

STATE OF THE CITY
January 21, 2010

Thank you everyone for being here today. I would like to thank Dayle Noll and the North Ridgeville Chamber of Commerce for sponsoring today's annual State of the City address. It's always enjoyable for me to be able to speak to you about our great City.

Thanks also to Craig Phillips, our school superintendent and his staff for providing this great facility and at this time I would also like to recognize our school board members, Marie Sycz, Bo Truett, Robin Hrabik, Frank Vacha and their newest member Robert "Robb" Lyons.

And speaking of new people, I would like to re-introduce Safety Service Director Jeff Armbruster. Most of you already know Jeff. He has been at this event during his years as State Senator Armbruster. Now we get to take advantage of his institutional knowledge at the State level as well as his recollection locally as Mayor Armbruster. You can't get much more experienced help than that, and I am certainly glad to have him on board.

At least one more time, I want to publically thank Denny Johnson for his six years as Safety Service Director. North Ridgeville is a much better place because of his efforts and I wish him well in his retirement.

Also, I would like to recognize the newly married Robin Mayda and Sandy Hall from my office as well as my wife Bev.

Before I begin I would like to recognize the public officials that are with us today. (Council members, Lundy, etc)

Last, but certainly not least, would any other City employee in attendance please stand? I cannot say enough about the great job these people do, day in day out as they serve North Ridgeville.

2009. What a year, and where do I start? There have been a lot of positives and a few negatives through the year. Should we go straight into the how tough the economy was and what it meant to our budget or should we talk about the number of grants we received? Do we talk about the reduction in local government funds or the new stimulus funds? Should it be the projected drop in home values predicted by the County auditor, or the 240 new building starts? As you can see, this has been a roller coaster year,

with many up and downs. But in the end, we fared better than most of the communities around us and for North Ridgeville I can proudly say we have ended on a positive note even though it wasn't easy.

A couple weeks ago we were sitting around the kitchen table playing a family game. I was playing some music and I found an old Herb Alpert and the Tijuana Brass CD. The music started and played for a while when my grandson Charlie looked over and, "Grandpa, I feel like I'm on hold!"

2009 was a little bit like that. Some of our projects and things we wanted to do were put on hold. Things like repaving some secondary streets, giving our employees a wage increase and buying a new service dump truck have all been put on hold due to budget constraints.

But, even in these tough economic times we were still able to move a number of projects forward. Let me recap a few of our successes during last year.

Let's start with our construction projects. We finished up the Lorain Road project from Bagley to Root as well as installing a new pressure valve at the Bagley intersection that will give residents in that area much better water pressure.

A new sanitary sewer line was installed on Case Road from Center Ridge to the low point at the creek. Concurrently, a major project was completed on Dyke Road which gave that long suffering neighborhood a completely new look with new sanitary sewer service, a new water line and a new street complete with sidewalks. We can now provide sanitary sewer service to that entire area including the 200+ acres owned by the community college.

Victory Lane was completed to our property on Lorain Road where Ohio Sports Park is located, and where other new development is already taking place. In 2010 you will see a new miniature golf course on Victory Lane which will give families playing ball at Ohio Sports Park a place to go between games.

We completed the traffic light project at Stoney Ridge and Center Ridge. It may be the only project we have ever undertaken that to my knowledge we have never received a complaint about. As a side note, people often ask regarding their favorite intersection that doesn't have a light, why we don't put a light there? That project at Stoney, which was a complete rebuild but had property donated by Animal Clinic of Northview cost almost \$350,000. That is one of the reasons we might seem reluctant to install new

lights, unless absolutely needed such as this one. These projects I just mentioned were all financed with notes that will be converted to bonds and paid for over a period of years.

At Shady Drive we have completed installation of new ADA approved bathroom facilities at the South end. This was financed through a Community Development Block Grant.

We also completed a new storage building at Shady Drive. It should be noted that the Baseball boosters contributed half of the cost of the new building and will be working on installing many of the utilities in the building saving taxpayers thousands of dollars.

