



THE HEART OF CUYAHOGA COUNTY

6800 Brecksville Road
Independence, Ohio 44131
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MEMORANDUM

To: Mayor Gregory P. Kurtz
Members of Council

From: Finance Director Vernon Blaze

Date: Friday, May 12, 2023

Re: Finance Office and Related Topic Updates

Coincidence? Or a Foreshadowing of Good News?

One of the running routes I complete with some regularity includes loops around the cinder track and grass area where the former school building was in front – the former Middle School property on Brecksville Road. Each loop there is about 0.44 miles long.

As I finished up a number of loops there yesterday morning, I wasn't able to cross Brecksville Road immediately. I had to wait an extended period of time for all of the vehicles to pass (in both directions) before I could cross from the east side of Brecksville Road to the west side.

I had to wait so long that a couple pushing a stroller who I first saw by Dollar Bank, was able to walk by me standing close to the Kindl building property line.

My remark to them as they passed was *"Wow, more people must be returning to the office. I haven't had to wait to cross Brecksville Road on one of my runs since pre-Covid – 2019."*

A "one-off" situation? Or an occurrence to file away and determine if it's more than just a "one-off" and is a sign of something else going on?

Which Leads to a Second Occurrence Related to that First One Yesterday

Regular readers of this weekly Memorandum know that income tax receipts are generally credited to one of the City’s accounts twice a month – once around the first of the month (The Advance) and a second time around the 15th of the month (The Remainder).

Well, this month, the Finance Office was made aware of May’s Remainder yesterday, Thursday, May 11 – a few days earlier than typical, and the same day that the larger-than-usual vehicle volume on Brecksville Road was noticed earlier in the day.

Is it a coincidence that the day a heavier-than-usual traffic volume was witnessed earlier in the morning, that day ended with the Finance Office being made aware of the month’s Remainder a few days earlier than usual, resulting in May’s income tax receipts being what could be an all-time single record income tax month of \$4.5 million?

Through the first five months of the year dating back three years, Income Tax Receipts have been as follows:

<u>1st Five Months</u>	<u>Income Tax Receipts</u>
2023	\$15,059,290
2022	\$14,511,993
2021	\$15,057,805

This record month of May has helped the City make up for the lackluster income tax receipts the last number of months, putting total Year-to-Date Receipts up by \$1,500 over the same time period in 2021 and up by almost \$550,000 from the first five months of 2022.

An analysis of the three components of income tax received from the Regional Income Tax Agency (RITA) – Withholding, Individuals and Net Profit, reveals Withholding receipts being relatively flat, Individual receipts being up some, and Net Profit receipts being down some.

One conclusion that could be made is that a number of individual taxpayers filed their RITA tax returns and made large payments that were due by the April 18 deadline this year.

The next few months after the April tax filing deadline will provide some answers if this large receipt amount is an aberration or the start of a trend.