

VILLAGE OF WAITE HILL

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Dear Resident,

As promised in The Village Voice, attached is the first of two pieces of literature being distributed in connection with the 6.2 mill levy that will appear on the November ballot. The attached piece answers questions about the size and terms of the levy, and why Council and I believe it is necessary for passage in order for us to maintain services at existing levels.

The second piece will lay out the tax landscape of Waite Hill and measure it against surrounding communities in terms of types and amounts of taxes assessed and services included and not included by our neighbors.

From a personal perspective, and from the vantage point of one who has spent the better part of his career counseling businesses and individuals on tax planning strategies and tax avoidance techniques, I find myself in foreign territory as, together with Council, we advocate the need for additional tax revenue. I do not want to pay additional taxes any more than you do. At the same time, the single most repeated request that I have heard since assuming office is to keep Waite Hill Waite Hill.

Please be assured that Council and I actively strive every day to keep Waite Hill Waite Hill within the bounds of the law and our budget. In order to continue to do that and to maintain services at their existing levels, however, the additional revenues that would be raised by the proposed levy are vitally needed at this time. *As much Council and I want to keep Waite Hill Waite Hill, the decision is ultimately yours.*

Please call or email us at Village Hall with any questions that you may have, and on behalf of Council, our department heads, and employees, thank you for your consideration of this important issue.

Very truly yours,

Bob Ranallo

Robert A. Ranallo

A DOZEN COMMONLY ASKED QUESTIONS AND ANSWERS ON THE 6.2 MILL WAITE HILL LEVY TO FUND ONGOING POLICE, FIRE, EMS AND PUBLIC SERVICE DEPARTMENT SERVICES

1. What are the terms of the proposed levy?

The levy is a request for **6.2 mills of additional taxes**. If passed, it will last for **5 years**. Thereafter, it will be subject to renewal by residents if the need for continued funding exists.

2. If the new levy passes, is the use of the tax proceeds restricted?

Yes. All proceeds from the levy will be deposited into a restricted fund dedicated exclusively to current expenditures for police, fire, EMS and public services.

3. If the new levy passes, how much of the proceeds will be used to fund Village Hall?

The answer is simple – **NONE**.

4. How much will the levy raise?

Based on the 2013 tax base of the Village, each mill generates approximately \$40,400 in revenues. Accordingly, we project that if the 6.2 mill levy passes, it will generate **approximately \$250,000 in annual revenues**.

5. How much in additional taxes will a homeowner have to pay if the levy passes?

This depends on the fair market value of each home as determined by the Lake County Auditor's office. The home values below will result in the corresponding amount of additional taxes and revenues to the Village:

<u>Property Value</u>	<u>Revenue generated by 6.2 mills</u>
\$ 250,000	\$ 543
\$ 500,000	\$ 1,085
\$ 1,000,000	\$ 2,170

6. Why does the Village need to raise taxes?

As we discussed in depth during our June meetings with residents, the Village is projecting operating deficits in excess of \$500,000 per year commencing in 2014. These projected deficits are the result of material projected reductions in each of our three primary revenue sources: (a) reductions in real property values and real estate tax revenues; (b) reductions in investment returns on our fund balances; and (c) reductions in the Village's share of the local government fund caused by cutbacks imposed by the Ohio legislature.

All told, we are projecting a 35%-40% reduction in our revenues from \$1,500,000 to \$950,000 in 2014 and future years.

7. Why not just cut expenses?

As those of you who attended our June meetings learned, our budgeting process includes a very detailed review of every single line item of expense incurred by the Village on an annual basis. Thanks in large measure to our department heads, we have been able to cut expenses over the years by eliminating a full-time police officer, relying on part-time officers to minimize overtime, extending the road replacement cycle from 10 to 15 years, extending lives on vehicles, taking many maintenance and repair services in house and taking many, many other steps to get as much as possible from our tax dollars.

8. If you are projecting deficits of \$500,000 and the levy will raise only half that amount, why did you ask for only 6.2 mills?

The Administration and Council had extensive discussions on the size of the proposed levy. We are very mindful of the impact that an additional 6.2 mills will have on property values and we are trying to strike the right balance between a property tax increase and maintaining police, fire, EMS and public services at current levels. We also hope to squeeze more life out of our roads by extending our maintenance and repair program. We concluded that by asking for half of our actual needs, we will be able to stabilize the current financial situation and have additional time to make further adjustments as actual facts play out on the revenue and expense side of our operations.

9. Why is Waite Hill in this position?

As most of you know, the financial demands on governmental entities continue to escalate as revenues continue to shrink. Between 2008 and May 2013 there have been 98 ballot issues in Lake County alone by municipalities and public bodies seeking additional revenues. Unfortunately Waite Hill is not immune to these financial pressures and the time has arrived where additional revenues are required if our services are to be maintained. Compounding our challenge is that unlike virtually all other surrounding municipalities, Waite Hill has no income taxes or business activities to help fund operations.

10. What happens if the situation unexpectedly improves before the 5-year mark (new homes, higher values, more state monies, etc.) and 6.2 mills of added revenue becomes more than enough?

6.2 mills is the maximum additional amount levied in any year. Council retains the authority to *reduce* the specific amount levied in any year and they can be relied upon to do so whenever circumstances dictate. Remember, the Mayor and Council are Village residents and taxpayers, too, none collect any pay for service, and none wishes to pay unnecessary taxes any more than any other resident. We all want the same thing: to pay just enough to maintain the safety and services we all desire.

11. What happens if the levy does not pass?

Stated succinctly, passage of the levy is necessary if we want to keep Waite Hill the Waite Hill we all enjoy. If the levy does not pass, we will not be able to maintain services at current levels. We are hopeful that our residents will see the necessity of additional revenues and the steps we have taken to manage expenses, and that as a result the levy will pass. Consequently, while we have not discussed any specific areas where there will be cuts in services, there is a general acknowledgement by all that absent additional revenue, we will have no responsible alternative other than to cut services.

12. What can I do to help? Where can I get more information?

We ask that you support the levy, get word out to your neighbors and friends and by all means let us know if you believe there is a lack of understanding or other misinformation about the levy, why we urge its passage or why it is necessary to maintain our services.

Please call or email us at Village Hall with any questions or comments that you have and we will respond promptly. We want you to understand our request. Please also visit our website, www.waitehilloh.gov, to review the PowerPoint presentation that we made to residents in June.

MANY THANKS FROM THE MAYOR, COUNCIL, DEPARTMENT HEADS AND EMPLOYEES FOR YOUR CONSIDERATION OF THIS IMPORTANT MATTER.