

State of the City of North Ridgeville
January 22, 2009

Thank you.

I would like to thank the North Ridgeville Chamber of Commerce for sponsoring this annual “State of the City” address. It’s great to have the opportunity to bring you up to date on what has happened in our City this past year, where we are currently from a financial standpoint, and of course, what we are looking forward to in 2009.

I would like to acknowledge several people today, many of whom are here. I would like to recognize Superintendent Craig Phillips. Thank you once again for making this facility available. I would also like to recognize our Board of Education. Marie Sycz, Board President, Robin Hrabik, Manny Dominquez, Frank Vacha and recently appointed Bo Truett. I would also like to thank Mr. Bill Harnish for his years of service on the board and as a valued member of the Parks and Recreation commission. Bill stepped down because of some health issues, and we wish him the best as he deals with those concerns.

I would also like to recognize our City Council members who play an in important part in the operation of the City. Bernadine Butkowski - Council President, Kevin Corcoran – Council at Large, Ray McLaughlin – Council at Large, Nancy Beuscher – Ward 1, Dennis Boose – Ward 2, Dick Jaenke – Ward 3 and Bob Olesen – Ward 4.

Other Public Officials with us today include _____.

Dennis Johnson, Safety Service Director, Sandy Hall and Robin Smith, administrative assistants keep our offices running smoothly. Would you please stand?

And of course, I want to recognize all of our employees and representing them here today are several of our department heads. Would our City department heads please stand? Acknowledging all of our employees would obviously take too much time, but those standing represent those employees and the tremendous job they do for you. Our staffing has always been the minimum number of people needed to get the job done, and I think these individuals do more with less than any City I can think of and they are to be commended.

Lastly, I would like to recognize my wife Beverly, the first lady of North Ridgeville.

Last September I was invited to be a judge at the Lake Ridge Academy Back to School Picnic Bake Off. When the organizer, Kathy LeRoy visited the classes to promote the Bake Off, she said the kids were excited to hear about the “celebrity” judge. Although, when she asked the 1st graders what city LRA was located in, a little girl stood up and proudly said Lakeridge Ville. And a 4th grader wanted to know if I had any allergies she should know about.

2008 was an interesting year with changes at all levels of government, but none more so than at the State level. While the State of Ohio continues to cut back in several areas North Ridgeville did gain on a couple fronts.

We have long looked for assistance in maintaining and repairing the Old Town Hall which is designated as a National Landmark. We were notified around July by Representative Matt Lundy that we had received an out right grant of \$175,000 for improvements to that facility. The Old Town Hall houses the Historical Society Museum on the first floor and our local community theatre on the second floor. I know from personal experience how great those plays are and I can assure you they are even better now that I no longer sing in them. Our first priority is to tuck point and seal the brickwork on that beautiful building sometime later this year.

The Strickland Economic Stimulus plan put more funds into what is now called Issue 1, the annual distribution of funds through the Ohio Public Works Commission. In 2007 our application was approved for a grant of \$181,000. We leveraged that award into this year’s project, which has been approved for a grant of \$360,000 plus an interest free loan of \$172,000 for a total of \$532,000. We will use this money to proceed with reconstructing the next phase of Lorain Road from Root Road to Honeycut. This project will begin early this year. We have also received, as a result of the stimulus plan, two additional grant/loans. The first was a grant/loan of \$541,000 for phase 3B of Lorain Road. That will complete our reconstruction of Lorain Road from the overpass to approximately Island Road. We also hope to be able to begin that project later this year. Our plan, once we finish with Lorain Road is to continue using our Issue 1 funds to start rebuilding Chestnut Ridge Road phase by phase including curbs and gutters. Secondly, we were approved for another project for which we are to receive \$122,850 loan/grant for the Boulder Drive Bridge Replacement. All of these funds are distributed through District 9 of the Ohio Public Works Commission. I serve on the local integrating committee and the executive committee of District 9 of the Public Works Commission.

