

## **City of North Ridgeville State of the City Address**

**January 14, 2016**

Thank you for once again for allowing me the honor of speaking to you about the State of our great City. 2015 was an extremely busy year .... And it's only going to get worse! But that's a good thing!

Before we get into the details let me recognize several people.

Thanks to Superintendent Dr. Powell and the school board for again providing the facility and all that they do for our community. I would also like to take this opportunity to thank Marjorie Snyder from the Chamber of Commerce for arranging today's event.

I would like to recognize several public officials that have joined us today:

From Congressman Bob Gibbs Office, Ryan Dillworth; Senator Rob Portman's Office, Caryn Candisky; Lorain County Commissioners, Ted Kalo and Matt Lundy; Judge Gary Bennett; School Board members, Kelly McCarthy, Marci Saxon and Frank Vacha; and, City Council members, Bruce Abens, Dennis Boose, Bernadine Butkowski, Bob Chapek, Council President Kevin Corcoran, and Roseanne Johnson.

Next, I would like to recognize those in my office that help keep our administration functioning, Jeff Armbruster, SSD, Tissy Simon, administrative assistant and Robin Mayda, administrative assistant.

I would like to thank my wife, Beverly, for putting up with me and supporting my efforts as Mayor for the last 12 years and for the next four years.

Would our department heads present please stand? You'll hear more about their departments later, but these individuals are the ones that see to the day-to-day functions that keep our City running.

Let's start with a quick election year recap. In May, the City placed three renewal levies on the ballot which all passed handily. Also in May, candidates for the General election were selected. If you don't believe every vote counts, Bruce Abens and Georgia Awig were tied at the end of the primary election night counts, tied after provisionals were counted, and ultimately, Councilman Abens won by a coin toss, for the right to run for Ward 3 Councilman on the Republican ticket.

In November, we came back with a specific request for an \$8,200,000 issue for a new fire station which passed and exceeded all expectations, which you will hear more about later. I retained my seat to serve as your Mayor for four more years, for which I am extremely grateful. Dennis Boose and Terry Keenan were re-elected to their respective seats and two new Councilmen were elected. Bruce Abens will take over in Ward 3 for Dr. Ron Arndt who did not run for re-election and Bob Chapek will serve in Ward 4, taking over for Bob Olesen, who also chose to retire. I look forward to working with these gentlemen, as well as all our current Council At-Large members.

Although the election process is of critical importance to electing, or not electing our leadership I, for one, am glad it is now over and we can concentrate more on the numerous projects underway in our community that we have been working on for years.

When we get to the Engineering Department review, I will speak more about those projects but let me inform you of what some of our departments were doing last year to serve the public.

### **IT Department**

As I reviewed the accomplishments of our various departments for 2015 I first looked at our IT department. Their lists of accomplishments appear quite impressive, although I don't understand most of it! I do know they are a critical resource to all our departments as we move more and more into cyber space advancements.

### **Office of Older Adults**

Let's jump to the Office of Older Adults, something I can better relate to. We again had record attendance at the Center. For the year, have seen over 10,000 visitors for different activities, served over 7,000 meals-on-wheels and provided transportation for over 2,500 trips for seniors to doctors' appointments and other needs. Speaking of Meals-on-Wheels, the Senior Center is in need of volunteers to deliver meals. If you are interested, there are flyers at the registration table in the back of the room. Interesting story, last May we received information that one of our Meals on Wheels clients had passed away. Our Meals-on-Wheels delivery person had already left so we didn't get the message to him. When he returned and we told him, he replied someone accepted the meal at the home! Rita Price said either our drivers are now delivering up at the pearly gates or our meals are so good, everyone wants one!

And, when I perform a wedding we request a donation to be made which goes directly to the Senior Center. In 2015 my office performed fourteen weddings bringing this to a grand total of 312 weddings performed in the 12 years that I've served as your Mayor. Lest you think this is a minor amount, when all is said and done, over \$30,000 has been donated to the Senior Center.

### **Parks and Recreation Department**

Parks and Recreation Department had an extremely busy year. Major improvements were made to the South Central parking area which was repaved using our own City crews. Six islands were removed adding about 20 parking spots. We also replaced the lights with modern LED lighting which provides a brighter and safer parking area.

