

## City of Brunswick

4095 Center Road  
Brunswick, OH 44212  
330-558-6826



June 30, 2011

To: City of Brunswick Residents  
From: James Lukas, City Manager

Dear City Residents,

Back in April, I sent you a letter answering some questions that were raised in the first month or so of my employment as your City Manager. Many residents have commented that the letter was appreciated; therefore, I plan on continuing this approach – inserting these into your trash bill is a low-cost way of communicating directly with you. In this letter, I would like to answer some follow-up questions that were asked from the April correspondence. In addition, I'll be addressing some questions regarding the upcoming road levy.

### **The letter in April explained how the City receives very little property tax funds – about a nickel of every dollar. In a dollar amount, how much does the City receive of my property tax bill?**

If you own the average home in the City of Brunswick (valued at \$166,519), your property tax bill each year is approximately \$2,848. Of that yearly amount, the City receives about \$136 or just over \$11 per month. Other entities, such as the County, the school system, and the library district receive the balance. Medina County, for example, receives more than twice the amount of your property tax money as the City receives. The City's collection amount is one of the lowest that I have seen in my years as a City Manager.

### **How does the \$136 per year in property taxes compare to what other cities in the County receive?**

	Home Value	Amount Collected by City Per Year	% Higher Than Brunswick
Brunswick	\$166,519	\$136	
Medina	\$166,519	\$267	96%
Wadsworth	\$166,519	\$292	115%

With such a small amount of property tax revenue that the City collects, we have been able to offer a great amount of services to our residents at a tremendous value. If the road levy is approved by the voters in November, the City of Brunswick's property tax collection rate will be similar to the amount in the City of Medina, but still lower than what is collected in Wadsworth. More importantly, the levy would provide us with a dedicated funding source for the City's roads – something that the cities of Medina and Wadsworth already have (e.g., Wadsworth passed their ballot initiative in May). The funds generated by the City's levy cannot and will not be spent on anything other than roadway maintenance and improvements.

### **So how much will the 2.7 mill property tax levy generate for roadway improvements?**

We estimate that this levy will generate approximately \$1.85 million per year. The County Auditor's office will provide a more formal estimate, based on many variables (e.g., property values; changes in law), once the City files the necessary paperwork with Medina County, assuming the levy passes. A few years ago, the City performed a road study which showed, based on the roadway pavement ratings throughout the community, that approximately \$1,885,000 was needed per year for the next 10 years. Adjusting for

inflation since then, with figures obtained by the Ohio Department of Transportation, placed the amount needed at just over \$1,900,000 per year. It is important to note that the costs for two key projects – road improvements to Boston and North Carpenter – were not factored in to the earlier study; therefore, due to their current estimated cost, an additional \$400,000 per year (for the next 20 years) is needed for those projects, bringing the overall total to approximately \$2.3 million per year.

**You just mentioned that \$2.3 million per year is needed, but the 2.7 mill levy generates less than that at \$1.85 million. Why aren't you asking for enough money to solve our roadway issues?**

The initial recommendation was to request a 3.5 mill levy for 10 years, which would have generated just under \$2.4 million and, after the 10 year period, to reduce the levy from 3.5 mills to 2 mills. Collecting 2 mills after the 1<sup>st</sup> ten year span would reduce the amount for roadway improvements per year to approximately \$1,365,000 – this is what the City needs, in our opinion, to maintain the roads once improvements are made (and to continue funding the debt associated with Boston and North Carpenter) such that our community will never again have the extent of the roadway issues we do today. We currently have less than 20% of that amount – or approximately \$230,000 per year – to spend on maintaining and improving our roadways. We see the results of having such a limited amount to spend.

Unfortunately, per State law, the City is not allowed to place the above idea -- with the millage amount starting at one level and then reducing after 10 years – on the ballot. In addition, a 3.5 mill levy, even for a short term, would place our collection amount above the Cities of Medina and Wadsworth and, quite frankly, this was something that we were concerned with in the current state of the economy.

Further, although it will take about 20 years, the amount generated with a 2.7 mill levy will be approximately the same as what would have been generated with starting with the 3.5 mill request and reducing it after 10 years to the 2 mill amount. In the long term, we will be able to accomplish the same amount of roadway improvements.

Last, with the proposed levy amount, we should be able to obtain a significant amount of grant money, allowing for larger roadway projects on our main thoroughfares. Typically, a City needs to have between 20-50% of local money for grant projects. This levy will allow for that, hopefully reducing the amount of time to make substantial improvements. Given the above, we are confident the levy request will address our needs over time.

**I understand the need to improve the roads -- I drive on them daily -- in this bad economy, how much will this levy cost me?**

If you own the average priced home in Brunswick -- \$166,519 – the levy, if approved, will cost you approximately \$142 per year (\$11.80 per month). If you own a home valued at a different price, you can determine the exact financial impact by visiting the County's website and inputting your home value along with the 2.7 mill amount: [www.medinacountyauditor.org/mills1.htm](http://www.medinacountyauditor.org/mills1.htm).

**\$11.80 per month doesn't sound like that much, but I cannot afford that additional amount – doesn't that matter to the City?**

It does matter and we realize that, in today's economy, this is not the best time to ask for more money. I have numerous friends and family members that currently do not have a job or are working a reduced number of hours per week. For them, any additional expense is problematic right now -- we wish we didn't have to ask for this increase. The City's long-standing low tax rate needs to be increased to address our roadway issues. Without additional funds, the situation will only get worse because the costs to

improve the roads will only increase in the future as further deterioration occurs and neighborhoods continue to be impacted (e.g., property values).

