

**Office of Mayor**

Dear Residents and Businesses of Avon:



We hope you find our first “Community Financial Report” interesting and informative. Our intention with this brief but stimulating report is to provide meaningful information to our community in an easy to understand format. For those of you seeking more detailed financial information, please pick up a copy of the City’s 2015 Comprehensive Annual Financial Report, or visit our website to see this report.

Now is an exciting time to be an Avon resident. We opened the long-awaited Aquatic Facility in July 2015 with excellent reviews. With over 1,600 season passes sold for the 2016 season, the facility has much to offer, including a splash pad, competitive swimming, slides, a pavilion for parties and much more. We have financed the construction of this facility and the infrastructure necessary to service it with short-term debt. The city’s intention is to pay down the debt with both income tax revenues (recreation component) and tax increment financing revenues (See page 2 of this report for an explanation of these revenue sources.)

The City is experiencing an unprecedented period of commercial growth and economic development. The bulk of this growth is occurring north of I-90 along the Chester Road corridor. We are working feverishly to widen roads, improve traffic signalization, extend utilities and enclose ditches. We are partnering with other municipalities (Avon Lake, North Ridgeville) and private entities in many of these projects. In addition, we continue to seek grant funding wherever possible to help pay for these improvements (See page 5-6 of this report for a detailed listing of the projects recently completed, currently underway and planned for the near future.) We appreciate the patience and civility of all of our residents, businesses and everyone working and traveling in Avon as this growth and construction continues.

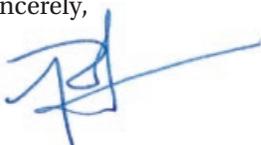
**SUMMARY OF MAJOR PROJECTS IN 2014/2015/2016**

- ✓ Opened the Aquatic Facility/Municipal Swimming Pool in July, 2015 in the center of Avon. The facility has been long-awaited and many residents have taken advantage of this beautiful City asset.
- ✓ Water Tower: Constructed a 3,000,000 gallon elevated storage tank at State Route 83 and Mills Road. This tank will provide needed water reserves in addition to servicing the increasing commercial growth in Avon.
- ✓ Completed the re-location of Chester Road at SR 611 which will allow traffic from I-90 to exit more efficiently and safely. This project was funded 90% by the Ohio Department of Transportation and the Federal Highway Administration.
- ✓ Added a right turn lane at State Route 83 and Interstate 90 for westbound traffic in order to ease congestion.
- ✓ Replaced Riegelsberger Bridge at Jaycox Road to make this intersection much safer for traffic, and to allow French Creek to flow much more smoothly in this area.
- ✓ Acquired 56 acres of parkland along Riegelsberger and Jaycox Roads. The City is partnering with Lorain County Metroparks for the development of this area that will enhance storm water management and provide a passive park with natural grassland and vegetation.
- ✓ The City is currently making improvements to Chester Road between State Route 83 east to Jaycox Road. The new road will contain five lanes and will service the recently opened Cabela’s and other planned projects along this corridor.

Thank you for taking a moment to read this year’s summary report. We are proud to serve the residents of Avon and want to assure you that we are doing our best to insure the financial health of Avon, now and in the future. The City adheres to the highest standards of accounting principles to ensure full financial disclosure, accountability and legal compliance. As you review our Community Financial Report for 2016, I invite you to contact us to share any suggestions, questions or comments you may have at **440-937-7800** or **www.cityofavon.com**.

It is a privilege to serve as the Mayor of Avon. Our staff and I are always open to comments and feedback from you about any City matters.

Sincerely,



Bryan K. Jensen, Mayor

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# Financial Review

## LARGEST SOURCES OF REVENUE

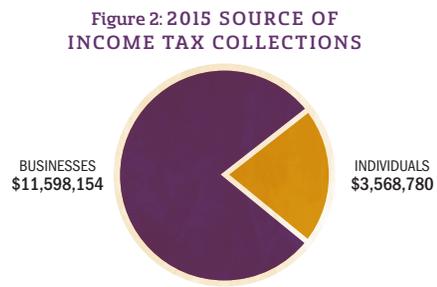
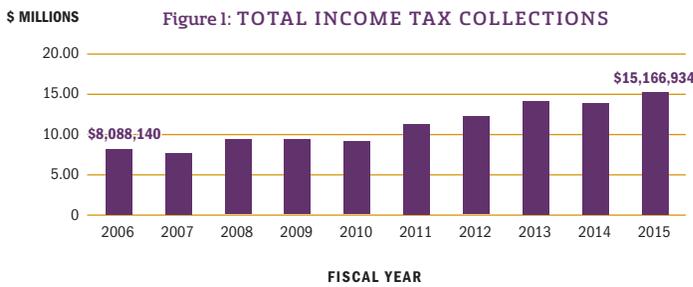
Prepared by William Logan, CPA, Director of Finance

