The figures were outlined in documents Gorden is required to file with Ohio Ethics Commission, which monitors the financial disclosures of elected officials.

The story also noted that if Gorden sought and won re-election, he would receive another raise per a pay-raise schedule set by Beachwood City Council.

Gorden's salary, not including the retirement payment, makes him the highest paid elected official in Ohio. Here's some perspective: Cleveland Mayor Frank Jackson, who represents 390,000 residents and won a third term last November, is paid around \$145,000. Cuyahoga County Executive Ed FitzGerald's annual salary is \$175,000, about equal to Gorden's base pay. Ohio Gov. John Kasich is paid about \$148,000 a year.

News of Gorden's salary appeared to catch some residents by surprise. Even though council voted publicly to raise the mayor's salary several times, few residents noticed the raises. And why would they? There were no mayoral elections to draw attention to city hall. Council members, like Gorden, were trusted officials who served multiple terms with little opposition. The city ran without scandal or even controversy. The Plain Dealer, which scaled back its suburban coverage in early 2000s, virtually ignored Beachwood.

In short, residents were happy and Beachwood had become a standout suburb.

Council President Melvin Jacobs, a long-time friend of Gorden, defended the mayor's pay. He told O'Donnell that the mayor deserved the salary because the mayor is also the city's safety director, who oversees the police and fire departments.

And, Jacobs argued, the mayor's salary is the price of success.

"You need a strong leader to run this city and make people happy," Jacobs said. "We have an exceptional city – the services we provide, the economic development and business that are coming in, working with our schools – so it's a very demanding and time-consuming job."

Gorden certainly could take credit for some of the residents' happiness. The city was always improving and adding services, such as the recent addition of heated sidewalks at City Hall, which appealed to senior citizens visiting the adjacent community center. The city purchased the best equipment and kept a well-maintained fleet of service vehicles, which paid off on snowy days, when Beachwood's streets are cleared and salted before those of neighboring suburbs. The city is home to more than 3,000 businesses and a major retail centers, including Beachwood Mall, which features a Saks 5th Avenue and Nordstrom. Gorden also presided over two recent major business developments in the community, the new world headquarters of Eaton Corp., a Fortune 500 manufacturer, and University Hospitals' Ahuja Medical Center.

But the model of service and economic development in the city was largely created and fostered by his predecessor, Harvey Friedman. Elected to city council in 1955, he served as council president for more than 20 years, then as mayor from 1981 to 1995.

Friedman's Beachwood best exemplifies post-World War II suburban development in Northeast Ohio. Beachwood took advantage of open space and newer highways to leave behind the industry decline pulling down Cleveland and inner-ring suburbs. Even Shaker Heights, which borders Beachwood and was once nationally recognized for its wealth and design, was struggling.

Friedman advocated the concept of pooling property outside of residential areas for commercial and retail development. Two notable examples are Commerce Park and Science Park, which attracted major businesses in the white-collar financial, healthcare and technology industries. Credit card giant MBNA settled at Science Park and became one of the city's largest employers with some 2,000 workers there. (Bank of America purchased MBNA in 2006 and in 2013 drastically cut the number of employees working there.)

Friedman also oversaw the development of retail centers. And he used the city's income tax base and his soapbox as mayor to build and champion the city school system. Friedman helped turn Beachwood from a village of 1,000 in the 1950s into a regional economic engine.

By comparison, Shaker Heights blossomed as Cleveland did decades before. But Shaker Heights lacked room for new development for office and retail that would grow its income tax base. And re-development was constrained by its historic buildings and mansions and deed restrictions. As a result, Shaker Heights relies on property taxes to keep government going. Its property taxes are now the highest in Cuyahoga County. This put suburbs such as Beachwood at a great advantage.

As a columnist my job is to scrutinize and question public policies and politicians, even those in such successful communities as the one Friedman helped build. I believed Gorden's salary and perks were too far out of the mainstream, especially compared to those of mayors in other very successful and larger suburbs, such as Westlake and Solon. So, I wrote a column criticizing Beachwood's Jacobs for pushing a pay increase for the mayor and for his suggestion that Beachwood's success justifies its excess.

"You get what you pay for," Jacobs told me.

The column fueled the buzz initiated by O'Donnell's original story. Some residents complained to me in emails and on the phone that I looked petty and "jealous." But most people reacted with concern for their suburb, perhaps mindful of how the tenure of Gorden's predecessor ended. Despite Friedman's success, he resigned in 1995, a few months after the start of a police investigation into allegations of misconduct by several city officials and contractors. He pleaded no contest to a charge of dereliction of duty.

Readers pressed me to look more closely at Gorden's perks.

Ohio allows anybody to look at nearly every piece of paper a government generates, including the receipts of credit cards used by public officials. I requested several years' worth of Gorden's credit card receipts and any reimbursements for meals he received.

The records showed that between December of 2010 and June 2013 – the time period I scrutinized -- Gorden and dining companions ate \$18,000

worth of meals, according to his credit card statements and receipts. Taxpayers paid the bill.

Gorden and most members of city council defended the practice. They argued these expenses – which council regularly approved without reviewing the details of the charges -- were the price of doing business and an important part of economic development success.

This attitude also separated the suburb from others in Northeast Ohio. More than leaders elsewhere, Gorden and council members see their city hall as a business to be judged by new office space and the number of new jobs. And Gorden likens himself to a CEO.

