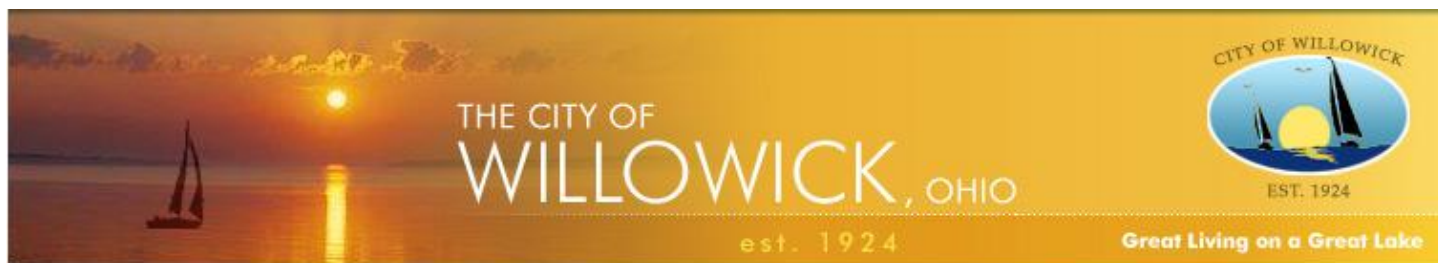


# State of the City – March, 2015

*Richard J. Bonde, Mayor*



Dear Neighbors,

As I have done for the past few years, I am including the State of the City Report to the community in the Willowick Courier. Public meetings have been traditionally very poorly attended, and I want to ensure that as many residents as possible have access to their city's information. The report that follows contains important information on our accomplishments and our challenges, our plans and our projections. The 2015 report has much financial data because our fiscal condition will direct much of our decisions for the year. As you read the report, please keep in mind that "the city" is all of us. It is for that reason that Willowick has always been so transparent with its decision-making and its finances. Residents elect their officials to be servants and stewards of their community – not faceless corporate executives. Your final budget is online for all residents to review. Municipal finance is not always easy to understand, so we welcome questions.

For the past few years most cities in Ohio have been spending into their carryovers (savings). Willowick is no exception. In a perfect world our expenses would be less than our revenue (income). Unfortunately, cuts mean jobs, and jobs mean services. What is happening in most cities and in Willowick is that the revenues are flat while the expenses (especially for employee health care, utilities, supplies, salaries/wages, etc.) are increasing at higher and higher levels. This is a function of a slowly recovering economy where property values and income taxes declined and city revenue plummeted. This city has always done so much with so little, but there are no more rabbits to pull out of the hat to overcome future deficits. It is not sustainable in the long run.

Not all the news is bad. Foreclosures are way down, and the number of vacant homes is now less than 100. Young families are still moving into the city to take advantage of the great educational and recreational opportunities the city offers. In the past two years 348 homes have transferred to new families. We have had some new businesses move in to take over vacant spaces. We are moving in the right direction, but we have so much more work to do to continue moving forward. Although City Council meets twice a month, they also meet quarterly with the Finance Director and me to review financial data so that all the city leadership is on the same page. Be assured that despite the challenges that Willowick faces in the coming months and years, your Council, Mayor, and administrators have always worked well together for your best interests in meeting these challenges.

Sincerely,

Richard J. Bonde  
Mayor

## FINANCES

All cities in Ohio are facing unprecedented financial challenges. State cuts, flatline revenue, and increasing costs have put all cities on a collision course with fiscal emergency. It is not IF but HOW SOON and HOW MUCH. The following data should clarify what we are facing in 2015 and 2016.

The total budget to operate the City of Willowick for 2015 is \$18,272,316. The General Fund is the daily operating budget for much of the city and is budgeted at \$7,876,186 or 43% of the total budget. The Non-General Fund is any special line items and all city levies. The key figure for any city is the General Fund. It is the daily operating budget with 61% being for safety.

This chart is the history of the General Fund over the past years showing income vs. expenses:

Year	Revenue	Expenses
2010	\$7.94 million	\$7.76 million
2011	\$8.24 million	\$7.95 million
2012	\$7.64 million	\$8.05 million
2013	\$7.22 million	\$7.05 million
2014	\$7.04 million	\$7.40 million
2015 Projected	\$7.47 million	\$7.88 million

The following shows the General Fund balances for the same period of time:

Year	Carryover
2010	\$1.15 million
2011	\$1.47 million
2012	\$1.06 million
2013	\$1.25 million
2014	\$891,483
2015 Projected	\$484,686



Nearly 80% of the General Fund is personnel costs including almost \$750,000 in health care costs. The remaining 20% is largely fixed expenses (utilities, insurance, road salt, supplies, asphalt/concrete, etc.). As is evident from the data, revenue is falling behind expenses.