### Governmental Revenues

Governmental revenues include those received by the City of Avon other than business/enterprise revenues which are the water and sewer revenues, used solely for those specific purposes. Income Tax and Property Tax are the City's primary source of revenue for most essential services. In 2015 these revenues made up over 60% of total governmental revenues of the City. The City's income tax rate is 1.75% (see explanation of income tax below.) Of this amount, 1.00% is used for general purposes, .50% was voted in by Avon residents in 2002 and is used exclusively for Safety forces, and .25% was voted in by the Avon residents in 2007 and is used exclusively for parks and recreation. See figure 1 for a history of the City's income tax collections over the last ten years. Residents of Avon are assessed 86.212 mills on the value of their home for property taxes, which equates to a tax rate of about 2% of market value.

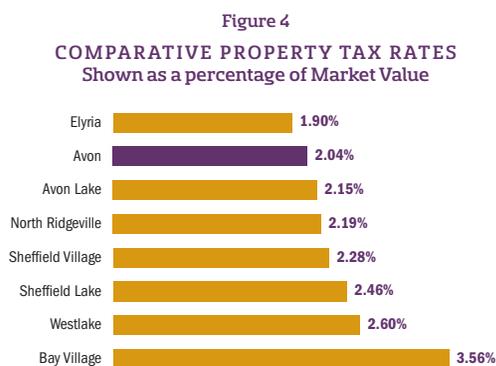
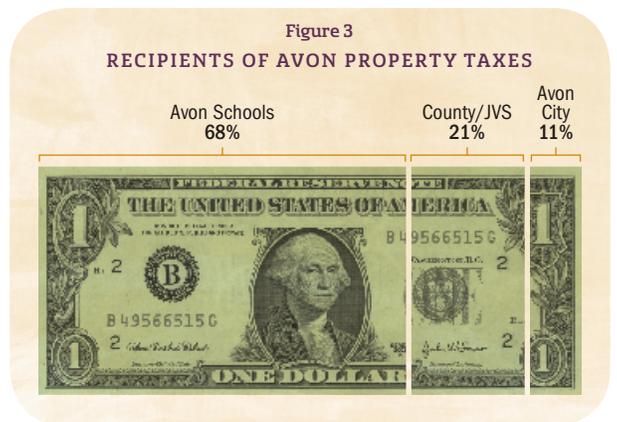
### Income Tax Collections

Net income tax receipts for fiscal year 2015 were \$15,166,934 (figure 1), which is a material increase from 2014 income tax receipts. The increase is primarily due to an uptick in both employer withholding taxes and individual tax filings. The receipts are recorded on a modified accrual basis. The City of Avon assigns a 1.75% income tax on earned income within the City which is applied to gross salaries, wages, personal services compensation and net income of for-profit organizations that conduct business in Avon. Avon residents are required to pay this tax on income they earn outside the City but are given 1.5% credit for income taxes paid to the municipality in which they work. The chart in figure 2 displays the source of income tax collections as they were received in fiscal year 2015.



### Avon Property Taxes

A fundamental difference between the City of Avon and the Avon School District is the main funding source used by each entity for operating purposes (figure 3). The City of Avon primarily relies on income tax revenues which total approximately 48% of the City's annual sources of income. The Avon School District is primarily funded by taxes paid on property that falls within its district. Property tax in Avon, administered by the Lorain County Auditor, is based on the county-assigned value of all parcels of land within each taxing district. The County Auditor determines an assessed value which is 35 percent of the appraised market value for each parcel. This value is updated every three years based on the average price that surrounding or similar properties sold for within the previous three-year period. For tax collection year 2016, a homeowner in Avon will pay 2.04% of market or appraised value of their property (figure 4).