The department was reorganized after the retirement of Debbie Toth, who was the department secretary for years. Debbie was replaced by Meredith Brescilli, a Kent State graduate as a program supervisor who oversees our tot and youth programs.

We instituted a "No Tobacco Policy" in July throughout our entire park system. It is my intent to broaden this program to encompass all City properties effective Jan 1, 2017. This will give us time to implement programs to assist our employees who do smoke with smoking cessation programming and plenty of time to prepare for this big change.

Through our collaboration with the Lorain County General Health District several initiatives were undertaken last year. Working with their department we undertook the North Ridgeville Heart and Sole Challenge. Several informative sessions were held at various locations where attendees walked with the speaker to discuss health initiatives. About twenty City employees

and their spouses participated in a one week “Plant Based Diet” exercise where we ate no meat, no dairy products and no oils. Yes, we were vegans for a week! Jeff and I and our spouses participated and the results were amazing. Several employees are still eating a plant based diet today. But, many of us, me included need more than kale and spinach for breakfast.

Our vending machines were also updated to provide more alternatives as part of our healthy eating initiative.

We were also able through the Health Department to leverage a \$45,000 grant to add six pieces of outdoor fitness equipment along the walking trail at the south end of the trail overlooking the lake at South Central Park. In addition, the grant allowed us to purchase six artistic bike racks and install them throughout our parks. The racks form action words: PARK, PLAY, FUN, LEISURE, SPORT and BIKE.

At Shady Drive softball/baseball complex we were able to add phase 1 of a 2-phase accessible walkway project. A new 6’ wide asphalt path was added going from the main concession stand to the tot fields at the south end of the park. This was made possible by a \$43,000 Community Development and Block Grant. Phase 2 will hopefully be completed this year.

The Parks & Recreation Department had a phenomenal year with 257 programs/sessions offered with over 10,745 participants taking part in the various activities offered to people of all ages. They also had a record turnout of 356 participants for the 2<sup>nd</sup> annual Cleveland Stache Dash offering a 5K and 1 mile fun run-walk. Besides having a good time the Dash raised \$6,957 for the Parks & Recreation Department.

### **French Creek Wastewater Treatment Plant**

As most of you know, the City of North Ridgeville owns and operates the French Creek Waste Water Treatment Plant which provides sewage services to Avon and Sheffield Village as well as North Ridgeville. It is our goal and policy that the plant remains in good, reliable operating condition. It would not be a good thing for the plant to not be able to receive and process sludge from these three cities. To accomplish this goal several improvements were undertaken during 2015. We installed a new 2.5 megawatt generator that will power the entire plant for three days before needing refueling. A new forty inch bypass line was installed at the entrance of the plant on Abbe Road to replace extremely deteriorating pipe, and some of the old pipe was relined. The Ultraviolet disinfection unit which disinfects water leaving the plant and entering the French Creek was replaced. The old unit was sixteen years old and failing. And all three of the huge Complete Mix Tanks were cleaned which had not been done in many years. Several feet of grit was removed from the bottoms of the tanks. All together these improvements cost in excess of \$4.2 million but helps keep the plant in prime operating condition.

### **Treasurer’s Office**

I think it is important to talk about our Treasurer’s office and their accomplishments. They spent the last two months of 2014 and the first six months of 2015 playing catch up. When the previous Treasurer left, our bank book had not been reconciled for several months. This was due to difficulties we experienced with the conversion of our financial accounting software. We now reconcile daily and since June 2015 our unreconciled amount has only varied by \$0.15, a tremendous accomplishment.

For years, as a way to offset disappearing interest rates, we have laddered our working capital by purchasing CD's on a monthly basis. This gave us the ability to react quickly, give us the liquidity we needed and get the best rates possible. Unfortunately, for the last few years those interest rates have been well below ½ percent. This year we solicited proposals from investment advisors and after reviewing four of the top public fund investment advisors in the state, Meeder Investment Management was chosen to help the city increase interest earnings and portfolio duration. Initially, \$7,500,000 was invested through Meeder which is anticipated to generate an additional \$30,000 per year. To me, that is about 1/3 of mile of paving!

We also kicked off a new round of Community Housing Improvement Program grants, better known as CHIP grants. Due to some restructuring by the State we are on a one year cycle for 2016. The 2015 program year grant of \$175,000 Kicked off in October 2015 and must be finished by December 31, 2016.