We made some changes and some cuts to recover about \$200,000 in lost revenue for 2015. These include: automated call system for fire personnel when all firefighters are out on emergencies, privatizing concession stands, closing Manry Pool a week earlier when school starts, eliminating a private company to clean City Hall and the

Police Department, laying off a dispatcher, eliminating a part-time dispatch position, reducing a building inspector to part-time, curtailing some overtime, and eliminating a private contractor to perform sewer dye tests. None of these changes will have much effect on residential services. In addition, the Mayors in Wickliffe, Eastlake, Willoughby, and Willowick have been meeting regularly to discuss creative ways we can work together to save costs. All four cities are facing similar problems.



Some key questions about municipal finance:

The city has less revenue, but my property taxes are not dropping. Why?

The city only receives about 20% of the property taxes. About 65% goes to the school district, and the rest goes to county agencies such as the library, Lakeland, MRDD, Metroparks, etc. Levies were approved by the voters in the past three years for many of these public agencies. Willowick's share actually dropped as property values declined across the country. So your total tax bill increased, but the city's share decreased.

When was the last time Willowick was on the ballot for additional money?

Twenty years ago (1995) with a levy for police and fire capital equipment. When cities charged off trash collection as a utility, Willowick was the only city in the state to go to the ballot for approval in 2012. We had to change the Charter in order to do it. But residents understood the problem and said yes.

Will the city be asking for additional taxes?

City Council and I want to make sure that we have made whatever reductions we can before we even think of that possibility. No one wants higher taxes just as no one wants reductions in public services.

Will there be future cuts?

No one has a crystal ball, but two things are certain: expenses will increase and revenue will not keep up. The first option is to continue to chip away at the revenue problem with budget solutions. Unfortunately, this is not sustainable in the long run. We hope that property values at least stay the same and that there are some increases in income tax. Deeper cuts in 2016 are probable.

What were the state cuts, and how bad were they?

The Local Government Fund was established decades ago when the cities were in poor financial shape. Willowick residents received about \$1.5 million each year from the state. The Governor and General Assembly cut that in half by 2013 to solve Ohio's financial problems. The Estate Tax fluctuated from year to year; it was \$328,000 in 2011 and will be zero in 2015. Both of these cuts have resulted in about 15% less revenue to cities. In 2015 the State of Ohio eliminated the property tax rollback.



## SAFETY

Willowick continues to be a safe city. Most of the crime statistics are low for a city of 15,000 and have dropped even from last year. Some pertinent data is as follows:

Offense Reported	2014	Change
Assaults	24	0
Burglary/Attempted	32	0
Child Abuse/Neglect	7	0
Criminal Damage	13	-11
Criminal Mischief	13	-5
Disorderly Conduct	15	0
Disturbance	583	-4

Offense Reported	2014	Change
Domestics	85	-16
Drugs	18	-1
Fraud	84	-11
Homicide	0	0
Missing Persons	17	-4
Mutual Aid	313	+31
Personal Injury	14	+7



Offense Reported	2014	Change
Property Damage	17	+2
Prowler	0	-4
Rape	1	+1
Robbery & Attempts	2	+1
Runaways	6	-1
Sex Offenses	5	-2
Stolen Property	16	-2

Offense Reported	2014	Change
Stolen Vehicles	12	-2
Suicides & Attempts	3	-6
Suspicion	1231	-27
Theft	214	+22
Trespass	25	+5
Weapons	1	-1

The Willowick Police housed 326 prisoners in our jail in 2014, 250 arrests other than traffic (50 juvenile), and 2,884 traffic violations.

Willowick has upgraded our dispatch center to the most modern and efficient in the county. Our dispatch center was updated in February, enabling outstanding safety communications with residents and officers. We also worked with the Willoughby-Eastlake Schools to install an emergency response system in the schools where an office secretary needs only press a button and the WPD with all county first responders will be able to hear what is going on in the school. Willowick thanked Recon for his years of service as our police dog. Our newest officer stands two feet tall and is named Jäger, the German word for hunter.



*Safety Communications Center*

We added five new enthusiastic firefighters to our Willowick Fire Rescue Department, bringing our force to 60 men and one woman. We also purchased a new Quint fire truck, able to perform five multi-functions while serving as a pumper, heavy rescue, and aerial ladder truck. We also added a new state-of-the-art rescue vehicle to the fleet to replace our oldest squad. These two new trucks will cost over \$1 million to keep us safe but should serve our residents for the next decade! All of our squads are equipped as mini-emergency rooms and automated stretcher systems to ensure safety and comfort. These capital purchases were from the special levy fund – not out of the General Fund. The WFD had 100% coverage in 2014 with paramedics on duty every shift. Fire Rescue responded to 2,095 rescue runs (down from 2,127 in 2013) while transports to hospitals increased from 1,214 to 1,238. Property loss due to fires was only \$36,300, down 40% from 2013.