**TAX DISTRIBUTION**  
Using \$100,000 Home Value:

A homeowner in Avon will pay 2.04% of market value of their home in property taxes. For example, taxes for a \$100,000 house in Avon:

**\$100,000 x 2.04% = \$2,040 total annual property taxes, distributed as follows:**

Recipient	Amount (\$)	Percentage (%)
Avon Schools	\$1,387	68%
Lorain County	347	17%
City of Avon	225	11%
Joint Vocational Schools	61	3%
County Health District	20	1%
<b>Total</b>	<b>\$2,040</b>	<b>100%</b>

# 2015 Summary of Revenues & Expenses

## GOVERNMENTAL FUNDS

(GAAP basis—pages 23, 24 of CAFR)

The following is an overview of the City’s financial position and operations for the fiscal year ended December 31, 2015 inclusive of all governmental funds. Financial items presented in this report are derived from a combination of cash basis and Generally Accepted Accounting Principles (GAAP) basis statements and are based on the modified accrual method of accounting.

### GOVERNMENTAL FUNDS

Most City services and projects are accounted for in governmental funds that are funded through taxes and intergovernmental state-shared revenues. A brief description of the governmental funds included in this report are as follows:

**GENERAL FUND:** Accounts for revenues and expenditures associated with the majority of government operations of the City that are not required to be accounted for in specific funds: Building, Planning & Zoning, Finance, Legal, Information Technology, Human Resources, Engineering.

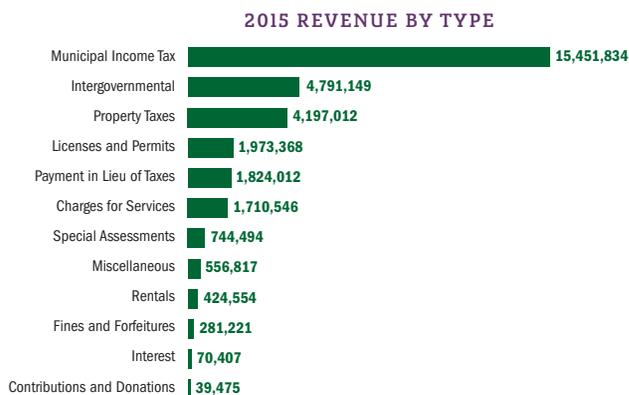
**SPECIAL REVENUE FUNDS:** Accounts for revenue and expenses (other than major capital projects) that are restricted by law or administrative action: Fire, Police, Street Repair & Maintenance, Parks & Recreation, Senior Center, Aquatic Facility, various other funds accounting for smaller operations that have few or no employees.

**DEBT SERVICE FUNDS:** Used to account for revenues and expenditures dedicated to pay general obligation and special assessment debt.

**CAPITAL PROJECT FUNDS:** Accounts for financial resources used for the construction or acquisition of major capital facilities or projects.

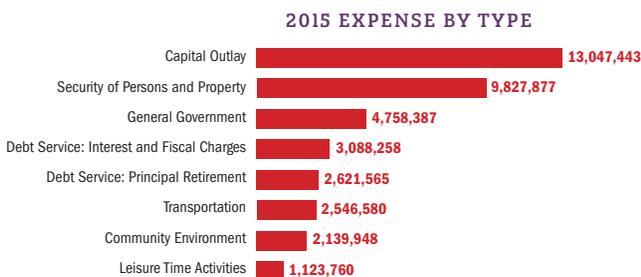
### Where the Money Comes From

REVENUES	2014	2015
Municipal Income Taxes	\$14,129,864	\$15,451,834
Intergovernmental	2,247,864	4,791,149
Property Taxes	4,234,545	4,197,012
Licenses and Permits	1,472,885	1,973,368
Payment in Lieu of Taxes	2,535,911	1,824,012
Charges for Services	1,383,468	1,710,546
Special Assessments	837,217	744,494
Miscellaneous	562,343	556,817
Rentals	422,160	424,554
Fines and Forfeitures	262,517	281,221
Interest	124,974	70,407
Contributions and Donations	4,606	39,475
<b>Total Revenues</b>	<b>\$28,218,354</b>	<b>\$32,064,889</b>



