

# COMMUNITY REPORT 2015



 CITY OF  
*Beachwood*  
1915-2015

City of Beachwood, Ohio  
For the year ended 12/31/2014



## Citizens of Beachwood...

As we celebrate our Centennial year, I am pleased to report that our City continues to grow upon a strong financial foundation. This Administration has continued our commitment to being fiscally responsible, we are accountable for every hard-earned tax dollar we collect and this report— also referred to as a Popular Annual Financial Report (PAFR)— is designed to help you better understand our finances.

The City of Beachwood remains fiscally strong. As this report will demonstrate for 2014, the City had a surplus of \$1,591,345 on a modified accrual basis. It is my Administration's goal to ensure a robust financial future for Beachwood, and as such we are focusing great efforts on economic development. Investment in our City is a top priority. Attracting new businesses and retaining existing employers broadens our tax base. This allows us to maintain the wide range of outstanding public services for our vibrant community.

This Community Report includes a condensed version of the City's Comprehensive Annual Financial Report (CAFR) for fiscal year ending December 31, 2014, completed in June 2015. These reports have two different purposes. While the Beachwood Community Report utilizes the same basis of accounting as the CAFR, it is intended to be an easily understood financial overview for our stakeholders -- the public. The CAFR, which is audited by the State Auditor's office, provides a more detailed financial accounting. The complete CAFR is available for your review at the Clerk of Council's Office, our Finance Department or at [www.beachwoodohio.com](http://www.beachwoodohio.com).



Through efficient management and a healthy local economy, we are able to provide superb municipal services and an excellent quality of life for the residents and businesses that call Beachwood home. We look forward to continuing to work together to move our City forward for the next 100 years.

Sincerely,

Merle S. Gorden, Mayor



Photography by Marc Golub

# 100 Centennial CELEBRATION

BEACHWOOD CITY HALL  
5325 FAIRMOUNT BOULEVARD

# Beachwood City Council

Beachwood City Council meetings are open to the public and usually held on the first and third Monday of each month. Meetings are held at Beachwood City Hall and start at 7:00 p.m.

## **CITY COUNCIL**

### **PRESIDENT**

Fredric S. Goodman

### **VICE PRESIDENT**

Mark I. Wachter

### **MEMBERS**

Martin S. Horwitz

Alec Isaacson

Melvin M. Jacobs

Mark Mintz

James Pasch

## **CLERK OF COUNCIL**

Karen M. Navolanic



*Pictured Left:*  
One of many community meetings held in the City of Beachwood Council Chambers

# About Our City

## FREDRIC S. GOODMAN

Address: 25515 Halburton Road  
Home Phone: 216.464.6624  
Occupation: Strategic Accounts Manager for MRI Software  
Service on City Council since 1992; currently serving as Council President. Service includes: Board of Zoning Appeals



## MARK I. WACHTER

Address: 24580 Penshurst  
Home Phone: 216.765.1921  
Occupation: Attorney, Kurant Wachter Co., LPA  
Service on City Council since 1999; current Committee Chair for Finance & Insurance, Legal & Personnel and Planning & Zoning. Service includes: Assistant to former Law Director, Planning & Zoning Commission



## MARTIN S. HORWITZ

Address: 24810 Meldon Boulevard  
Home Phone: 216.464.6560  
Occupation: Attorney  
Service on City Council since 2012; current Committee Chair for Audit and Economic Development. Service includes: Beachwood Board of Education, Beachwood Arts Council, Beachwood Recreation Board, Beachwood Historical Society, Beachwood Cable Television Commission



## ALEC ISAACSON

Address: 2173 Lyndway Road  
Home Phone: 216.291.2797  
Occupation: Senior Principal Consultant, CA Technologies  
Service on City Council since 2014; current Committee Chair for Intergovernmental Relations and Recreation & Community Services. Service includes: Co-chair of Community PTO Market Day Fundraiser



## MELVIN M. JACOBS

Address: 24808 Maidstone Lane  
Home Phone: 216.464.1541  
Occupation: Retired Cleveland public school teacher  
Service on City Council since 1998; current Committee Chair for Public Works and Safety & Public Health. Service includes: Beachwood Arts Council, Beachwood Recreation Board, Planning & Zoning Commission, Volunteer Firefighter



## MARK MINTZ

Address: 25017 Wimbledon Road  
Home Phone: 216.360.0330  
Occupation: VP, Cleveland Mobil Radio/Tele-Trak  
Service on City Council since 2000; currently Committee Chair for Communications. Service includes: Beachwood Board of Education, Beachwood Recreation Board



## JAMES PASCH

Address: 2152 Campus Road  
Home Phone: 216.630.9671  
Occupation: Attorney, Milano Pasch Medici  
Service on City Council since 2014; currently Committee Chair for Building & Grounds and Stormwater. Service includes: Democratic Ward Club, Beachwood High School Pre-Law Society Advisor



Beachwood is one of Ohio's finest suburban settings. The City takes great pride in being a blue-chip business center; home to world-class medical care; a national leader in technology; along with a thriving commercial and shopping area.

