



The Mayor's Report
November 2019

Hello.

As you may know, City Council and the administration are in the midst of the City's 2020 budget process which is one of the most important things we do as elected officials. The budget is a reflection of our priorities as a community. Throughout this complex process, which began in August, we have sought input from the public, City staff and the Finance and Administration Committee which includes members from the community who have significant financial expertise.

After many months of work, a summary of the proposed budget is available on the [City's website](#). I encourage you to look at it and join us at the Council meetings on November 18 and December 2 where the budget will be discussed. On December 16, we expect the budget process to conclude when Council votes to appropriate funds for the 2020 budget.

The City's overall budget is \$66 million and includes both capital and operating expenses. In a mature city like Shaker Heights, capital expenses are significant and the need always exceeds available resources.

After significant deliberation, this year's budget includes a proposal to increase sewer fees for the first time since 2001. Rest assured that the decision to propose these fees came only after exploring all other possible funding sources, including securing a \$2 million grants. The reasons for considering a sewer fee increase include the age of our sewers, increased regulatory pressure and a growing need for a subsidy from our General Fund to pay for sewer maintenance and repairs.

Over the past several years, we have subsidized the sewer fund by securing \$2 million in grants and transferring more than \$2.5 million each year from our General Fund. This is no longer sustainable as it significantly limits our ability to allocate those funds to other needed operating and capital expenses. It is worth noting that our current local sewer rate has not changed since 2001 and is well below that of surrounding communities.

The sewer fee proposal includes two components: a new monthly fee in a fixed amount paid by each household and other property owners, and an increase in the local water rate per MCF, which is a measurement of usage, meaning the fee depends on your water consumption.

The proposed monthly fixed fee would be phased in over 4 years beginning in 2020 at the rate of \$2.50/mo. Each following year, the monthly fee would increase by \$2.50 until it reaches \$10 per month in 2023.

The current local MCF or usage rate has been set at \$10.50 per MCF since 2001. The proposed rate increase is .50 cents per MCF for each of the next 4 years. This means the local MCF rate would increase from its current \$10.50 to \$12.50 in 2023.

For more details, please review the Frequently Asked Questions and other sewer information on the City's website.

If approved by City Council, these fees would help fund over \$12 million of much needed sewer maintenance and repairs over the next 6 years. This funding stream would allow the City to undertake long-range planning and fully leverage outside resources so that we can ensure our system's functionality for the next 50 years and beyond.

I encourage you to review the budget and sewer information on the [City's website](#). And feel free to attend one of the upcoming Council meetings where the public can comment on the budget and the proposed sewer fees.

Thank you.