As of December 31, 2015 the city had received 9 applications for home rehab projects. It is estimated that 4 home rehab projects will be awarded, totaling \$145,015, for program year 2015, including \$37,215 provided by the city out of its program income. 14 homeowners applied for the Home Repair Project. It is estimated that the city will be able to provide for 6 projects totaling \$46,200 under the 2015 grant. Due to changes in the plan at the State level, we have been advised we will no longer qualify for the program. This is unfortunate.

Now I would like to talk about the foundation of our City services, Police, Fire and Service departments.

### **Police**

Police first. Let me begin with a couple stories that don't do justice to what our policemen face every day, I just thought they were funny!

An individual was arrested March 3<sup>rd</sup> for "open container in a public place". He was walking westbound in the police parking lot to the police department to begin serving his time for another incident.

And one of my favorites. Officers responded to a complaint of suspicious condition at a certain address. The complainant advised a subject was pounding on her door. Dispatch further advised the subject then opened the garage door and activated the horn in the complainant's car before entering the residence and setting off the house alarm. Upon arrival, officers made contact with both parties and discovered they both lived there.

During 2015 the police department instituted a new software program called New World which allows all of the Lorain County Police agencies to share information on incidents and offenders. The bulk of the program was paid for by Lorain County. The police department received a \$20,000 grant to deter aggressive and impaired driving and for the purpose of enforcing seat belt laws. The police department Facebook page has become a very positive tool for the police to keep our citizens informed. If you haven't seen it, please take a few minutes to visit the North Ridgeville Police Department on Facebook. You will be pleasantly surprised and you can also see pictures of Foster, the runaway kangaroo!

Sinta, one of our well known police dogs retired and was replaced by Leo. Patrolman Jim Larkin rides along with Leo when he is on duty. When Center Ridge is widened a new road from Marc's parking lot to Jaycox will be constructed and will be named Sinta Run in honor of Sinta,

who sadly passed away last year. As of October 2015 our police responded to over 30,000 calls including three homicides (one was a murder/suicide). We had only one other homicide in my twelve years as Mayor. You may remember, that was the day President Obama came through town on the way to Lorain County Community College. Our police responded to 525 motor vehicle crashes in which 123 persons were injured including three fatalities. Our police made 132 OVI arrests, and 42%, almost half were repeat offenders. That is both astounding and depressing. As of October, dispatch had already received 27,818 phone calls and assisted 5,264 persons on station. And finally, as of October 2015 NRPD has handled one kangaroo call.

In 2015 North Ridgeville was again highly rated as a safe place to live. Value Penguin, a Manhattan based analysis company rated North Ridgeville the third safest City in Ohio. I want to thank Chief Freeman and his department for all they do in keeping our residents safe.

### **Fire Department**

What can I say about our Fire Department? They passed a levy for a new fire station. We can move on. But, I won't.

Last year we responded to 3260 calls for help. These included 642 fires and 2,618 EMS runs for a total of 3,260 calls. Our call numbers continue to grow each year. In addition, our soft billings to insurance companies and Medicare were up about \$115,000 over the previous year.

In 2015, the fire department teamed up with the American Red Cross to install smoke detectors in the homes of residents that did not have a working smoke detector. The American Red Cross received a grant to install smoke detectors throughout Lorain County. A total of 135 smoke detectors were installed in the neighborhoods of Main, Broad, Pleasant, Olive, Wallace, Cornell and the Pine Ridge Mobile Home Park. The fire department plans to continue efforts with the American Red Cross in 2016 and install smoke detectors in more neighborhoods throughout the city.

In July, the fire department responded to a 911 call for assistance in the Meadow Lakes subdivision. On arrival, the medics found a lady performing CPR on her 56-year-old husband that was in cardiac arrest. The medics immediately applied the Lucas Device which is a CPR machine that the fire department acquired in the beginning of 2015. The medics then continued advanced cardiac life support procedures while transporting the gentlemen to St. John's hospital. Once at St. John's, the gentleman was resuscitated and walked out of the hospital several weeks later with zero deficits. The patient was saved thanks to his wife, the medics, hospital staff and the Lucas Device. The fire department is continually working with our partnering hospitals to update equipment and educate our medics on the latest procedures to improve patient outcomes and protect the lives of our residents and visitors. If anyone is interested in seeing a demonstration of the Lucas Device, please feel free to contact the fire department to make arrangements.