We have also exercised a \$600,000 interest free loan through the Lorain County Engineers office to complete the construction engineering for widening of Lear Nagle between Lorain and Center Ridge. The Arcadis Engineering firm was retained about a month ago, so we should get the plans later this year.

All totaled we were able to secure approximately \$2,000,000 in grants and interest free loans for City improvements.

We will continue to work in securing grants and no interest loans to improve the infrastructure of our City. This year we will begin working through NOACA for assistance in funding the construction phase of Lear Nagle which will cost approximately \$7,000,000. We are hoping that actual construction on that project will begin in 2011. By the way, our neighbor Elyria Mayor Bill Grace was just elected President of NOACA and I serve on the board as an alternate to Mayor Piskura of Sheffield Lake.

Among other significant projects in 2008 were the Dyke Ave/Case Road sewer projects. Dyke road is being completely rebuilt with a new concrete pavement and sidewalks while Case Road will get a new sanitary sewer line from Center Ridge Road to the creek which is the low point in that area. This plan will enable us to sewer that entire area including the 200+ acres owned by Lorain County Community College which we would like to see developed. In fact, a technology park will look great there!

A committee of citizens is hard at work updating our Master Plan which will be completed later this spring. Andy Young, Bob Knopf, Amy Haven, Margaret Sgro, Rene Liston, Russ Freiderich and Rick Winrod are to be commended for all the hours they are putting into this project. We are hopeful that we will have a draft product to present to the community as a whole sometime in March.

We are continuing work on the Ohio Sports Park project. It is anticipated that play will begin at the facility this April. This business will drive a need for more restaurants, hotels and other services that will benefit all of North Ridgeville and bring much needed tax dollars and jobs. We look forward to opening day and I know that you will appreciate the efforts being made to make this a first class facility.

We purchased additional property for our parks in 2008. 3 acres were added at the entrance to the Shady Lane Facility which will help us alleviate some of the parking problems. And we continue working with Forest City to acquire an additional 7 acres at the rear of the park which will enable us to add fields and improve the traffic flow through the park.

The new sewer line from Westminster to the Schneider Lift Station, which was paid for by a local developer, was completed to provide service to the new Hampton Place Development. This enabled the City to take the Schneider lift station out of service giving us much more reliability and dependability for our residents. With the soon to be completed Stoney Ridge/Center Ridge traffic light and turning lane improvement, we will have expended over \$5,000,000 in 2008 towards construction projects and improvements, not including the approximately \$1,000,000 we put into the French Creek plant each year.

Speaking of French Creek during the last year, as a result of the Ohio EPA reclassifying our sludge which is a byproduct produced at the plant, we were required to dispose of the sludge that we were stockpiling and composting on site. We used to give this sludge to our residents as a product called Bio-Rich but we can no longer do that. The existing sludge is currently being removed and spread on farmers' fields. The lowest bid we received to dispose of new production of sludge for the next 2 years was \$1.7 million dollars! Thinking outside the box just a little, we priced a new truck and roll off equipment, calculated the cost of adding a new employee and benefits, other costs that might be anticipated including fuel and tipping costs and determined we could save over \$1 million dollars over the 2 years by disposing of the sludge ourselves, and even more in future years. So don't be surprised when you see a new sludge hauling truck with City decals on it. Also in 2008 and continuing into 2009, we remain focused on addressing sanitary sewer issues throughout the City.

In 2007 we completed a study that broke the City into 14 sub-basins and prioritized them. The problem is as the lines get older, they develop leaks, water gets into the lines and causes 2 major problems. 1. it can cause back ups into residents homes, and 2. it overwhelms the French Creek Plant and causing us to essentially treat rain water. In 2007 we sealed lines and grouted man holes in Basin 6 which is the Noll, Behm Aurenson area. In 2008 we worked on Basin 14 which is the Ridgeview, Poplar and Mildred area. And we are currently working on Basins 11, 12 and 13 which includes the Mills Road area, Main, Broad, Pleasant, portions of Olive, Wallace and Cornell. Addressing this problem which developed over many years remains one of our highest priorities. Based on our flow reports from the French Creek Waste Water Treatment Plant, I believe we are starting to see improvement within the City. We still need to inspect and analyze our interceptor as it passes through Avon and Sheffield Village, which we are also working on.

