

As you know, the Village is proposing a Police & Fire levy on the November 2018 ballot that will increase the levy by 3 mills and is expected to generate an additional \$750,000 for an approximate total of \$1.5M in revenue dedicated to safety services each year. Council and I hosted an informational session on July 11 to discuss the proposed levy. The Treasurer, Prashant Shah and I generated the following fact sheet and distributed it at the meeting.

## **Background and Details**

- Village public safety services are high performing and highly valued by our residents, who have stated consistently their appreciation for our police officers and firefighters
- The Police & Fire Levy increase will maintain the high level of safety services that is a top priority for residents; this levy is a separate funding mechanism for Police, Fire, EMS and Dispatch operations only
- The annual Safety Services budget is \$2.2 million; the current 3-mill levy generates \$774,000 annually
- The current Police & Fire Levy generates just 35% of safety services budget
- Village expenses exceeded revenue by an average of about \$392,000 in three of the four years between 2014 and 2017
- The State of Ohio has drastically reduced its spending on local safety in our communities.
  - The state eliminated estate taxes which reduced Village revenues by an average of about \$263,000 per year
  - The state reduced Local Government Fund revenues paid to the Village by 75% over a 13-year period
- The Village can no longer afford to make up the difference between Safety revenues and expenses with monies from the general fund because of drastic reductions from the state
- The Village has relied on its reserves to make up the difference; these reserves are now at or below fiscally prudent levels
- This is a revenue problem not a spending problem; the Village has engaged in many cost-saving programs and staff and equipment sharing opportunities over the past decade; we can no longer cut expenses without cutting services
- The Village is fiscally responsible and has a Bond rating of Aa1, the only Village in the state with a population under 5000 to have this high rating
- Village government had policy discussions and decided to raise the safety levy, which is funded through real estate taxes, as opposed to income taxes for the following reasons:
  - Everyone uses safety services and everyone pays real estate taxes
  - The current Police and Fire Levy covers only 35% of safety expenses; revenue should be more in line with expenses
- About 60% of the real estate taxes you currently pay goes to the schools; a little over 30% goes to the County, Library and Metroparks; slightly less than 10% comes back to the Village to cover the costs of our Police, Fire and Dispatch services
- Elected officials, with input from the Treasurer, will continue to evaluate Village finances and will update residents on a regular basis

### **Proposed Increase Household Cost**

- Each one mill would cost a homeowner \$35 per \$100,000 of property valuation, thus the proposed three-mill levy would cost homeowners an additional \$105 per \$100,000 of property valuation
- The average home valuation in Moreland Hills is about \$500,000; thus the average increase would be approximately \$525 per year