Our own VFW also donated a device, a McGrath Mac, to the fire department that makes it much easier for them to intubate a patient. I want to publically thank the VFW for their support of our fire department.

I want to mention that the North Ridgeville Fire Department received the American Heart Association's Mission: Lifeline EMS Recognition Award. They received the silver award for implementing quality improvement measures for the treatment of patients who experience severe heart attacks.

In October, the fire department held their 2<sup>nd</sup> annual Health and Safety Fair at fire station #1. The Health and Safety Fair corresponds with National Fire Prevention Month and is a way for the fire department to get residents to think about things that they can do around their home to prevent fires and keep their families safe. This year, area hospitals, businesses and other city departments helped to provide items and information to promote fire safety and healthy living. The annual Health and Safety Fair is a family friendly event and will be held again on Saturday, October 1<sup>st</sup> 2016.

In November, the residents of North Ridgeville overwhelmingly passed an \$8.2 million bond issue to build a new headquarters fire station. The new station will be located in the area of Jaycox and Center Ridge Roads. The goal is to break ground around the end of 2016 with a possible completion date in 2017. Thanks to everyone in North Ridgeville that supported the fire department and administration with this much needed project.

### **Service Department**

Our service department also continues to perform more than admirably. Some stats –

Each year during the appropriations process, or budget, Council and the Administration prioritize the City needs and allocate the revenues we have available. We usually allocate about \$250,000 toward our in-house paving program. An outside contractor comes in and mills out the asphalt pavement and the streets are repaved using our own City crews. Because of the severe winters of 2013/14 and 2014/15 several of our major thoroughfares were in extremely bad shape. We increased our street paving appropriation, nearly tripling it to \$745,000 which allowed us to pave a number of streets. These included:

Case Road from Burns to the Avon Border

Stoney Ridge from Center Ridge Road to Stone Creek

Stoney Ridge and Mills Road intersection

North Lear Nagle from Adele to Center Ridge Road

Bagley Road

Chestnut Ridge from the Turnpike Bridge to Root Road

Installed a turn lane at Chestnut Ridge and Root Road

Lexington Way

South Central Park (also installed new lighting)

Added a parking lot behind City Hall

Relocation of Handyside Road

Keep in mind that by giving street paving a higher priority, we did not purchase a dump truck we had planned on and we reduced the number of police cars we were replacing from five to four as well as foregoing a few other projects we would have liked to complete. This year I plan on again asking Council for an increase in our paving program and begin to do more in the

secondary or residential streets. We also now have specialized equipment that will enable us to do more patching during the winter using our “hot box” and recently acquired “Dura Patcher.”

This year we have also equipped seven of our salt trucks with salt deicer equipment. This will give us the ability to pretreat main streets in advance of major storms and will make our salt work more effectively. If we don’t have to use it, that’s fine by me, but I wouldn’t bet on it! In addition, we received \$16,000 due to a settlement with Cargill Salt because of a price fixing lawsuit which will go towards purchase of the brine.

During 2015 we also repaired 32 water main breaks, replaced 9 fire hydrants and cleaned over 5.5 miles of ditches.

A new cell tower was constructed next to City Hall on school property to replace the antiquated tower behind our Service Department off of Bainbridge Road. The new tower is 300 feet tall and houses all radio communication for Police, Fire, FBI, North Ridgeville Schools, and the city’s Service and Utilities departments, and several phone companies.

### **Utilities Department**

We now service nearly 13,000 water, sewer and sanitation accounts with four full time employees. In the last 15 years we have grown by more than 4,500 customers without adding staff by using modern technology.

Jim Whitlock, our department supervisor also serves as our recycling coordinator and once again was instrumental in obtaining a recycling grant of over \$50,000. Those funds buy recycled paper for use by all of our departments, purchasing equipment for our parks and piping used to fill in ditches. These funds afford us the opportunity to put money back into the community while saving taxpayer dollars and keeping waste out of our landfills. Waste oil is collected at the service department and is burned in waste oil heaters that not only recycle the used motor oil but supplies heat to our city service garage. We also buy traffic cones, construction barrels and road barricades with recycling grant money. The rubber mulch you will find under our playgrounds keeping our kids safe is bought with recycling grant money. There is much, much more we buy with our grant money, but as you can see all of us, meaning all of you, by recycling save the City thousands of dollars each year as well as being eco-friendly.