With approximately 12,000 residents, more than 2,500 businesses and a major retail center that features Saks Fifth Avenue and Nordstrom, Beachwood attracts more than 100,000 people every day for business, health care, shopping or entertainment purposes. Property values are among the highest in the county.

The success-oriented residents of Beachwood are predominantly well-educated professionals who foster excellence in their children's schools. Thirty percent of the children enrolled in Beachwood City Schools have parents who are alumni and many have grandparents who are active community members.

Beachwood enjoys what is called a "golden triangle" partnership between the City Government, the School District and the Chamber of Commerce, ensuring long-term stability and cooperative strategic planning. Beachwood City Schools have a historical track record of success, having never failed a tax levy. The most recent levy passed by 68 percent.

The City of Beachwood continues to place an emphasis on attracting, retaining and growing its economic base. Since 2007, the City has had over \$900 million of new capital investment projects and over 3,000 new jobs created.



- BASF
- BEACHWOOD COMMONS
- INFINITI OF BEACHWOOD
- THE VUE
- OMNOVA SOLUTIONS
- FOUR SEASONS
- WINDSOR HEIGHTS  
JEA SENIOR LIVING



# Economic Developments



## **OMNOVA SOLUTIONS**

### **110 NEW JOBS**

57,000 sq. ft. Leed-certified  
\$17 million Global Headquarters  
8.5 acre site in Chagrin Highlands  
\$21 million annual payroll  
Additional Payroll: \$4.7 million (70 additional jobs)

## **CLARION HOTEL / HOTEL INDIGO**

### **75 NEW JOBS**

\$8.5 million renovation project  
Hotel Indigo - 100 rooms / Clarion Hotel - 73 rooms

## **BASF**

### **40 NEW JOBS**

\$25 million R & D expansion

## **STRATOS WEALTH PARTNERS**

### **40 NEW JOBS**

National Headquarters relocated to Beachwood  
Purchased 41,000 sq. ft. building  
\$2.4 million  
\$3 million payroll

## **INFINITI OF BEACHWOOD**

### **60 NEW JOBS**

37,000 square feet  
\$9 million project

## **FOUR SEASONS APARTMENTS**

144 luxury distinctive apartments  
\$18.9 million project

## **PIADA RESTAURANT**

### **50 NEW JOBS**

\$2.5 million project  
Seating for 120  
Adjacent to the new ALOFT Hotel

## **TRES POTRILLOS**

### **20 NEW JOBS**

Interior/ Exterior Renovation  
\$200,000+ project

## **THE PUB**

### **30 NEW JOBS**

Beachwood Place  
Interior/Exterior Remodel/Refacing  
\$1 million project  
7,000 square feet

## **CLEVELAND EYE CLINIC**

Expansion and Remodeling  
9,995 square feet  
Served Cleveland area since 1943

## **THE VUE – THE NRP GROUP LLC**

695,902 square ft. project  
\$36 million  
348 luxury apartments

## **WIGGINS PLACE**

Menorah Park Assisted Living Expansion  
\$8.5 million  
36 residential apartments