Although we have many other smaller projects underway, I want to mention one other that I think really benefits our residents. We continually try to improve our parks each year. In 2008 we were able to use the funds we receive through the Community Development Block Grant program to install new, ADA approved bathrooms at the Root Road Soccer Complex. In the coming years, we plan to add new facilities at the South end of Shady Drive and at Frontier Park. These are clean, permanent facilities which are a tremendous improvement over the portapotties there before.

In October we traveled to New York City to visit Moody's Investor Services to update the City's bond rating in anticipation of the City issuing \$12,000,000 in new municipal bonds. On one hand, we were disappointed that Moody's did not raise our rating once again as they had in 2006. Even though they conceded that we met the parameters for a higher rating, and our current rating of A1 is still the highest rating that our City ever had, they cited 2 factors as to why they would not raise it. The first was the status of the economy in general, and that actually they were downgrading most municipal ratings. The second was that they were very concerned about the northeast Ohio area, especially with its reliance upon the auto companies. Keep in mind we were there the first week in October. The financial markets were in turmoil that week with Fannie Mae and Freddie Mac nationalized, investment bank Lehman Brothers filed for bankruptcy, American International Group has just been bailed out by the federal government and Washington Mutual collapsed, Merrill Lynch was purchased by Bank of America (although that is still in question) and Wachovia Bank was sold to Wells Fargo. It's a wonder that we were able to get in to see anyone, but frankly the trip was very successful. We met with some of the same analysts we met with in 2006 and North Ridgeville has an excellent reputation on Wall Street. They recognize our conservative efforts to manage your tax payer dollars. Thanks to Chris Costin, Teresa Machovina and their staff for their efforts in this area. By the way, we again received a clean bill of health from the State Auditors who this year even waived their standard closing conference. They essentially said our books were in excellent shape and they really didn't have anything to add, so no need for a conference unless we really wanted one. We passed on their offer.

During 2008 we had 41 new businesses register with the City. Some were new owners, some home occupations, but several were more visible main street businesses. To name a few and I hope they have all joined the Chamber and are here with us to day, Allied Home Mortgage Capital Corp, ARZ A Salon Retreat, Bailey Communications, Café Ah Roma, CMF Fabrication, Columbia Printing, Fitness 24/7, Gone to the Dogs, Happy Pet Veterinary Hospital, Heil Process Equipment, Kindercare, Liberty Ruled Die Products, Lone Tree Tavern, Mouse

Place Travel, North Coast Eye Care, RBL Inc better known as Aces' Grill and Extreme Performance. These are just a few of the businesses who chose North Ridgeville. This year we are off to a good start with Goodyear Tire and Advance Auto building new facilities, Aldi's bringing plans to the building department to renovate the Ace Hardware location and a strong, potential new business in the Top's location. We look forward to all of these being open for business with their new jobs and tax revenues for the City.

We continue to lead the Northeast Ohio area in new homes constructed. In spite of an absolutely dismal housing market, we issued 253 new single family home permits. New construction brought over \$1,600,000 in permit and inspection fees, and continues to keep our building and engineering departments busy. So while building has nearly come to a complete halt in communities around us, families are choosing to live in North Ridgeville.

The Office of Older Adults was very busy in 2008. We started a new Snow Plowing Program for our seniors. In conjunction with the N. Ridgeville Seniors, Inc. and the N. Ridgeville VFW who fund the program, we can now offer snow plowing service at no cost or a reduced rate depending upon income. Seniors can call the Senior Center for more information regarding this program. We also received a grant through Seniors, Inc. to fund 80% of a new light transit, wide bodied 12 passenger van to replace one of our older units. We provided over 3000 one way trips to seniors last year, an almost 50% increase over the year before. Especially in this economy seniors are looking harder than ever to stretch their finances and we can help. Think \$4.00 gasoline.