### **Building Department**

Our building department remained as busy as ever. Building permits were down slightly but they still issued approximately 200 new dwelling and 5 new apartment building permits. In addition, a total of 1,899 permits were issued and 8,437 total inspections took place in 2015.

Some of the new commercial projects that are keeping them busy include:

North Ridgeville City Schools, New School Grades 3-8

Lake Ridge Academy, Kemper Science & Engineering Building

Victory Lane Fast Pitch/Retail Facility

Victory Lane Mobile Jobsite Trailers

Bagley Road Assisted Living Facility

Friendship Food Store at Case Road

WXZ Retail Shopping Center on Center Ridge Road

Harvest Ridge Assembly of God addition

And, of course this year they will be involved in construction of the new Fire Station.

The building department also worked closely with the Lorain County Land Bank in getting five dilapidated dwellings razed at no cost to the city. Once the dwellings are identified as unrepairable and essentially a total loss, the Land Bank assists us in getting clear title to the property, and then funds the construction costs to tear down and clean up the property. Hopefully in 2016 we can add to that list as more dwellings are identified.

### **Engineering Department**

Turning to the Engineering department, it's always exciting to share with you the projects and status of existing projects that the City is involved in.

Of course, Center Ridge Road remains one of our top priorities. Progress continues to be made with an anticipated construction bid date of January 2017, just one year from now. However, 2016 we'll see a lot of preparatory construction as buildings continue to come down, utilities are relocated and a new sanitary sewer system will be installed. All Aspects Contracting continues removing those buildings that had to be demolished in order to allow for the road to be widened. Most of that work should be completed in the next few weeks.

Then, after all the buildings are down, relocation of gas lines and power poles will begin.

DiGioia-Suburban Excavating was recently awarded a contract of approximately \$1.5 MM to install a new sanitary sewer along Center Ridge where none now exists. Work can begin any day now, if it hasn't already. So you will see construction activity on Center Ridge Road this year, but the real work begins in 2017.

Work on Lear Nagle, however, will begin immediately. A contract for \$9.6 MM, which was \$500,000 below estimate, was awarded to Terrace Construction to widen Lear Nagle from Center Ridge Road to Lorain Road. A public meeting was held yesterday including representatives from the Lorain County Engineer's Office, Greenman-Pedersen the construction management firm, Terrace Construction, and the City to review the project schedule, project phasing, traffic maintenance and other details. Much of this information can be found on the website [www.learnagleconstruction.com](http://www.learnagleconstruction.com) or by following a link from the City's website. If you are not aware, Lear Nagle will be widened from an existing two-lane asphalt roadway to a three-lane concrete roadway including drainage, intersection improvements, sidewalks, waterline and lighting upgrades.

Last year using Ohio Public Works Commission funding to offset the cost, we rebuilt the southern half of Jaycox Road basically from Center Ridge Road to Drake Road near Liberty School. This year we will finish Jaycox by rebuilding the northern part from where we left off to Mills Road.

Tentatively, it is our plan in 2017 to use our Ohio Public Works funding to partner with the City of Avon to build a roundabout at the intersection of Mills Road and Route 83. The projected cost for the roundabout is \$800,000. The cooperative effort with Avon will allow us to apply for

OPWC funds for the intersection improvements with hopefully little or no cost to residents of either city. Moving the intersection slightly to the northeast on property owned by the City of Avon, reduces land acquisition costs for the project, which could not be done by widening the intersection with turning lanes. Ohio Department of Transportation states the following regarding the effectiveness of roundabouts, “would provide a decrease in delay for the intersection as it would allow traffic to operate at more of a free-flow condition with the implementation of a roundabout. Roundabouts provide an increase in traffic capacity and provide the highest reduction in crashes as are proven to reduce injury, fatal and overall crashes as compared with a traditional signalized intersection.”

