

FINANCE MEETING

DATE: 2/5/10

ATTENDEES: Binder, Romanowski, Dishong, Leachman

General "kick off" meeting for 2010 to get overview of committee member's outlook on the following:

1. Long-Term outlook on revenue strategy
 - What is the proper "mix" (real estate tax vs. Income tax vs. other rev) that is consistent with the services offered & benefits derived in a "bedroom community"?
 - What strategies should be pursued to direct us toward this end?

2. Short-term actions to address tight budget
 - Consistent with above,
 - a. Redefine cost centers within Village to align with revenue stream
 - b. evaluate levy rates, timing (renew, increase, replace, eliminate, combine)
 - c. Income tax rate, credit
 - d. Possibilities to "expand" tax base
 - e. DO NOTHING and just manage the cost side

 - Schedule a work session Mayor & Council to discuss long-term revenue strategy. Poss include Chris Hitchcock, Steve Thompson, School Board Members, others (Parks, Cemetery, CF Fire & EMS ...)

Danielle Romanowski

From: Jack Binder [JackBinder@edmarchem.com]
Sent: Saturday, February 06, 2010 11:17 AM
To: 'DISHONG, JOHN E. (ATTOPS)'; Lechman, Adam; lawrence.a.lechman.jr@us.pwc.com; srvclerk@neohio.twcbc.com
Subject: Finance Committee
Attachments: image001.jpg; image002.jpg; 2-5-10 Finance Info.pdf; FINANCE MEETING 2-5-10.docx

All,

I have attached some very brief notes from our meeting. Please review, amend, suggest,...

Also have attached info on Levys from Danielle (thx Danielle)

THX

Jack

Jack Binder





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Danielle Romanowski <fiscalofficer@southerussell.com>

Re: 2020 SRV budget - impact of recent events

1 message

Adam Lechman <alechman@gmail.com>

To: Danielle <fiscalofficer@southerussell.com>

Cc: CBerger@southerussell.com, mcarroll@southerussell.com

Just to reiterate, the estimates below are based on thinking as of today (April 23) points this year given how quickly things can change.

On Thu, Apr 23, 2020 at 10:57 AM Adam Lechman <alechman@gmail.com> wrote:
Hi Danielle,

Our 2020 budget is essentially comprised of the following:

- Income Taxes - 43%
- RE taxes/Homestead - 40%
- Gas Taxes - 9%
- Grants - 3%
- Ambulance - 1.5%
- Local Government - 1.5%
- Cable fees - 1%
- Interest - 1%

As we discussed after the finance committee meeting this morning, I expect the actual amount of 2020 revenues to be approximately \$150K or 4.2% lower than the budgeted amount at this point in time due to a variety of factors (e.g., conservative budgeting by Council, timing/lags related to income tax and real estate tax receipts, the tax profile of south russell, etc.). Below is more detail.

Income Taxes (43%)

The 2020 amount for net income tax revenue budgeted by Council is 13.5% less than the actual amount of net income tax revenues received in 2019.

- \$1,768,850 net income received in 2019
- \$1,530,191 net income budgeted for 2020

Given the tax profile of our Village and the lag in income tax receipts, a 13.5% reduction in income tax revenues for 2020 due to the Pandemic seems reasonable at this point in time (e.g., no further adjustment needed). However, we should expect 2021 revenues to also be impacted.

Real estate & Homestead (40%)

Real estate & Homestead receipts in 2020 are based on 2019 home values so our primary risk relates to payment defaults. However, based on our past experience (including the 2009 financial crisis), I do not expect this to be a big problem in South Russell in 2020 at this point in time.

Gas Taxes (9%)

If traffic has decreased by 45% then it is reasonable to assume that gas taxes will also decrease by 45% or \$109K on an annual basis. Given that this reduction did not occur until March, I believe a \$100K reduction in gas taxes revenue is a conservative estimate at this point in time.

Grants, Cable Fees, and Ambulance Fees (4.5%)

I don't expect any reduction in these amounts during 2020.

Local Government (1.5%)

We should expect to receive a lower allocation than planned. If we estimate a 50% reduction, revenues would decrease by \$27.5K.

Interest Income (1%)

Attach
these to
4.23.20
Finance Comm.
minutes after
Signed

4/23/2020

South Russell Village Mail - Re: 2020 SRV budget - impact of recent events

Interest rates have been slashed to <0.5% and I don't expect them to recover in 2020. As such, we should expect a \$22.5K reduction in interest income in 2020.

Based on the above, I would expect actual 2020 revenues to be \$150K lower than the amount budgeted for 2020 based on what we know as of now. Here's the summary:

Gas Tax - \$100K
Local Government - \$27.5K
Interest - \$22.5K
Total - \$150K

I'll be sure to join the meeting on Monday.

Thanks!
Adam