



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: Friday, June 3, 2022

Re: Finance Office and Related Topic Updates

Income Tax Collections Costs – RITA

Independence, like most communities, does not have its own income tax collection staff/department.

For a vibrant, business-friendly city like Independence, with not only resident tax payers but a strong contingent of business tax payers too, the team that would be needed to staff and operate a well-oiled income tax collection department would be significant.

That's why 356 municipalities across the State of Ohio like Independence contract out with the Regional Income Tax Agency (RITA) to collect, process and disseminate income taxes for them.

In 2021, RITA collected, processed and disseminated \$33,534,867 in city income taxes for Independence. Independence's Allocated Cost for those services from RITA netted to \$312,398. On a percentage basis, that equals 0.93 percent, or less than 1 percent. In other words, for every \$100 in taxes that RITA collected, processed and disseminated for Independence, it retained just under a dollar for its fee to do so.

2023 Tax Budget

The 2023 Tax Budget will be on First Reading at the June Council Meeting on June 14.

While a tax budget can begin to set the budget template for an upcoming fiscal year, with income tax collection clouds still on the horizon, remote work remaining popular, rising interest rates and a much talked-about upcoming recession, preparing a 2023 budget this far in advance with any degree of certainty, especially the revenue estimate part, is a difficult challenge to say the least.

One tenured fiscal officer who spent part of a career in the Cuyahoga County Fiscal Office advised the Independence Finance Office not to "over-think" the Tax Budget, saying:



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2023 Tax Budget - Continued

- *"The tax budget process is really a formality to determine if there is authority for the County to place levies on the tax duplicate to support a political subdivision's expenses. Since Independence's inside millage is so low, there shouldn't ever be a problem."*

The Finance Office will have the 2023 Tax Budget to Council before the end of next week.

Preparation

Even though it's been seven years now already, the preparation that went into Katy Perry's 12 ½ minute Halftime performance at the 2015 Super Bowl continues to offer lessons in how the "best-of-the-best" make performances look easy, but the reality is that tons of time, planning and preparation usually precedes those captivating and successful performances.

Katy described herself as being the "boss-lady" leading up to that Halftime performance, being personally involved in every single decision needed to make it a success, including how many diamonds were on performers' shoes, hairstyles and length, and makeup.

The following phrases are what were used to describe the time-frame leading up to that Halftime performance:

- *"Months of Planning"*
- *"Months of Production"*
- *"Weeks of Rehearsals"*

All for a 12 ½ minute performance!

When asked if she was nervous performing in front of the live crowd and over 100 million tv viewers, Katy essentially said that any performer gets that shot of "excitement" or "adrenalin" prior to performing, but the team's preparations allowed them to make their performance appear 'effortless.' Why?

- *"By the time we performed live at half-time, we had already dress-rehearsed the performance more than 40 times over the previous two weeks. Show-day prep started at 9:30 AM on Super Bowl Sunday, six hours before game time."*

A powerful and valuable lesson about preparation there for all of us!