

**THE HEART OF CUYAHOGA COUNTY**

**6800 Brecksville Road  
Independence, Ohio 44131  
216.524.4131**



***MEMORANDUM***

To: Mayor Gregory P. Kurtz  
Members of Council

From: Finance Director Vernon Blaze

Date: Friday, February 16, 2024

Re: Finance Office and Related Topic Updates

**Financial Transparency and Communications**

Finance Office team members were online one day this week with a representative of Software Solutions Inc. (SSI), the City’s finance/accounting software provider.

We were discussing a potential add-on module to the current suite of accounting/finance modules that the City utilizes.

This rep. had worked on the implementation side of the firm for many years, installing and integrating SSI’s software module options at numerous public entities.

He remarked that the financial data that Independence posts on its website and communicates to the public is at the “upper end” of transparency of governmental entities that he has seen, and the explanations of Independence’s finances that are communicated to the public are clearly not AI generated and are genuine and specific to our community.

## **Financial Transparency and Communications – Continued**

It was reassuring to hear those comments and observations from someone who is so well versed in public sector/governmental finance and accounting.

### **Bad News...Good News...Bad News**

Yes, it was one of those weeks...But anyone in a position of leadership or management knows that's par for the course. The only response is to adapt and adjust as circumstances dictate to keep leading the organization forward.

The first call received this week was from Cuyahoga County, stating that an internal audit of its TIF payments to various municipalities revealed that it may have been paying out too much money to Independence on its residential TIF's (Chestnut Woods).

So the Finance Office has a conference call set up for next week with Cuyahoga County to discuss this matter further. Initial conclusions Cuyahoga County is making are that a material amount of funds will have to be clawed back from Independence, and that future residential TIF payments to the City will be reduced.

The second call received this week was more welcome. The Regional Income Tax Agency (RITA) collects income taxes from various taxpayers, organizes and tracks those income tax payments, and then submits them to the various public entities that utilize its services – some 380+ across Ohio.

Independence's RITA rep. notified Independence that due to an Independence-based business paying out some large year-end bonuses at the end of 2023, Independence's February's Income Tax Receipts were going to be "larger than typical."

But with what the one hand provides, sometimes the other hand takes it away!

The final call received this week was from RITA again, informing us that it is working on a taxpayer dispute issue that if ultimately resolved in the taxpayer's favor, will result in a material six-figure refund to that taxpayer. The Finance Office will definitely communicate the end-results of both of this week's bad news calls when they are resolved.