Speaking of our parks let me tell you about a few other improvements we made last year. New rubber mulch chips made from recycled tires to use as playground safety surfacing has been, or will be installed at South Central and Shady Drive playgrounds. That also included 22 rubber wear mats to be placed under the swings and at the bottom of slides. This \$42,000 cost was paid for as part of our 2009 Lorain County Solid Waste Management grant of which we received about \$107,000. And at our Root Road Soccer Complex the soccer boosters constructed a new concession stand and pavilion. The Soccer League donated nearly \$22,500 and provided all of the labor towards that project. You can easily see how important our boosters are to our sports programs.

We also spent over \$400,000 in sanitary sewer upgrades and repairs to make that system more efficient and less susceptible to flooding.

We completed an update of the City Master Plan, a major undertaking. Seven citizens volunteered many, many hours of their time and talent to give us a document that we can refer to when applying for grants or other assistance, giving city officials guidance in development and zoning considerations and other ideas to make North Ridgeville a better place, such as upgrading the gateways to our community, streamlining our zoning ordinances and helping to guide the development and redevelopment of our City. I want to one more time thank those seven individuals for stepping forward with a new vision for North Ridgeville. That vision says "The City of North Ridgeville is a Midwestern community, mindful of its rural heritage, devoted to strengthening its entrepreneurial spirit, and committed to enhancing quality of life for all." Thanks to Russ Freidrich, Rick Winrod, Amy Haven, Margaret Sgro, Bob Knopf, Andy Young and Rene Liston for their contributions.

We also did pretty well in obtaining other grant moneys in 2009 to help our fair City. First, we received a \$532,350 grant and a \$122,850 grant and/or interest free loans toward our Ohio Public Works projects. These were Lorain Road Reconstruction 3A and the Boulder Drive Bridge Replacement respectively. 3A is currently underway and I signed the contract on Boulder just this morning. The balance of those projects, approximately \$1,000,000, will be financed over 20 years.

We were awarded \$800,000 in stimulus funding to install new gates at our four railroad crossings which will ultimately allow us to apply for a “quiet zone” designation. That project, estimated to cost almost \$2,000,000 altogether, is currently under negotiation with the NS RR. We hope to see actual construction late this year. This project includes no local funding.

Also through the stimulus program we received approximately \$15,000 to be used by the police department for equipment. Our police department also received a \$41,000 traffic control grant. You know our police department gets to meet some of the most interesting people. If you have ever visited you know that in the lobby is a phone that connects you with the dispatcher on duty. We have one visitor that likes to come in, pick up the phone and tell the dispatchers to tell the Chief what color underwear she is wearing. Then she leaves.

They had another visitor that no longer lives in North Ridgeville but had been arrested on a theft charge for writing bad checks to her employer. When they released her through the Sallyport door she walked right around the building and into the lobby and picked up the phone. The dispatcher asked her what she wanted, and she said she wanted to report a rape. They asked her when this occurred and she responded just now. The dispatcher said Billy Jean (not her real name) we just released you a minute ago. That couldn't have happened just now. Billie Jean said OK and went merrily on her way!

Last year we received a \$500,000 CHIP grant. We have gotten this grant every two years for the last several rounds which we use to make needed repairs to senior and/or low income housing, including emergency repairs. No local contribution is required for this grant.

In November, we finally nailed down a \$175,000 grant from the Ohio Cultural Facility to make much needed repairs to Old Town Hall. The grant will be used to install a chair lift to the second floor, tuckpoint the exterior brick walls, do some HVAC work and other repairs. One elderly resident emailed me to say she was thrilled that she would finally be able to attend plays at the theatre where her grandchildren often perform.

Shortly thereafter we were notified we were approved by the Ohio State Controlling Board for a \$400,000 Roadway Grant. This grant will pay half the costs for new roadway construction for economic development. Greenfield Solar Corp announced they would be creating 120 new manufacturing jobs in North Ridgeville at the Dreco facility on Root Road. The property owners Russ and Chris Draught, Co-Presidents of Dreco, have indicated their willingness to pay for ½ of the road if we would name it after their mother. The cost of the road is estimated at \$800,000. You do the math. You will see Ruby Road built this year at no long term direct cost to North Ridgeville taxpayers.

