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Dear Resident,

This is the last piece of communication you will receive concerning the 6.2 mill levy that will appear on the ballot next Tuesday. It is intended to give some metrics that compare the tax landscape of Waite Hill to that of surrounding communities.

As indicated in multiple communications to date, the Village needs the requested money to continue services at their current levels. We would not be asking for a tax increase if we did not have a real need. Without additional revenues, adjustments will be necessary.

Before we put a 6.2 mill levy on the ballot, the Administration, Council and I did an extensive amount of work on where that additional tax would put Waite Hill when compared with other municipalities in Lake County, Cuyahoga County and communities in northeast Ohio that we considered comparable in having attributes similar to ours. Some of our findings are outlined below:

LAKE COUNTY

When we look at Lake County alone, the data tells us the following:

1. Waite Hill is one of 28 municipalities in Lake County and one of 37 taxing districts.
2. At current millage, and after averaging (for the sake of simplicity) millage in that portion of Waite Hill that is in the Willoughby-Eastlake School District with millage of that portion of Waite Hill in the Kirtland School District, our current average millage is 78.56 mills. That ranks Waite Hill as the seventh highest taxed district in Lake County out of 37 total districts, and sixth out of the 28 municipalities.
3. Of the 28 municipalities in Lake County, all but Kirtland Hills and the rural townships impose an income tax to help fund operations, most at a rate of 2%. Waite Hill has never levied a municipal income tax.

LAKE AND CUYAHOGA COUNTIES

When we look at Lake County in tandem with Cuyahoga County, we are led to the following conclusions:

1. There are 52 taxing districts in Lake and Cuyahoga Counties with millage higher than Waite Hill's average millage. All but one of the municipalities in Cuyahoga County with higher millage also imposes an income tax, the majority at 2% or higher, to help fund operations.

2. If our levy passes, Waite Hill's average millage of 84.76 will still be less than 31 of the taxing districts in Lake and Cuyahoga Counties. Moreover, with one exception, all of the taxing districts that would continue to have millage higher than Waite Hill's even if our levy passes also impose an income tax, with the rates of tax ranging from a low of 1.0% to a high of 2.85%, to help fund operations.

COMPARABLE COMMUNITIES

We also tried to look at ourselves against communities that we considered to be comparable in terms of attributes and services to Waite Hill (we realize that this process is somewhat subjective and judgmental). Those communities included Bratenahl, Chagrin Falls, Bentleyville, Moreland Hills, Gates Mills, Kirtland Hills, Pepper Pike, Orange Village and Hunting Valley, with the results tabulated below:

<u>Rank</u>	<u>Community</u>	<u>Millage</u>	<u>Income Tax</u>
1	Bratenahl	92.83	1.50%
2	Chagrin Falls	84.56	1.50%
3	Bentleyville	82.55	1.00%
4	Moreland Hills	82.35	1.00%
5	Gates Mills	81.26	1.00%
6	Kirtland Hills	79.56	None
7	Pepper Pike	77.45	1.00%
8	Orange	75.08	2.00%
9	Hunting Valley	73.08	None
	Waite Hill...		
	...if levy passes	84.76	None
	...if levy fails	78.56	None

The conclusions to be drawn from the foregoing data include the following:

1. All comparable communities other than Kirtland Hills and Hunting Valley impose an income tax in addition to real estate taxes to help fund their costs of operation.¹ That income tax ranges between 1% and 2%. Waite Hill has no income tax.

¹ Hunting Valley was the recipient of an estate tax settlement in the past few years that resulted in an infusion of tens of millions of dollars into its general fund that subsidizes operating costs. Kirtland Hills has a capital fund materially larger than Waite Hill's as a result of estate tax settlements.

2. At current millage, Waite Hill is on the low end of the real property tax spectrum. Two of the three municipalities beneath it also levy an income tax to fund operations.

3. If the levy passes, Waite Hill will be near the top of the real estate tax spectrum for comparable communities, though as noted above, *virtually all of the municipalities in Lake and Cuyahoga Counties with higher real estate tax rates (regardless of whether the levy passes) also impose an income tax to fund operations.*

CONCLUSION

We will continue to do the best we can under the circumstances and within the resources available to us and will respectfully honor the voice of the majority of our voters, whatever the outcome may be. So we hope we have made our case but no matter the result, thank you for your time, questions, comments, patience and understanding regarding this issue.

Very truly yours,

Bob Ranallo

Robert A. Ranallo