## **WINDSOR HEIGHTS – JEA SENIOR LIVING**

### **35 NEW JOBS**

4.1 acres  
33,000 square ft. project  
\$10.6 million

## **BEACHWOOD COMMONS**

### **40 NEW JOBS**

\$10 million project  
52,000 square ft. project  
76 apartments/units

## **UH REHABILITATION CENTER / CENTERE HEALTHCARE**

### **150 NEW JOBS**

\$17 million  
53,450 square ft. project  
5.8 acres  
50 bed facility

# Demographics

<b>COUNTY:</b>	Cuyahoga
<b>AREA:</b>	5.2 Square Miles
<b>LOCATION:</b>	11 miles east of Cleveland off I-271
<b>INCORPORATED AS A VILLAGE:</b>	1915
<b>ATTAINED CITY STATUS:</b>	1960
<b>RESIDENTIAL POPULATION:</b>	11,953 Residents 5,064 Households
<b>RACE:</b>	White 77.3% Black 13.7% Asian 7.4%
<b>AGE:</b>	Under 14 14.9% 15 - 24 8.4% 25 - 59 37.9% 60+ 38.7%
<b>MEDIAN AGE:</b>	52.5 years
<b>OCCUPATION:</b>	Executive, Managerial, Professional is 62% of population
<b>EDUCATION:</b>	Bachelors degree or higher is 52% of the population
<b>HOUSING:</b>	:: Lots range from 50-foot to 200-foot :: Home prices range \$129,000 to over \$1 million :: Owner occupied: 3,152, Renter occupied: 1,912
<b>PERSONS PER HOUSEHOLD:</b>	2.16
<b>AVERAGE FAMILY SIZE:</b>	2.88
<b>INCOME TAX RATE:</b>	2.0% (reciprocity at 100%, up to 2.0%) Effective 1/1/11
<b>RESIDENTIAL EFFECTIVE TAX RATE:</b>	65.69 (per \$1,000 value)
<b>COMMERCIAL EFFECTIVE TAX RATE:</b>	72.74 (per \$1,000 value)
<b>CUYAHOGA COUNTY SALES TAX RATE:</b>	7.75% of sale

Note: Figures based on 2010 Census

IN 2013, THE BEACHWOOD POLICE DEPARTMENT BECAME ONE OF ONLY SIX DEPARTMENTS IN NORTHEAST OHIO TO BECOME ACCREDITED

BEACHWOOD FIRE DEPARTMENT IS 1 OF 11 FIRE DEPARTMENTS IN THE STATE OF OHIO TO BECOME INTERNATIONALLY ACCREDITED BY THE CENTER FOR PUBLIC SAFETY EXCELLENCE

OVER 4.1 MILLION SQ. FT. OF COMMERCIAL SPACE INCLUDING OVER 1.2 MILLION SQ. FT. OF RETAIL SPACE

STRATEGICALLY LOCATED WITH 3 INTERCHANGES ON I-271, 11 MILES FROM DOWNTOWN CLEVELAND, 30 MINUTES FROM HOPKINS INTERNATIONAL AIRPORT

SINCE 2007, THE CITY HAS HAD OVER \$900 MILLION OF NEW CAPITAL INVESTMENT PROJECTS. OVER 3,000 NEW JOBS HAVE BEEN CREATED.

APPROXIMATE POPULATION

DAYTIME:  
100,000  
NIGHT TIME:  
12,000

APPROXIMATELY 2,500 BUSINESSES HAVE A BEACHWOOD ADDRESS

EMERGENCY SAFETY SERVICES AVERAGE RESPONSE TIME IS UNDER 4 MINUTES

8 LUXURY HOTELS EQUIPPED WITH 1,300 ROOMS AND OVER 40,000 SQUARE FEET OF MEETING ROOM SPACE

For City of Beachwood information and updates log onto [www.beachwoodohio.com](http://www.beachwoodohio.com), like us on Facebook and follow us on Twitter. Tune into Channel 96.20 on Time Warner Cable or Channel 99 on AT&T U-Verse, read seasonal Recreation Guides, bimonthly Upperclassmen newsletters and our monthly Council Updates located inside the Beachwood Buzz magazine.

# Contact City Hall

## BEACHWOOD CITY HALL

25325 Fairmount Boulevard  
Beachwood, Ohio 44122  
216.464.1070

## CITY WEBSITE

[www.beachwoodohio.com](http://www.beachwoodohio.com)

## CITY FACEBOOK

[www.facebook.com/BeachwoodOH](http://www.facebook.com/BeachwoodOH)

## CITY TWITTER

@BeachwoodOH

## POLICE DEPARTMENT TWITTER

@BeachwoodPolice

## EMERGENCY

9-1-1

## BEACHWOOD COMMUNITY CENTER

25225 Fairmount Boulevard  
Beachwood, Ohio 44122  
216.292.1492

## BEACHWOOD FAMILY AQUATIC CENTER

25125 Fairmount Boulevard  
Beachwood, Ohio 44122  
216.292.1973

## BEACHWOOD TV STATION

Time Warner Cable - Channel 96.20  
AT&T U-Verse - Channel 99

## AUDIT DEPARTMENT

216.595.3712  
[audit@beachwoodohio.com](mailto:audit@beachwoodohio.com)