*Honoring Korean War Vets*

## **PUBLIC SERVICE DEPARTMENT**

The Service Department has four divisions: Roads, Sewers, Parks/Public Properties, and Transportation. Willowick maintains 39.8 miles of roads in the city and an additional 80 miles of sewers. Although the city assists residents with lateral snaking, the sewer lines from the house to the mains are private property and the responsibility of the property owner. The Parks and Public Properties Division maintains all city properties and buildings with the exception of our Lakefront Park and Lodge. The Transportation Division maintains all traffic controls and services all the 46 city vehicles. The department has 14 full-time employees, four working foremen, one director and two part-time men. Despite repeated rounds of cuts, Willowick has still been able to take leaves from tree lawns, snake laterals on an emergency basis, and continue all other divisional responsibilities. With the exception of the Sewer Division, no new trucks will be purchased in 2015. For 2014 we took possession of a new lift truck and a new street sweeper with the extra capability to clean catch basins.

We were able to work with the county and the Ohio Public Works Commission to install a new water line and resurface East 330. We were able to complete small side streets such as parts of Ronald and Vineyard. An extensive repair project for expansion joints on Bayridge and East 305 near the freeway was completed by bidding the work out. Our own crews did much cement and asphalt work on the streets with the most winter damage.

The city commissioned an exhaustive study of the entire sewer system to see what improvements can be made. The report will contain an interactive model showing what happens in all areas during specific wet weather events and will identify the points where the system is at capacity. It should enable some long-range planning. I have asked that workshops be offered to residents to show what the system can and cannot do and what costs would be attached to any improvements. Since most basement issues relate to private laterals, we will also give suggestions how to maintain the laterals from your house to the street.

## **BUILDING AND HOUSING**

City Council passed an ordinance at our request requiring all vacant properties to be registered. There are fees associated with the program to cover the costs of the part-time inspector who will enforce codes and maintenance requirements. We want to make sure that vacant houses and commercial properties are maintained to our standards. Such a program is not without its critics, but we need to protect the property values for the rest of us and the community in general. In 2014 we had a private landscape contractor cutting grass on vacant properties as well as occupied properties where appearance was neglected. The costs of the work and administrative fees are sent to the County Auditor after certification by City Council, and the costs are attached to property taxes as a lien. We worked with the Lake County Land Reutilization Program (a.k.a., Land Bank) to take properties determined to be a blight and neglected. A house on Lakeshore Blvd. and another on Clarmont were on our radar. We would prefer such properties be sold and renovated instead of demolished because an empty lot usually stays empty and does not enhance a neighborhood. The good news is that banks are releasing more foreclosed properties as we traverse through economic recovery. They are being repaired and sold. We are also seeing that housing values are increasing. Unfortunately, clearing out foreclosed properties from the market causes the reverse effect on the values.



*Seniors "Reverse Trick or Treating" at Royalview*

The Building Department issued 186 commercial license permits (mostly renewals) and 213 point-of-sale occupancy certificates with 103 pending. These figures confirm that houses are being sold and businesses are renewing or upgrading. We had the retirement of a full-time building inspector who was replaced by a part-time inspector to help cut costs. The retired inspector will assist with electrical inspections as needed.



## **PARKS AND RECREATION**

Willowick's leisure programming and facilities are some of the reasons people choose to move here. The Recreation Department works hard at improving existing programs, eliminating unpopular options, and adding new programs. New programs included the Father/Daughter Dance, Mother/Son Dance, indoor movie, and the Community Art Show. Special events such as the Kelly Miller Circus, water show, outdoor movie, Butterfly Garden rededication, and parade will highlight the summer. New holiday activities in December are in the planning stage.

Repairs such as new floors in the bath houses at Manry Pool and a new furnace at the Dudley Field House will be completed this summer. New glass block windows will be installed at the Manry Activity Center. These projects will not be funded from the General Fund but from the Capital Improvement levy which still generates a small amount of revenue.

The Recreation Department operates a busy Senior Center. In fact, 40 new members registered in February and March. As part of the Mayor's Challenge program with the 5<sup>th</sup> graders, our Senior Citizens have been getting to know hundreds of 11-year-olds and enjoying every minute of it. We are initiating a campaign to encourage some older residents who do not get out much to join the Center and get involved. The city's youth programs such as basketball, soccer, baseball, day camp, swim programs, football, etc. are all outlined in the Recreation Program Guide sent to each home and is available online.



## **GOALS FOR 2015**

1. Groundbreaking for Willoughbeach to provide much-needed housing for senior citizens
2. Study new options for senior services for the Willowick Senior Center to help reach those residents who do not regularly attend the center's activities
3. Apply for federal funding for a new emergency operating generator at the Community/Senior Center complex
4. Study housing options for veterans
5. Continue meetings with surrounding cities to study sharing services
6. Seek OPWC and county funding for selected water line replacements
7. Work with CEI for new LED lighting on the north side of Vine Street
8. Market houses that are prime for rehab by investors and contractors on the city's webpage
9. Target young professionals to move into Willowick
10. Meet with real estate agents to assist in marketing homes to new families
11. Begin to plan capital projects relative to the sewer study to be released in spring
12. Work with the county to study shared jail facilities for west Lake County
13. Honor Willowick's Vietnam War era veterans with the 8<sup>th</sup> graders at Willowick Middle School
14. Maintain as many services as possible as we seek to reduce spending in the face of diminished income