



City of Independence, Ohio

"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: August 14, 2020

Re: Finance Department Updates

Municipal Income Tax Revenue (MITR)

Due to the 2020 tax filing deadline being moved back to July from the traditional April 15 date, the City had a significant increase in Municipal Income Tax Revenue (MITR) in August vs. August of 2019 as tax payers filed returns in June and July.

The City generally receives deposits from the Regional Income Tax Agency (RITA) between 30 – 60 days+- after payment at the source (from an individual, from payroll withholding or from businesses), so the high volume of payments in June and July approaching the 2020 tax filing deadline has resulted in the following:

<u>August</u>	<u>MITR</u>	<u>+ - Previous</u>
2016	\$2,349,072	
2017	\$2,698,850	\$349,778
2018	\$2,761,006	\$ 62,156
2019	\$2,521,215	(\$239,791)
2020	\$2,931,663	\$410,448

On a Year-to-Date basis, 2020 is still trailing 2019, which itself trailed 2018. But all things considered given the extenuating circumstances here in 2020, it would have to be concluded that Independence is holding its own in this very, very important revenue source.

<u>Year-To-Date Thru August</u>	<u>MITR</u>	<u>+ - Previous</u>
2016	\$20,834,438	
2017	\$21,182,237	\$ 347,799
2018	\$23,385,504	\$2,203,267
2019	\$22,890,172	(\$ 495,332)
2020	\$22,774,046	(\$ 116,126)



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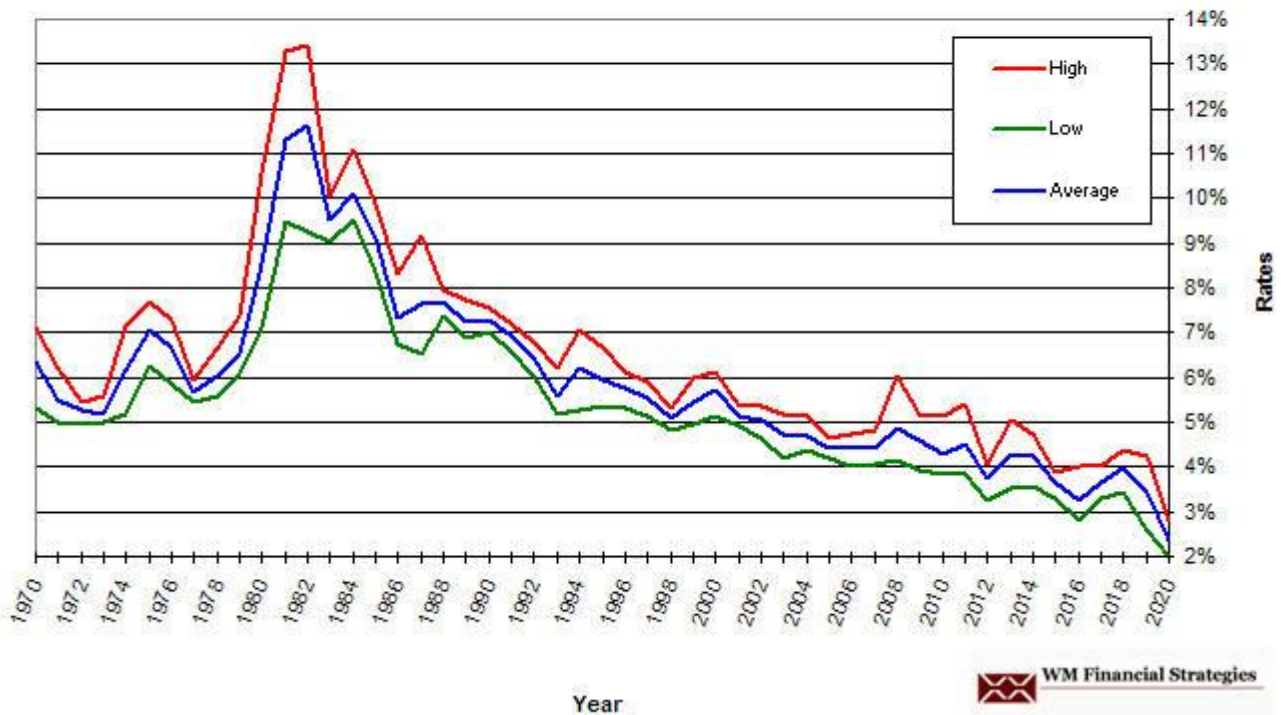
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Municipal Debt

Although I was able to share the below-noted graph on-line on Tuesday evening, I did want you to have it in hard-copy form too so that it could be easier viewed. Although there was not 100% unanimous agreement on Council, it's hard to argue that the City will be making a bad decision by locking in long-term interest rates that are as low as they have been in at least the last 50 years shown on this graph. That will be the goal this fall.

20-BOND BUYER INDEX 1970-PRESENT



The above graph sets forth information relating to municipal bond yields (interest rates) trends. It is based on "The Bond Buyer 20-Bond GO Index". The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.