### Where the Money is Used

EXPENDITURES	2014	2015
Capital Outlay	\$4,350,175	\$13,047,443
Security of Persons and Property	9,752,745	9,827,877
General Government	4,585,168	4,758,387
Debt Service: Interest and Fiscal Charges	3,226,688	3,088,258
Debt Service: Principal Retirement	2,602,713	2,621,565
Transportation	2,809,212	2,546,580
Community Environment	1,742,815	2,139,948
Leisure Time Activities	1,119,428	1,123,760
<b>Total Expenditures</b>	<b>\$30,188,944</b>	<b>\$39,180,818</b>



### Explanation of Year End Fund Balance

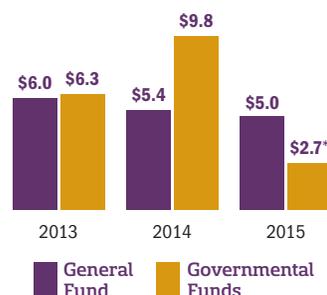
#### GENERAL FUND

An important indicator of the financial health of any community is the year-end fund balance (or sometimes referred to as the reserve or savings account of the City). This fund balance presents a measurement of how much money the City has available at the end of the year to address future emergencies or budgetary gaps. The General Fund is the primary operating fund of the City. An adequate year-end General Fund cash balance is an essential component in both short-term and long-term financial planning.

#### GOVERNMENTAL FUNDS

In addition to maintaining a healthy year-end balance in the General Fund, the City works diligently to maintain adequate year-end balances in its other operating, capital and debt service funds (also referred to as all “Governmental Funds”).

#### COMPARISON OF YEAR END FUND BALANCE in millions



\*2015 Governmental Funds reflect a temporary decline due to the accounting treatment of the funding for the Municipal Aquatic Facility project (\$5,309,748)

# Debt Profile

## City of Avon Debt/Bond Rating

The Avon Administration has worked diligently with City Council to build a vibrant local economy and a strong financial platform in managing the City's finances. These efforts have been recognized by Moody's Investors Service, a global rating agency, which has awarded The City of Avon with a bond rating of "Aa1" (Second highest rating possible.) Moody's evaluates the City of Avon based on four categories: debt burden, financial management, financial performance, and the City's economic base and prospects.

The "Aa1" rating reflects Avon's role as an affluent and expanding suburb of the City of Cleveland. The rating is also based upon expected maintenance and healthy financial reserves and operation dependency on income tax revenue, the latter of which is partially offset by a steadily positive trend in income tax collections.

This high quality rating allows the City to borrow funds at low interest rates when issuing bonds for capital projects. Consequently, the City is able to save thousands of dollars in borrowing costs. These savings are often used to provide additional services or to expand the ones already being provided.

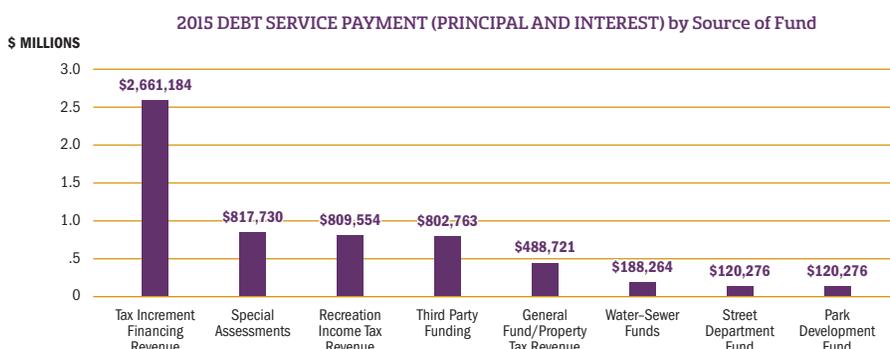
## How does the city of Avon use debt?

Cities borrow money not only to help pay for projects, but to share the costs of those projects between current and future residents.

## Avon's Debt Management

Avon's total outstanding debt as of December 31, 2015 is \$94,065,000 and is detailed below by purpose and repayment source. A significant portion of Avon's debt has been issued to fund key projects, some of which were approved by the residents of Avon to be used specifically for recreation projects as in the Recreation Center and the Municipal Aquatic Facility. Other key infrastructure improvements, such as, the Nagel Road interchange and Chester Road widening, are being repaid via special assessment on the property taxes of property owners who have directly benefitted from the improvements.