## BUILDING DEPARTMENT

216.292.1914  
[building@beachwoodohio.com](mailto:building@beachwoodohio.com)

## CLERK OF COUNCIL

216.595.5462  
[law@beachwoodohio.com](mailto:law@beachwoodohio.com)

## COMMUNITY SERVICES DEPARTMENT

216.292.1970  
[recreation@beachwoodohio.com](mailto:recreation@beachwoodohio.com)

## ECONOMIC DEVELOPMENT

216.292.1915  
[development@beachwoodohio.com](mailto:development@beachwoodohio.com)

## FINANCE DEPARTMENT

216.292.1913  
[finance@beachwoodohio.com](mailto:finance@beachwoodohio.com)

## FIRE DEPARTMENT

216.292.1965  
[fire@beachwoodohio.com](mailto:fire@beachwoodohio.com)

## HUMAN SERVICES DEPARTMENT

216.595.3733  
[humanservices@beachwoodohio.com](mailto:humanservices@beachwoodohio.com)

## LAW DEPARTMENT

216.595.5462  
[law@beachwoodohio.com](mailto:law@beachwoodohio.com)

## MAYOR'S OFFICE

216.292.1901  
[mayor@beachwoodohio.com](mailto:mayor@beachwoodohio.com)

## POLICE DEPARTMENT

216.464.1234  
Emergency 9-1-1  
[police@beachwoodohio.com](mailto:police@beachwoodohio.com)

## RECREATION DEPARTMENT

216.292.1970  
[recreation@beachwoodohio.com](mailto:recreation@beachwoodohio.com)

## SERVICE DEPARTMENT

216.292.1922  
[service@beachwoodohio.com](mailto:service@beachwoodohio.com)

# Financial Review

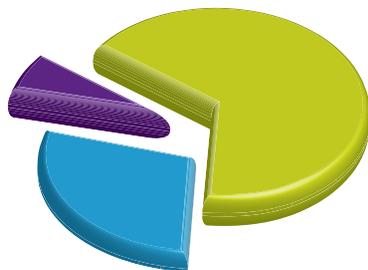
The following is an overview of the City's financial operations for the fiscal year ended December 31, 2014. The data included in this review is not in accordance with generally accepted accounting principles (GAAP) as only selected information is presented. All data is, however, compiled from the City's Comprehensive Annual Financial Report (CAFR) which does comply with GAAP.

## UNDERSTANDING PROPERTY TAXES

A fundamental difference between the City of Beachwood and the Beachwood School District is the main funding source used by each entity for operating purposes (See Figure 1). The City of Beachwood primarily relies on income tax revenues which total approximately 70% of the City's annual sources of income. The Beachwood School District is primarily funded by taxes paid on property that falls within its district.

Property tax in Beachwood, administered by the Cuyahoga 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. Every six years, the Auditor revisits all properties to re-appraise the value of each piece of land based on any building additions or major improvements. (The last re-appraisal of property values occurred in the year 2012.)

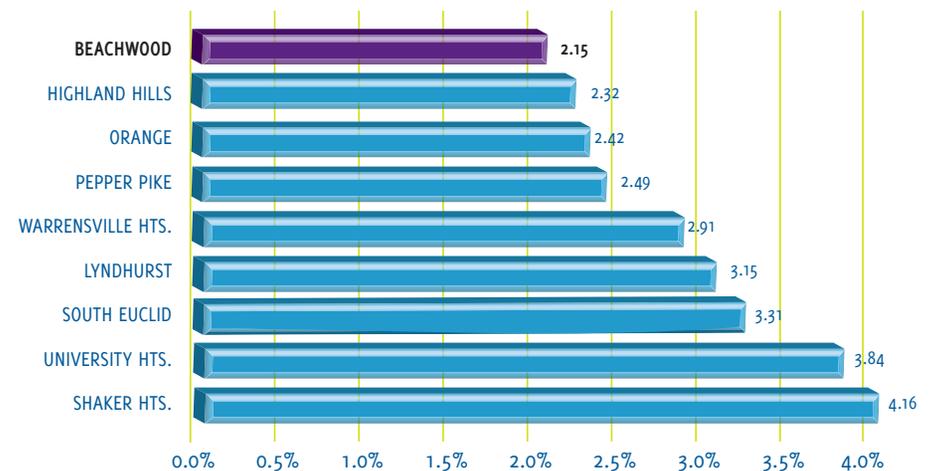
For tax collection year 2014, a homeowner in Beachwood will pay 2.15% of market or appraised value of their property (See Figure 2).