We have also continued with storm water upgrades. The West Point retention pond weir or dam was modified last year that will reduce the 100 year storm elevation in the Pitts area by six inches. Engineering will continue working on our plan to redirect water runoff from the Turnpike with a \$352,500 grant which will also reduce flooding in that area. As residents continue to demand more be done to reduce flooding, we will soon receive the final draft of a proposed storm water utility program to give the City the funds necessary to proceed with future improvements that are needed as well as maintenance of existing infrastructure. We have often talked about the \$4MM plan to redirect much of the water that flows through the French Creek. This would allow the City to begin implementing many of those improvements.

The City recently entered into a contract with Smith Paving to install new sidewalks under the Safe Routes to School Program. Almost \$350,000 of new sidewalks and crosswalk improvements will be constructed around Lear North Elementary, Liberty Elementary and Wilcox Elementary schools. Along with the new sidewalks to be installed on both sides of Lear Nagle and Center Ridge Roads, as well as on Aurensen Road and along Route 83. If our grant applications are approved, we will be adding miles of sidewalks that will make it easier to walk throughout North Ridgeville. We are working with the Lorain County Metro Parks to extend the walking path where the Center Ridge Road project terminates at Stoney Ridge to Meadow Lakes Blvd. When finished, one will be able to walk from Lorain County Community College University Partnership Ridge Campus to Sandy Ridge Reservation, from Center Ridge Road to South Central Park and around the lakes and most of the schools.

Starting in 2007 we asked URS Engineering, now AECOM, to inspect all of our sanitary lines and prioritize them for rehabilitation. The city was divided into 16 sub-basins and we began the process of relining and rehabilitating the sewer lines and manholes. This will help ensure our sanitary sewer lines continue to flow properly and will help prevent infiltration and inflow which allows water to get into the system, and during a storm, flood the French Creek Waste Water Facility as well as cause sewage backup into residents’ homes. As you can see all of the high priority sub-basins have been rehabbed with the exception of sub-basin 6, the Aurensen, Noll, Behm and Savannah area. Sub-basins 5, 6, 7 and 8 have been dye tested and hopefully we can finish those this year. The city has spent over \$1.1 MM in inspecting and rehabbing our sanitary sewer system. And, AECOM will soon be providing us the results of a study to determine how much it will cost to construct an equalization basin to also help prevent sanitary sewer backup.

The City continues to replace aging water lines each year. In 2015, a new water main was installed on Bainbridge Road from Root Road to Avon Belden and a water main was replaced on Root Road from Center Ridge Road to Bainbridge Road. Currently, Charles Akers Construction is working on Olive Avenue and the adjacent cross streets, Lewis, Branch and Cross, to replace those water mains. This project is expected to be completed in May.

## **Financial**

Let me give you a little background as I get into our financial discussion. Since I began as Mayor we have strived to first, improve our surplus or carryover and secondly, cut expenses. In the early years working with Chris Costin we were able to get our surplus up to almost 25% of the General Fund which is where we wanted to be to get our best bond rating. And by the way, Chris retired from the City last November 30<sup>th</sup> and the City is taking applications for a new auditor to fill that position on a full time basis. Chris guided the City through ups and downs for many years and his department was recognized annually by the Government Finance Officers Association for excellence in financial reporting, which was again received just last month for the 2014 Comprehensive Annual Financial Report, known as the CAFR. We were able to get our bond rating up to Aa2, which is very good for a City of our size. But then the State started chipping away at several revenue accounts which were funded by them.

Our real estate taxes dropped severely during the 2010 recession. They increased somewhat during 2011 and 2012, but due to the County reevaluation in 2013, they again dropped precipitously. They are again appreciating but are still about \$300,000 below where they were in 2012.

Beginning in 2011 (actually a few years before but to a smaller extent) the State started reducing the Local Government Revenues. In 2011 we received slightly over \$700,000. In 2014 we received under \$400,000, a drop of another \$300,000 plus.

In 2010 we received over \$50,000 in CAT tax, or Commercial Activity Tax which was to replace the personal property tax which was being phased out. That is now 0.

On average we used to receive about \$150,000 per year in estate tax or inheritance tax, and in 2011 we received over \$400,000. That also has been phased out and is now 0.

This year the Direct Local Government Revenue Fund was reduced. We used to receive about \$85,000 for this fund. We now receive about \$40,000 cutting that fund more than in half.