SUMMARY OF DEBT OUTSTANDING BY PURPOSE		DEBT REPAYMENT BY SOURCE OF FUNDING	
Police Station	\$3,123,000	General Fund	
Other Municipal Projects	\$5,822,800	Tax Increment Financing; General Fund; Street Department Fund	
Parkland Property Acquisitions and Improvements	\$5,894,200	Recreation Income Tax and Park Development Fee	
Aquatic Facility and Related Infrastructure Improvements	\$7,500,000	Tax Increment Financing and Recreation Income Tax	
Water Tower, Water Related Improvements	\$10,950,000	Water Tap-in Fees; Water and Sewer Fund	
Recreation Complex at SR 611	\$29,700,000	Tax Increment Financing; Special Assessments; Recreation Income Tax; Private Party Payments (YMCA and Baseball Team Ownership)	
Nagel Road Interchange	\$31,075,000	Tax Increment Financing and Special Assessments	



# Capital Projects COMPLETED

## Water Tower

Constructed a three-million gallon tank water tower and water transmission line at Mills Road and State Route 83.



## Water Meter Replacement

- The City is underway with a water meter change-out program where every meter throughout the City will be replaced with modern, more efficient technologically driven meters.

## Park Land Acquisition

- Acquired 57 acres of land to be utilized by the Lorain County Metroparks as parkland.



Land located adjacent to Riegelsberger and Jaycox Road in the southeast section of the City.

## I-90 Intersection Turning Lane

- Added a right turn lane at State Route 83 and Interstate 90 for westbound traffic.

## Storm Sewers

- Constructed storm sewers along Jaycox Road between Detroit Road and Chester Road.

## Aquatic Facility

- Constructed an aquatic facility in the center of Avon complete with splash pad, slides, competitive pool and other amenities
- Built the infrastructure to service the new aquatic facility and future municipal complex, including roadway, utilities and sidewalks



## Bridge Renovations

- Re-built the bridge at Jaycox and Riegelsberger Roads, enhancing the safety of this intersection.
- Partnered with ODOT to rehabilitate the bridge over Interstate 90 at State Route 611; this project included new pavement on SR 611 and sidewalks.
- Painted and cleaned the bridge on Detroit Road over French Creek.



Southbound view of newly rehabilitated bridge on State Route 611 over Interstate 90.

# Capital Projects UNDERWAY

## Chester Road Widening

- Partnering with the Jacobs Group, the City is widening and improving Chester Road from State Route 83 east to Jaycox Road, in anticipation of commercial development that includes Cabela's, Menard's and Bendix Commercial Vehicle Systems, LLC.



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## Chester Road Re-Location at SR 611

- With grants from the Federal Highway Administration, we are completing the re-location of Chester Road at State Route 611 to better align the road with Recreation Lane, and to improve the safety along this corridor.



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## State Route 83 Resurfacing

- Partnering with ODOT and the City of Avon Lake, we are re-surfacing State Route 83 from Detroit Road to the border with Avon Lake; in addition, we are constructing an east bound turn lane onto Interstate 90.

## Roundabout at SR 83 and Mills Road

- Partnering with the Ohio Public Works Commission and the City of North Ridgeville, we are planning the construction of a "round-a-bout" in 2017 at the intersection of State Route 83 and Mills Road; this will be the first "round-a-bout" constructed in Lorain County.

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## Ongoing Road Maintenance

- Acquired a Dura-patcher machine that will repair cracks and chuck-holes in the roads efficiently and inexpensively.
- The City expects to continue to spend approximately \$1.5-\$2.0 million annually on road improvements and maintenance on the primary/secondary roads and in the residential neighborhoods.
- The City is applying new pavement markings on approximately 70 miles of roadway on major roads throughout Avon.