**RECIPIENT OF PROPERTY TAXES**  
FIGURE 1

	%
Beachwood City School District	60
Cuyahoga County & Library	34
City of Beachwood	6

**COMPARATIVE PROPERTY TAX RATES FOR COLLECTION YEAR 2014**  
FIGURE 2  
*(shown as a % of market value)*



### Beachwood Property Tax as a Percentage of Market Value

A simple percentage can be used to estimate total property taxes for a home. Multiply the market value of the home by the percentage listed for Beachwood taxing district (2.15%).

#### Example:

Taxes for a \$200,000 home in Beachwood  
 $\$200,000 \times 2.15\% =$   
 $\$4,300$  annual property tax bill

## WHERE THE MONEY COMES FROM

### REVENUES

Major sources of revenue include income tax, property tax and state shared revenues. Total revenues for fiscal year 2014 were \$41,855,714. (See Figure 3)

Revenue*	2014	2013
Income Tax	\$29,169,007	\$29,578,663
Property Tax & Other Taxes	\$4,172,243	\$3,893,011
Fees, Fines & Charges for Service	\$3,781,899	\$4,586,693
Intergovernmental Revenues	\$2,817,522	\$3,814,449
Investment Earnings/Other	\$1,915,043	\$1,851,755
<b>Total</b>	<b>\$41,855,714</b>	<b>\$43,724,571</b>

\*Statement of Revenues, Expenditures and Changes in Fund Balance

2014 TOTAL REVENUES  
FIGURE 3



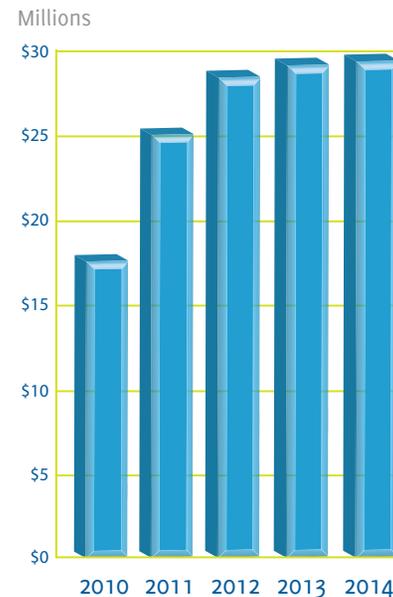
## UNDERSTANDING INCOME TAX

Net income tax receipts for fiscal year 2014 were \$29,169,007 (see figure 4), which is a slight decrease from 2013 income tax receipts. The decrease is due to a decrease in net profit taxes. The receipts are recorded on a modified accrual basis.

The City of Beachwood levies a 2.0% 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 Beachwood. Beachwood residents are required to pay this tax on income they earn outside the City but are given 100% credit for income taxes paid to the municipality in which they work.

The chart in Figure 5 displays the source of income tax collections as they were received in fiscal year 2014.

INCOME TAX GROWTH  
FIGURE 4



2014 SOURCE OF INCOME TAX  
FIGURE 5



# Financial Review

The following is an overview of the City's financial operations for the fiscal year ended December 31, 2014. The data included in this review is not in accordance with generally accepted accounting principles (GAAP) as only selected information is presented. All data is, however, compiled from the City's Comprehensive Annual Financial Report (CAFR) which does comply with GAAP.