The City has had very little local funding available to spend on roadway improvements – approximately \$230,000 per year as mentioned above. Unfortunately, with such a small amount of money, we have been forced to address issues reactively rather than having a more pro-active approach to street issues. Given our winter weather, this has led to a relatively quick deterioration of our roadway system.

To be more proactive this summer, we will be reinstating a small crack-sealing program, but, due to our financial constraints, we simply cannot address all of the crack-sealing needs throughout our City. This is unfortunate as we know another winter will only make some of the roadways worse.

**Assuming I agree that a dedicated source of money is needed to address our roads, why don't you implement a sales tax increase, similar to what was done to fund the school improvements throughout the County?**

Unfortunately, a sales tax approach is virtually impossible. The City cannot raise the sales tax alone. Per state law, it would have to be a county-wide initiative. I am more than willing to assist with a sales tax initiative, but significant issues exist -- this may be more information than needed, but Medina County currently levies sales (and companion use) taxes aggregating 1.0 %. It has "used" all of the authority it has to levy a sales tax under Ohio Revised Code Section 5705.026, the Section that permits a county to levy up to 0.5% for, among other purposes, providing "additional revenue for permanent improvements within the county to be distributed by the community improvements board". The County's only remaining authority for an additional County sales tax amount is under the Ohio Revised Code Section 5705.021. That Section would permit an additional 0.25% or 0.5% sales tax, but only for the purpose of "providing additional general revenues for the county or supporting criminal and administrative justice services in the county, or both."

Without a statutory amendment, there appears to be no authority for the County to levy an additional sales tax for road and bridge improvements (at least until October 1, 2037 when the current 0.5% County levy approved under RC 5705.026 for school improvements and related debt service will expire).

Given the above, I consulted with County Commissioner Steve Hambley, a Brunswick resident, who agreed with the problems noted above. Commissioner Hambley has been instrumental in assisting the City in the past on other matters. He was very honest regarding the issues associated with a possible sales tax approach by noting practical and political obstacles. For example, he mentioned the following:

“Aside from the lack of countywide political support that I previously outlined to the advisory group several months ago, a countywide sales tax for the purpose of funding roadway. . . projects throughout the county is neither a practical nor realistic alternative to addressing Brunswick City's current dilemma. Wadsworth City passed their income tax increase for local road projects at the last election and Medina City successfully increased their income tax several years ago sufficiently to deal with their capital infrastructure needs, which included local road projects. Most townships have sufficient funds in their road levies and the county engineer is making do with the revenues and grants we can obtain. I am afraid that any attempt to elevate Brunswick's dire need to improve, repair and replace their local roads into a "countywide crisis" requiring a countywide tax increase would not be well received by the other municipalities and townships.”

**Given the significant amount of road issues seemingly in every neighborhood, why wasn't a solution presented years ago? Why did the City wait so long for this levy request?**

I have only been the City Manager for 4 months or so, but in the research I've done, the City attempted to address the issues back in 2007 with a levy request at that time. The City requested an increase to the income tax rate from 1.35% to 2.15%, which was not successful. That increase would have addressed numerous items including, but not limited to, safety issues, roadway concerns, and other needs within the City (e.g., adding a senior citizen center). I do not know why that levy was not approved – perhaps it was too ambitious in trying to solve all of our issues at one time? Perhaps it was not explained thoroughly enough? I don't know -- at this point, we cannot focus on the past. We need to move forward!

We have the current situation for a variety of reasons -- all we can do now is explain our road levy request and place it on the ballot for your decision. I believe that the public will vote for or against the request based on their individual circumstances (e.g., job status), whether they perceive the need, and whether the overall request has been adequately explained.

**Is there an opportunity to talk with you about the City's current financial situation, including some historical information?**

The Finance Director, Todd Fischer, and I have been meeting with residents to answer questions about our financial situation. We understand that you have questions – you may even be surprised to learn of our financial issues. We have met with residents one-on-one and also in groups. The next informal group session is on Wednesday, July 27<sup>th</sup> from 5:30 p.m. to 7:30 p.m. at City Hall. We will have other meetings in the future – please attend if you have any questions on the City's budget or regarding our current financial situation.

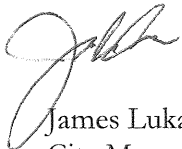
**If money is tight, why did the City spend \$25,000 on a consultant for the road levy?**

The City did not hire a levy consultant. It is true that we were considering using a consultant, but after reviewing the costs involved, we determined not to proceed. Many governmental entities hire consultants to assist with levy campaigns; therefore, it is not out of the norm for us to have reviewed our options. In the end, we believe that the public understands the roadway needs and, as stated above, will determine whether or not to vote for the roadway improvements based on several factors.

I hope the above information has answered some of your questions regarding the upcoming levy and the challenges we are facing from a financial perspective. We are at the point where the City needs a dedicated funding source to address all of our roadway issues.

Please do not hesitate to contact me about the above or any City-related matter. You can contact me by email at [jlukas@brunswick.oh.us](mailto:jlukas@brunswick.oh.us) or by phone at 330-558-6826.

Sincerely,



James Lukas  
City Manager