Over 50 Meals on Wheels volunteers delivered over 11,000 Meals on Wheels to homebound individuals.

As our city grows, so does the need for our safety forces. In the past, we only had two available paramedic teams/ambulances available for emergency calls. During busy times, (which is becoming more and more frequent) this often resulted in a delay of services because we had to depend on mutual aid from other communities. So our residents continue to receive emergency medical care at all times, a third team has been added out of Station 1. Our dive team continues to develop with 8 trained divers.

Our main fire station becomes more and more of a drain on our resources and ability to provide minimum services. We contracted in November with an architectural firm to perform a cost study and provide conceptual drawings for a replacement/relocation of the #1 station and the addition of a 3rd station in the

northwest quadrant of the City. With the current economy we do not anticipate trying to move forward in 2009, but we will be prepared for the future. In addition, the Chief and I remain in consultation and study with the other member communities of the West Shore Dispatch center to research other areas we might work together to save taxpayer dollars.

Our police department remains extremely busy. Overall, traffic crashes were down 2.7% and injury related crashes down 4.8%. However, alcohol related crashes were up 38.2% from the previous year. Overall our OVI enforcement was down slightly by 3.7%, but our underage drinking arrests dropped from 40 last year to 15 this year, a good sign. We attribute this to increased educational efforts. And speaking of education, the police department had 2 significant programs last year that warrant discussion.

Operation PRESS (Police Resources Enhancing School Security) continues to be a great success story and sets us apart from many local agencies for the proactive nature in which we are attempting to meet the needs of the schools and the community. Through this program officers are at every school generally every day interacting with both students and staff. Operation PRESS was recently highlighted in an article in the *Ohio Police Chief*, the quarterly magazine of the Ohio Association of Chiefs of Police.

The second program I want to mention is the Citizen Police Academy. This is a brand new program in which a group of citizens met in 10 sessions over 9 weeks to learn the ins and outs of the police department, the court system and related criminal justice entities such as the County coroner. The program was extremely well received and will be offered again this September. I wonder if they showed them the video of a gentleman they stopped that had been drinking. When asked for his proof of insurance, he produced a Sam's Club Card. He did not pass go on his way to jail.

And thanks to donations from two local businessmen and Lorain County Prosecutor Dennis Will's office, this spring we will begin a motorcycle patrol. All costs related to the program have been donated and last November Patrolmen Dean Mraz and Kevin Phillips graduated from Northwestern University's Center for Public Safety Management Motorcycle Operator Course. We are looking forward to the patrol beginning this spring, concentrating on neighborhood traffic complaints.

I would like to add that there is much more I could tell you about our Safety Forces, both police and fire. But in the interest of time, let me just say I believe we have some of the most professional police and firemen around. The general public really does not have an appreciation of what these employees of the City do for our residents. We are extremely fortunate to have these dedicated public servants working on our behalf day in, day out 24/7, 365 days a year.

Our service department also manages to stay busy. Mr. Bill Gluvna has taken over leadership in that department and is doing an exemplary job. Bill is a North Ridgeville resident and I think we are really fortunate to find someone with his dedication. 2 days before Bill was officially scheduled to start, we had a major water break on Center Ridge Road. It was somewhat interesting in that a critical fiber optic line that traverses North Ridgeville was exposed and that the hole was so much deeper than normal. Bill came to the site, spent the entire day with the work crews and has never looked back.