I just want to point out that due to changes at the State level, our state funding which used to typically increase slightly each year, has gone down by over \$500,000 annually. That is a significant reduction in the General Fund by about 4-5%.

We began 2015 with \$4,584,964 in our General Fund and Income Tax Fund combined, unencumbered. We ended the year with \$3,338,168 eating into our carry over to the tune of \$1,246,796. As bad as this appears, it is actually somewhat encouraging in one way, while certainly distressing overall. Working with our auditors and department heads, we tried very hard to keep our expenses within our means. We were actually very close, until we were hit with an exceptionally bad year in our self-insurance fund. We incurred medical expenses \$1,000,000 in excess of prior years. Unfortunately, that is an area we cannot control, the medical bills of our employees and families. It is an area that we are concentrating on how to reduce our costs. For example, we looked at increasing our self-retention, or deductible from \$75,000 to \$100,000 to get a premium reduction. Unfortunately, that would have cost us money as the increased liability outweighed the savings in premium. We have already increased employee contribution, deductibles and some co-pays. We will continue you look at ways to reduce our medical costs as this is one of the most costly expenses we incur each year.

Each year I look at our street funds as a good gauge of where we should be. Our street and MVR funds are basically unchanged from 2014 to last year. They increased from \$1,854,724 to \$1,897,730, a negligible increase. As expenses continue to rise, and funding remains flat, our only choice to make ends meet is to decrease services.

2016 will be another year that tough choices and priorities will need to be made. Certain things have to be funded first such as debt service and the aforementioned self-insurance funding. Street repair and flood prevention remain as priorities. When we sit down with Council one month from now, every effort will be made to meet the wants and desires of our citizens but it is clear that many department requests will not be funded.

### **Other**

In 2015 we kicked off monthly Coffee & Conversation with the Mayor. These were well received by the community, and we will continue to hold the monthly gatherings throughout the city in 2016. This is a great way for me to meet with residents on a more informal basis to answer questions that they may have and to inform them of the status of city projects. For a complete listing of dates, times and locations please visit the city's website.

Let's finish with some good news. Other outstanding news includes the announcement by University Hospitals that a new \$32.4 MM medical facility will be built on Lorain Road beginning this year and is planned to open the 3<sup>rd</sup> quarter of 2017. Hospital officials are currently in the midst of planning exactly what will go into the free standing facility, but it will include emergency care as well as various diagnostic facilities.

A new nearly 89,000 square foot assisted living facility has been approved for construction at the corner of Bagley and Lorain Roads that will have sixty-eight assisted living units and thirty-two memory care units.

We are looking forward to the opening of the new over 16,000 square-foot Leffew Fastpitch Softball & Training Facility on Victory Lane. It will also initially contain two retail stores including SPC Sports and in the future will be expanded to include a total of six retail stores.

We are working with GLW Broadband to install fiber-optic cable along Center Ridge Road near R. W. Beckett, along Race Road to pick up the businesses on the east side of Race and then along Beckett Parkway to give service to Beckett Air and Beckett Gas. And finally, it will be extended to our original area of need, along Taylor Parkway. We want to give these manufacturing businesses as much support as we can to help them grow, obviously to help keep them here, and to make the remaining vacant land more desirable for businesses that might be considering moving to the area.

Next Tuesday, North Ridgeville will be sponsoring a meeting at the Lorain County Community College University Partnership Ridge Campus to host several developers and commercial real estate brokers to showcase our community. We want to exhibit parcels of land that are ripe for development and review to an extent some of the tax incentives we have available to assist them. By taking this proactive approach we anticipate generating even more interest in bringing businesses, shopping and jobs to North Ridgeville.

## **Conclusion**

In summary, financially it will be another tough year for North Ridgeville but otherwise it will be an extremely busy and exciting year. I can't wait for many of the new projects to kick-off including Lear Nagle, Center Ridge Road Sanitary Sewer, UH Hospitals and of course the new fire station. The new school housing grades 3-8 is coming along fantastically and is another exciting project. We are building a new North Ridgeville that will bring new businesses and services to our community. North Ridgeville is seen by those in Northeast Ohio and around the State as a growing, progressive community coming into its own. I am proud to call North Ridgeville home and thank you for allowing me to address you today.