## WHERE THE MONEY GOES

### EXPENDITURES

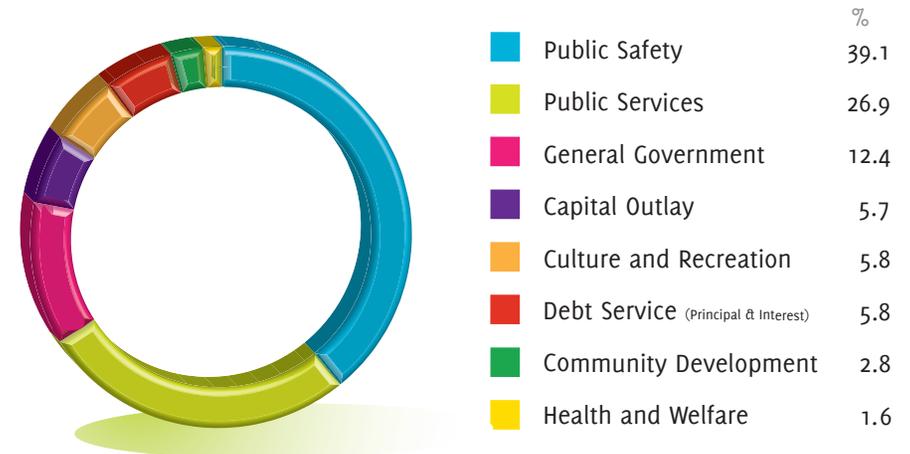
Significant expenditures include public safety and public service expenditures which totaled 39.1% and 26.9% of total expenditures respectively. The majority of these expenditures can be attributed to salaries, wages and employee benefits (See figure 6).

Expenditures by Function*	2014	2013
Public Safety	\$15,735,511	\$15,177,060
Public Services	\$10,844,374	\$8,700,525
General Government	\$5,008,868	\$4,494,993
Capital Outlay	\$2,305,856	\$1,291,946
Culture and Recreation	\$2,319,497	\$2,414,088
Debt Service (Principal and Interest)	\$2,317,584	\$2,305,393
Community Development	\$1,108,407	\$1,063,829
Health and Welfare	\$624,272	\$507,654
<b>Total</b>	<b>\$40,264,369</b>	<b>\$35,955,488</b>

\*Statement of Revenues, Expenditures and Changes in Fund Balance

Capital outlay totaled \$2,305,856 or 5.7% of total expenditures. The total capital expenditures over a ten year period is \$53,900,762.

2014 EXPENDITURES  
FIGURE 6



**\$53,900,762**

The City of Beachwood's  
Total Capital Expenditures  
Over 10-Year Period

# Financial Award

## POPULAR ANNUAL FINANCIAL REPORT AWARD

The GFOA honored the City of Beachwood with the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the fiscal year ended December 31, 2013.

This award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.



In order to receive this award, a government unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

This is the ninth year the City of Beachwood has received this award.

## THE CITY OF BEACHWOOD AS A WHOLE

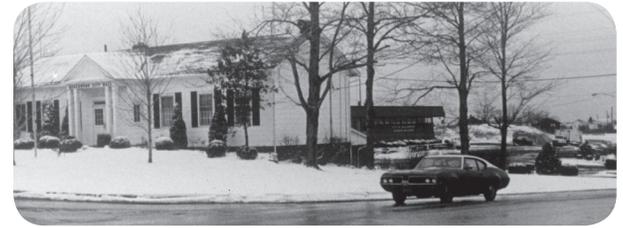
### STATEMENT OF NET POSITION

The Statement of Net Position looks at the City as a whole and is a useful indicator of the City's financial position. The table below provides a summary of the City's net assets for 2014 and 2013.

ASSETS	2014	2013
Current and Other Assets	\$58,978,570	\$57,030,365
Nondepreciable Capital Assets, Net	15,589,645	14,235,641
Depreciable Capital Assets, Net	73,648,832	77,083,289
<b>Total Assets</b>	<b>148,217,047</b>	<b>148,349,295</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charge on Refunding	0	315,496
<b>Liabilities</b>		
Current and Other Liabilities	7,100,148	7,226,607
Long-Term Liabilities:		
Due Within One Year	2,774,095	2,740,122
Due in More than One Year	15,615,554	17,370,504
<b>Total Liabilities</b>	<b>25,489,797</b>	<b>27,337,233</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	2,730,016	2,543,715
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	68,483,072	69,178,482
Restricted for:		
Debt Service	2,210,979	2,652,846
Capital Projects	5,200,000	5,200,000
Unclaimed Monies	32,474	29,928
Streets	774,632	1,080,753
Other Purposes	987,818	606,973
Unrestricted	42,308,259	40,034,861
<b>Total Net Position</b>	<b>\$119,997,234</b>	<b>\$118,783,843</b>

The largest portion of the City's net position (57.1 percent) reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, equipment, vehicles and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

The City's financial position increased from 2013 to 2014 as indicated by the increase in total net position for governmental activities of \$1,213,391.



  
CITY OF  
*Beachwood*  
1915-2015

25325 Fairmount Blvd.  
Beachwood, Ohio 44122

[WWW.BEACHWOODOHIO.COM](http://WWW.BEACHWOODOHIO.COM)