We have 14 snow plow routes and no one remembers the last time we added routes. That means that with the growth in the city, each route continues to get longer and longer. At some point in the future we will need to add additional routes which will require an additional truck and 2 employees per route. We have plenty of work to justify the additional manpower, but financially it will be a couple years yet before we can seriously consider revising and updating our plans. We replaced 3 trucks this year and our fleet is in better shape than it has been in years although we still have some smaller trucks that date back to 1996 and 98. We used that equipment to pave 12 streets this year, about 5 ½ miles saving our residents dollars and extending the life of those streets. And just so you know, we have plenty of salt even though the cost increased by almost 25% over last year. Some of our snow plow drivers have logged almost 60 hours in overtime already this year.

Now let's talk a little bit about City finances now. 2009 will be a very tight year. If you add up our unencumbered balances in our General Fund, Street Construction, State Highway, Motor Vehicle License Tax, Street Levy, Surface Drainage Fund and Income Tax Funds, we are up only \$17,235 over last year. We have been conservative in our spending and we try to leverage our dollars and stretch them as far as we can. Continued use of new technologies has helped us keep up with growth without adding staff. Our general fund balance carryover from 2008 is \$1,630,233 an increase from 2007. However, it is my opinion some of that carry over is due to timing issues with the booking of our income tax revenues. Frankly, it is obvious we are only doing a little better than breaking even. We are at a cross road with our financing. Our income tax revenues were up

4% to \$7,792,580. In this economy that is phenomenal, and that has allowed us to keep up. However, our paramedic/ambulance levy is up this year (along with the library) and next year we have a fire levy, street levy and police levy expiring. It is critical to our finances to renew those in one form or another to maintain our services.

Our income tax remains one of the lowest in the State of Ohio at 1%. When you see that many municipalities around us are cutting staff and services, even though they have 2% and higher income tax rates, I think it says a lot about how wisely we use your tax dollars. I am concerned, though, that because of the States financial problems, they will again attempt to do away with or reduce substantially the Local Government Fund. We successfully fought efforts reduce those revenues in 2005. Those dollars bring over \$900,000 to the General Fund and would be extremely difficult to replace or do without. This year's allocation is down \$60,000 simply because of the reduction in personal income tax revenues to the State.

This year we are looking at increases in our water and sewer rates. We have been working with a consultant for almost 2 years to analyze our rate structures and their adequacies. Remember, these funds are used only for maintenance and repair or operation of our water and sewer departments and do not go into the General Fund. In addition, earlier this week we opened bids for our refuse collection. Our old contract expired last October and Allied Waste offered an extension, but requested a significant price increase and fuel surcharge. Instead, we opted to go out for bids and 3 companies responded. Besides Allied Waste, J & J Refuse and Waste Management also bid, which we believe helped keep our rates competitively. We are currently analyzing those bids and you will hear more in the coming weeks but those rates will also increase. We are currently completing a survey of combined water, sewer and refuse rates in our surrounding communities and even with the increases we believe we will still have some of the lowest combined rates in the area.

So that's the bad news. The good news is we are able to maintain our services throughout the City and keep all of our accounts in the black. We are fortunate indeed that we are not in the situation that many of our neighbors are with reducing staff, work hours and compensation, which translates directly to reduced services. Our residents depend on us to keep our crime rate low, provide top notch emergency services and keep our streets maintained and plowed. We intend to do just that. But I also believe that if this economy continues as it has been, all Cities' will ultimately hit the proverbial wall. We are trying to position the City to hit that wall at 5 mph rather than 100 mph as we have seen in some communities.

So things are good in our great City, which in 2008 was recognized by CNNMoney as one of the 25 best places for affordable homes in the US. We continue to grow, both residentially and commercially. We have tremendous service organizations within the City that provide “value added” benefits to living in North Ridgeville. Organizations such as the Chamber which works hard for our businesses; our own Community Care which continues to provide necessities to those in need; the Lions Club that recently took on the responsibility of funding a service dog for Liberty School; and the Rotary Club that is working to get one of the City’s retired ambulances to Nicaragua where it will continue to saves lives. We live in a great community and I thank you for the opportunity to be a part of it.

Thank you.