And finally, we received a \$60,000 grant from NOACA (for which I am now on the board) to study how the area along Route 83 from Center Ridge to the turnpike can be developed in accordance with the new Master Plan. Already we are benefitting from the hard work of the Master Plan committee.

These grants total almost \$3,000,000 in real money to the City.

We also participated in one other grant of note. As part of the Westshore Central Dispatch Center, we agreed to hire a consultant to research and investigate ways that the participating fire departments might work together to accomplish either or both of two objectives, those being ways that we could either improve services to our residents or cut costs. Coincidentally, at the same time the Fund for Our Economic Future came out with an Efficient Gov Now competitive grant. We, along with the other 5 City's, applied for and won a \$100,000 grant to use to help pay for the study. This administration has always believed that working together, and working regionally, is going to be a requirement as we move forward into the future, especially in these economic times. I was pleasantly surprised, however, when Chris Costin and I attended a seminar put on by the Auditor of State on how municipalities could save money. One of the sessions was on how communities could work together and share resources and they gave five different examples. We are "on the map" so to speak throughout the State of Ohio when it comes to innovative government. Out of the five examples given, North Ridgeville was a participant in three of them. They included the grant I just mentioned, the Efficient Gov Now plus the following two. The NE Ohio Mayors and Managers are sponsoring a project called the "Regional Prosperity Initiative" to investigate how northeast Ohio municipalities might share tax revenues and land planning to eliminate duplication of resources and help stop communities from competing against each other in attracting and retaining new business. We are a member of that group, in fact, I was the Vice Chairman last year. Secondly, the Lorain County Mayors and Managers Association have worked together to obtain an \$80,000 grant to study Storm Water Management issues on a county level. I believe those three examples

are just the tip of the iceberg compared to what we will need to see in the next few years. North Ridgeville does continue to play a part regionally in other organizations. Besides the three collaborations I just mentioned, as mentioned I am the outgoing Vice Chairman of the Northeast Ohio Mayors and Managers Association, I serve on the Ohio Public Works District 9 Integrating Committee and on the Executive Board of that Committee, I am the Treasurer of the Ohio Mayor Association and I am a trustee of the NOACA board. I am also a Trustee of the Natural Resources Advisory Council which makes grants to purchase properties to be held as open space or park land. And as a member of Team Lorain County, a countywide public/private economic development driver, I also serve as a member of the Executive Board. I think it is important that I, as well as our other employees participate and take leadership roles in organizations such as these.

Last year I told you that we were continuing to work with Forest City to acquire an additional 7 acres at Shady Drive baseball park. We accomplished that but actually went one step further. We were able to acquire those 7 acres, along with an additional 15 acres at a total cost of \$300,000 or about \$13,600 per acre. Combined with the 37 acres we already own at Shady Drive we will be able to add fields and add parking to expand our recreational programs at Shady Drive. We are real excited about what we might be able to do at that park with the additional acreage.

Our fire department began using a video conferencing system between our two fire stations. This allows crews at both stations to train together while still meeting our strategic objective of keeping both stations manned. It also is recordable which allows the fire department to webcast classes to members who may have missed them. This is the first fire department in Northeast Ohio to utilize such technology and we plan to use this system in the future to offer training and information to the public. Kudos to the fire department for this innovative use of this technology.

Another major project last year was our water meter upgrade. This project is still underway and is about one third of the way completed. We needed to start replacing a module on every water meter in every house in the City as the batteries in them were starting to die after the anticipated 8-10 year life. We are replacing them with modules that have a 20 year life and will send a signal to a computer at City Hall in our Utility department. We will now be able to read your meter 4 times per day, and tell you if you have a leak. Someone said to me in jest, they could wrap their transmitter in tin foil and we wouldn't be able to read their meter so we couldn't bill them. Wouldn't work – the system will also detect tampering. We will no longer need 3 meter readers and their 3 vehicles and equipment. We will no longer need to schedule an appointment to meet you at your house to take a final reading when you are moving. The system will improve service to our residents and be much more efficient. Speaking of the utility

department, I have to tell you a little story about them. They are a hard working group and there are only four of them in that department. Just a couple weeks ago they decided to order in Chinese so they wouldn't even have to leave their desks. When a man of Asian descent came to the window, our employee (I won't say which one) told him to come on around. When he obeyed and came around, our employee handed him the money for the Chinese take out. The gentleman looked at her and said, I appreciate the money but I'm just here to pay my water bill! Another good reason profiling is not politically correct!