I nonetheless criticized the expenses as excessive and mocked Gorden and council for suggesting that the meals mattered to the city's economic development efforts.

"Some people think Beachwood has flourished because of its affluent and educated residents, commercial real estate and proximity to major interstates," I wrote sarcastically.

This column, published first on cleveland.com, drew strong reaction from readers, who posted 250 comments about the story, most critical of Gorden. Some of the readers commenting on the story identified themselves as residents of the Beachwood.

I also posted online copies of the receipts – along with Gorden's personnel file and other records -- so readers could draw their own conclusions, something news organizations are doing more frequently to take advantage of the Internet. These records sparked an additional 250 comments.

Other elected officials took notice, too. I heard from leaders in Lakewood, which runs along Cleveland's western edge, and from Avon, a top-rated suburb of 22,000 residents west of Cleveland in Lorain County. Avon Mayor Jim Smith criticized Gorden's spending on meals.

"I'm worried people think this is how all city officials are," Smith told me in a follow up column. "All city officials do not do this."

I then wrote several more columns that examined Gorden's perks, including his freedom to attend charity events on the city's tab and his practice of

saving huge chunks of unused vacation days to cash in each year for a hefty check. Gorden told me he rarely took time off.

One citizen used the columns and public records to ask the Ohio Auditor to investigate Gorden for possible abuse of public funds. (The Ohio Auditor has not said whether a special investigation is underway or not.)

The columns also emboldened first-term Beachwood Council member Brian Linick, a frequent critic of the administration, who asked for more details about the expenses cited in the columns.

Linick was the only member of council to oppose a .5-percent income tax hike in 2010 promoted by Gorden that was narrowly approved by voters. At the time, Linick said the city should tighten its finances rather than push a tax increase on those who worked in the city.

Gorden and his supporters considered The Plain Dealers' coverage and cleveland.com comment section a "witch hunt." A few anonymous callers accused me of being anti-Semitic. Gorden is Jewish and Beachwood is home to one of the highest populations of Jews in Northeast Ohio. But I was not picking on Gorden, Jews or Beachwood. I was paying attention to public records.

To push back against the negative publicity – and prepare for a possible opponent in his re-election bid -- Gorden asked the city's public relations firm to monitor and respond to charges being made on cleveland.com, according to a copy of the firm's bill. Gorden, who stopped talking to me and other reporters at The Plain Dealer and cleveland.com, turned to the Cleveland Jewish News, a weekly paper based in Beachwood that's been friendly to the mayor.

In July, the Cleveland Jewish News published a story and video interview on-line with Gorden. In it, he dismissed many of charges against him as inaccurate. He said news coverage of him was nothing more than "election-year politics." Yet, Gorden announced that he was offering a number of "self-imposed" changes designed to curb expenses and shed more light on them. This, in fact, was a result of public pressure and growing concerns by council members.

Around the same time, Linick announced his bid for mayor, which represented the first serious challenge to Gorden in 16 years.

"In recent months, as the spending has come to light, it has remained important to me that we are fiscally responsible and rein in the spending," Linick said at the time.

He also cited as motivation the need to assess the city's changing development needs, shrinking budget surplus and city hall's lack of transparency. He was frustrated that Beachwood did not broadcast its meetings on the Internet.

Linick pushed these issues in campaign literature and during two candidate forums, one sponsored by the League of Women Voters and one by Cuyahoga County Public Library, which was co-sponsored by the Cleveland Jewish News. More than 150 people packed the Beachwood branch of the Cuyahoga County Public Library for the Oct. 15 debate, which was also broadcast live on the Internet.

Gorden stuck to the theme that he had earned an outstanding "report card" as CEO of the city. Linick acknowledged the success of the city under Gorden's leadership but criticized the mayor for what he saw as excessive spending and high salary. Linick said he would cut \$1 million from the city budget and work with council to cut the mayor's salary.

A key question also emerged during the debate that was worthy of attention, fueled in part by Beachwood Mall expansion plans. Was the delicate balance between residential and commercial interests threatened? That's exactly the type of substantive issues missing from debate for a long time. Both candidates expressed concern and pledged to protect the balance.

Despite an aggressive challenge from Linick, Gorden easily won re-election.

It is easy to see why. He had a loyal voter base, which included seniors citizens, who pay attention to local politics and vote more regularly than younger voters. And Gorden had 16-year record of delivering services and maintaining the status quo, which in Beachwood was one to envy.

Gorden also spent nearly \$100,000 on the campaign to remind voters of Beachwood's success, for which he took credit. He loaned his campaign \$48,000 and received contributions from developers, Beachwood business owners, political allies and residents.

Linick raised around \$30,000 in small donations. He spent much of it on yard signs and voter mailings in which he argued Beachwood needed to look forward, not back. But his message failed.

Linick was unable to make the case that Gorden harmed the city or that the city would be better off with someone new. Linick's strongest criticisms were about Gorden's lunch expenses, which rallied his grass-roots supporters but did little to sway residents' content with Beachwood's success. Even Linick's pledge to work with council to reduce the mayor's high salary failed to get traction among voters.

But the attention generated by Linick and a renewed interest from media – led by The Plain Dealer -- forced voters to notice its mayor and council – something it was taking for granted. As a result, Beachwood is even better off.

Here's proof. In March, 2014, council proposed reducing the amount of money the mayor and other officials would be allowed to spend on meals and to attend charity events on behalf of the city. Council has also pledged to broadcast its meetings on the Internet.

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This essay was written in March 2014

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