# Commercial Development Activity IN AVON

## Avon Commercial Development **COMPLETED**

In 2015 and the first half of 2016 the following businesses constructed new facilities and opened in Avon:

- Cleveland Clinic/Select Medical Rehabilitation Hospital
- University Hospitals Rehabilitation Centers
- Primrose Daycare Center
- The Woods of French Creek Nursing Home
- Young Explorers' Daycare
- Residence Inn Hotel/ Emerald Convention Center
- Cambria Suites Hotel
- Levin Furniture & Mattress
- Aldi's Grocery Store
- Get-Go Convenience Store
- Bar 145 Restaurant
- Heck's Cafe
- Wendy's
- Winking Lizard
- Advance Auto Parts
- Discount Tire
- Cabela's



Cleveland Clinic/Select Medical Rehabilitation Hospital



University Hospitals Rehabilitation Hospital



Cabela's



Recent development in the northeast section of Avon

## Avon Commercial Development **UNDER CONSTRUCTION**

- Cleveland Clinic inpatient hospital
- Rose Senior Living
- Panda Express
- T3 Performance



Cleveland Clinic Inpatient Hospital



Rose Senior Living

## Avon Commercial Development **APPROVED AND READY FOR CONSTRUCTION:**

- Meijer
- Menards
- Goo-Goo Car Wash
- Dunkin' Donuts
- Italian restaurant (currently un-named) at Market Place
- Christian Brothers Automotive
- Journey Church
- Bendix Commercial Vehicle Systems



*Coming soon to Avon!*



**PLEASE VISIT US ONLINE  
FOR MORE INFORMATION.**

[www.cityofavon.com](http://www.cityofavon.com)  
[www.facebook.com/AvonOH](https://www.facebook.com/AvonOH)  
[www.twitter.com/CityOfAvonOH](https://www.twitter.com/CityOfAvonOH)



**ELECTED OFFICIALS**



**MAYOR**  
Bryan K. Jensen  
440-937-7803



**COUNCIL PRESIDENT**  
Craig Witherspoon  
440-937-5815



**COUNCIL AT-LARGE**  
Brian Fischer  
216-392-9399



**COUNCIL AT-LARGE**  
Tammy Holtzmeier  
440-937-8426



**COUNCIL WARD 1**  
Bob Butkowski  
440-937-8118



**COUNCIL WARD 2**  
Dennis McBride  
216-409-1454



**COUNCIL WARD 3**  
Mary Berges  
440-937-0292



**COUNCIL WARD 4**  
Scott Radcliffe  
440-937-1842

**AVON STATISTICAL HIGHLIGHTS**

**POPULATION**

22,302 (estimated figure from US Census Bureau, 2014)

**RESIDENT'S AVERAGE AGE**

37.5 (2010 Census)

**MEDIAN INCOME**

\$75,951 (2010 Census)

**LAND MASS (SQ. MILES)**

20.5 (City records)

**AVAILABLE COMMERCIAL PROPERTY (ACRES)**

2,100 (City records)

**HOUSING UNITS**

8,007 (2010 Census)

**NEW HOME PERMITS ISSUED IN 2015**

121 (City records—building department)

**OWNER OCCUPIED HOMES**

94.7% (2010 Census)

**LORAIN COUNTY UNEMPLOYMENT RATE**

4.8% (US Department of Labor, October, 2015)

**CITY DIRECTORY**

**BUILDING DEPARTMENT**  
36080 Chester Road

440-937-7811

**CITY HALL**  
36080 Chester Road

440-937-7800

**FIRE DEPARTMENT**  
36185 Detroit Road

440-934-1222

**POLICE DEPARTMENT**  
36145 Detroit Road

440-934-1234

**PARKS & RECREATION DEPARTMENT**  
35001 Schwartz Road

440-937-6106

**SENIOR CENTER**  
36786 Detroit Road

440-934-2417

**SERVICE DEPARTMENT**  
35400 Schneider Court

440-937-5729

**WATER DEPARTMENT**  
35030 Detroit Road

440-937-5740

**ADMINISTRATION**

**DIRECTOR OF FINANCE**  
Bill Logan

**DIRECTOR OF LAW**  
John Gasior

**CHIEF BUILDING OFFICIAL**  
Bob Schumacher

**DIRECTOR OF PARKS & RECREATION**  
Diane Corrao

**DIRECTOR OF SERVICE**  
Mike Farmer

**CITY ENGINEER**  
Ryan Cummins

**CHIEF OF POLICE**  
Richard Bosley

**CHIEF OF FIRE**  
Frank Root, III

**PLANNING COORDINATOR & ECONOMIC DEVELOPMENT**  
Pam Fechter



**CITY OF AVON**  
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