

City of Brunswick

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

April 7, 2011

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

Dear City Residents,

Thank you to the many residents and community leaders who have welcomed me to the City of Brunswick! After serving as the City of Franklin's City Manager for over 14 years, I knew that starting a new position would be an adjustment. The welcoming atmosphere has certainly helped with the transition. I will be working hard to earn your trust.

In my first letter to you, I would like to address some questions that have been asked since my arrival:

Why is the City spending money on school renovations/expansions and not spending these funds on our roadway needs?

Many people believe that the budgets for the City and the School system are somehow combined, but that is not true. The schools are making some significant and important improvements due, in part, to a county-wide sales tax increase that was recently approved by voters. The City, however, does not receive any revenue from the sales tax. We know we have significant roadway issues, but we currently have budgetary limitations and very limited funding sources to address all of the road improvement concerns. This is one reason why a resident advisory group has been reviewing our road situation and discussing possible solutions. Without additional funding, we will not be in a position to adequately fix our streets. I wish I could be more optimistic. If anyone would like to sit down and review the budget with City staff, just give me a call and we will arrange for a meeting.

Given the comment above about sales taxes, what about property taxes? Why doesn't the City use these funds to address the roadway needs?

The City's budget relies heavily on income taxes – we receive very little of your property tax dollars. In fact, for every dollar you pay in property taxes, the City only receives about a nickel! The remaining 95 cents goes to other entities as follows (rounded to nearest 5 cents): 75 cents to the School System; 10 cents to Medina County; 5 cents to the Medina County Parks and Library; and 5 cents to the Medina County Vocational School. Our reliance on income taxes has been impacted by the current state of the economy. We are not immune to the financial realities that have impacted many of you (e.g., loss of a job or the reduction of hours). Unfortunately, the State of Ohio does not provide cities with many options for revenue enhancements. To address our infrastructure concerns, we will either need to raise revenue or decrease our expenditures and, quite honestly, I believe that the City has done a good job over the last couple of years with expenditure reductions (e.g., elimination of full-time positions). These reductions have allowed the City to maintain services the best we can, but not to address our major issues.

Brunswick, like other communities, is struggling financially – can't the State of Ohio help local jurisdictions with these issues?

According to estimates, the State of Ohio has a deficit of \$8 billion! They are not in a position to assist cities. In fact, to deal with their financial situation, the Governor is proposing a drastic reduction in local government funding (LGF) that, if successful, will significantly impact our ability to provide the services that you deserve. In his proposal, the Governor would slash 50% of the LGF. What does that mean to the City of Brunswick? If approved, we will lose approximately \$365,000 - \$420,000 per year! This proposed reduction is in addition to cuts already made by the State through the years to the LGF. The City is also expecting the State to amend the estate tax rules which, if approved, would result in an additional loss of approximately \$35,000- \$75,000 per year. Given our current budgetary issues and infrastructure needs, we will be hard-pressed to be able to absorb these reductions without an impact on services. If you would like to learn more about the Governor's proposal, please visit www.everyohioan.com. I would urge all residents of Brunswick to contact state legislators and tell them to keep local government funding intact.

Will Pearl Road be repaved within the next year or so?

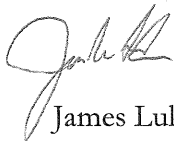
Well, it depends. Similar to the local government funding issue above, the State of Ohio was also contemplating eliminating a portion of Ohio Public Works Commission (OPWC) funding. The OPWC program is a competitive process where cities throughout Ohio apply for grants to use on major thoroughfares and other infrastructure needs. This is likely the best program the State offers to assist local jurisdictions. Brunswick has been quite successful in obtaining these funds in the past. With a sizeable grant, Pearl Road, from Sleepy Hollow to Boston Road, was scheduled to be improved next year. Although a bill was introduced to eliminate this funding, a substitute bill was later introduced to keep the funds in the program. At this time, we do not know what will be approved.

Am I getting paid \$10,000-\$15,000 more than the previous City Manager?

I have heard this question several times and it is false. I have a nearly identical total compensation package compared to what my predecessor was receiving. The main difference is that the former City Manager had a combination salary and deferred compensation package whereas my salary is slightly larger because I am not being provided with any deferred compensation. Given the City's current financial situation, this was an important issue for Council. In addition, because of the economic realities facing the City, it was agreed to keep my salary stable, without any increases, for a period of three years.

Please do not hesitate to contact me at 330-558-6826 or jlukas@brunswick.oh.us if you have questions about the items above or any other City-related matter. You can also visit our website at www.brunswick.oh.us for additional information on City issues.

Sincerely,



James Lukas
City Manager