We also undertook a pilot program for recycling. Beginning in November approximately 1000 residences received new blue and green recycling containers. After a few initial complaints, after all that is what a pilot is for, to find out what works and what doesn't, we are getting far more positives than negatives, including many others that don't now have the service that would like it. We will continue to watch the pilot closely but don't be surprised if we look at moving up our timetable to consider expanding the program citywide.

Looking forward into 2010 I mentioned Lorain Road reconstruction 3A. We just began that project a couple weeks ago. That will rebuild Lorain Road from Root Road to Honeycut including a new sanitary sewer and sidewalks. Hopefully, we will also be able to begin phase 3b later this year which we anticipate receiving a \$674,000 OPWC grant/loan towards that \$1,142,000 project. Boulder Drive culvert replacement should begin within the next few days. Old Town Hall renovations should begin around April, although we have to be cognizant of Bicentennial Activities planned for this year. The weekend of May 8th is going to be THE weekend of celebration recognizing not only our 200th anniversary, but also our 50th anniversary as a City. Besides activities planned by the North Ridgeville Historical Society you will see banners and flags of that era around town. In fact, the first settlers of North Ridgeville came from Waterbury, Connecticut in May 1810. I have been in contact with the Mayor of Waterbury who has agreed to fly a 15 star flag over their City Hall, (which was our National flag in 1810) which will be transported back to North Ridgeville by Wayne Diederich where it will then be raised and flown over our City Hall. That will give us a physical and visible connection to that City where our first residents came from. So we want to make sure our construction activities work around those celebrations.

We anticipate upgrading the restroom facilities at Frontier Park with our Community Development Grant Funds this year, including installing a new sidewalk from the concession stand to the bridge.

As I mentioned earlier we had 240 new home starts in 2009 when all around us building is stagnant. I anticipate residential construction starts to remain steady or even increase slightly. Ryan Homes continues to be an aggressive builder in North Ridgeville with projects in Waterbury, Meadowlakes,

Hampton Place and Timber Ridge. Oster and Dettore both remain active in their construction and the Del Web development continues to grow.

Commercial growth also continued last year. Carnegie Management built a new building on Center Ridge Road that is partially occupied by Davita, Inc. a dialysis clinic. And Aldi's moved into their existing building replacing Ace Hardware. Center Ridge Health Center is completing a 14,000 sq ft addition for assisted living. McDonalds added a 2800 sq ft addition and completed major interior alterations. Steve Roth, of Roth Construction remodeled the KIA building at the west end of the community and Sun Center Federal Credit Union has taken space in that building. Advance Auto opened a new stand alone facility and Key Bank will soon be building next to them. Mi Bella Casa Furniture store opened next to Aldi's and the Little Hong Kong restaurant opened just this week next to Café Aroma. A new coffee shop at 83 and Mills just opened last week and I've been there twice already. Greenfield Solar is creating 120 new manufacturing jobs on Root Road. Frito-Lay brought 29 jobs to Taylor Woods last year. And besides those new businesses let me just mention a few others that have registered with the City. CK Convenient, Ashton Auto Service, BFS Mil-Tech, CTS Construction, Pat Catan's opened right after the first of the year and RGI International, a new 12 employee firm that moved to North Ridgeville from Cleveland that designs and creates showcases, to name just some of the new businesses. I have always said good schools are the backbone of our community, but good businesses like these and all of you that are members of the Chamber of Commerce are the lifeblood of our City. Besides your City taxes which you and your employees pay into the City coffers, all of you give in so many other ways by donating and serving on committees, giving of your time and expertise in so many ways, that I just want to say thank you to all of you for what you do for North Ridgeville.

Center Ridge Road widening continues to move slowly forward. In 2009 we appeared before the TRAC commission requesting the necessary funds to take the next step, the \$1,000,000 environmental study that must be completed. TRAC had over 180 applications for these competitive grants. The average draft score of all applicants was 37.5. Our score was 61.5, very good, but we believe it should be even higher. We have provided input to reconsider a couple items and hope we can raise it a few more points. The final scoring is scheduled to be released by May 13, so we have our fingers crossed.

Lear Nagle also continues to move forward. The Engineers continue working on the construction drawings and completing the necessary studies that must be done such as Flood plain analysis, ecological reports, right-of-way studies and cement stabilization.

Alright, let's talk finances. Frankly, we could dispense with the rest of this speech and spend our entire time talking about revenues and expenses and I don't want to bore you with the details but let me give you the highlights. First, let me assure that all of our accounts have end of year balances in the black. And our auditing department, for I believe 9 straight years now received the Government Finance Officers Association award for excellence.

In the past we have always talked about our "carry over". A more accurate and informative way of looking at where we are at is to look cumulatively at those accounts that give us the funds we need to operate year to year. I began doing this last year when I reported to you that if you looked at the unencumbered balances in our General Fund, Street Construction, State Highway, Motor Vehicle License Tax, Street Levy, Surface Drainage Fund and Income Tax Funds we were up only \$17,235 from 2008. This year when you look at those funds compared to what we had available in 2009 we are down \$931,678.

Our income tax revenues were off only 2.3% or \$177,446. That's not bad. The lions share of this drop off, however, is in business net profit and withholding taxes. Our property tax revenues only dropped \$4,571 from 2008 to 2009. If you consider all of our revenue streams including the CAT tax, Local Government Funds, etc, those taxes cumulative only dropped \$14,674.

So our revenues streams are essentially flat, whereas historically we have seen growth. In addition we usually see a revenue stream from investment of our liquid assets. Currently StarOhio our normal and most conservative investing destination is paying a whopping 0.05%. That's 5 100ths of 1%. On a \$1,000,000 investment you would earn \$500 annually. That revenue stream for now has disappeared and that really hurts our bottom line.

Yet, we have been able to make do with what we have. Our employees will not receive a wage increase in 2010. We have cut controllable expenses to the bone. We have been able to maintain our services for the most part. We have not laid off any employees. But as you all well know, expenses continue to rise.

Let me interject here a note about our employees. You often see news articles about City administrations fighting with their unions. We have three unions we deal with, police fire and American Federation of State, County and Municipal Employees. Our unions are great to work with. Not that we don't have the occasional grievance. But our employees understand that creating and protecting jobs and serving the public are NOT mutually exclusive, but can go hand in hand. Our hats go off to them. Another good example of what makes North Ridgeville great.

So we are solvent but because of increases in costs that we cannot control we have about \$900,000 less to spend than last year.

That highlights the importance of the three levies we have on the ballot in May. These are our police, fire and street levies. These are not new levies. They have to be voted on every 5 years and these have all been voted on many times. We are presenting them as “replacement” levies. To briefly explain as the City has historically grown the millage attached to these levies decreased during their five year cycle. A replacement levy takes them back to the millage they were last renewed at, in this case 1.95, 1.90 and 1.90 respectively. In a normal year this would mean increased funds to the City because of our growth in new homes. But, for the first time in our knowledge home values are going down an estimated 8-10% because of the County Auditors reevaluation of property values. So with passage of these levies, your property taxes for these three levies will be less than they were five years ago in most cases. These three levies generate about \$4,500,000 in revenues to the City now so you can see how important they are to maintaining City services. Failure to pass any of these levies this year will result in a much shorter State of the City speech next year. There just won't be anything to talk about. Now some of you may see that as a good thing. But I can assure you the reduction in services would not be a good thing.

So the State of our City is good, and certainly much better than many of the surrounding cities, but somewhat precarious. We've kind of got all of our eggs in three baskets. We still continue to grow, our taxes are very low and services are great. I thank all of you for giving your support to keeping North Ridgeville a very safe and secure place to live, work and play.

Thank you again to Dayle Noll and the Chamber of Commerce for giving me the opportunity to speak today to the Chamber and the community at large.