



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: November 6, 2020

Re: Finance Department Updates

Unanticipated Revenue – 2020

Last week's Finance Department Update had projected that the City would receive an approximate \$248,000 check from the Ohio Bureau of Workers' Compensation (OBWC).

The bad news is that this estimate turned out to be slightly high, as the actual check received this week was for \$242,144. The good news is that this was not the recently announced OBWC dividend. It essentially was a rebate of the workers' compensation premiums paid in 2019.

The actual OBWC dividend for Independence will be substantially higher. Based on what the OBWC communicated state-wide, **Independence's OBWC dividend will be an astounding \$904,216.**

In summary, Independence has and/or will still receive three substantial sources of revenue here in 2020 that were not anticipated at the start of 2020:

OBWC Rebate	\$ 242,114
OBWC Dividend	904,216
Coronavirus Relief Funds	<u>438,787</u>
Total 2020 Unanticipated Revenue	\$1,585,117

As the Thanksgiving Holiday approaches in a few weeks, it's not too early to be thankful for all that Independence has.

If this almost \$1.6 million doesn't get spent immediately, it will provide the City with that little extra "cushion" going into 2021 when there could be some headwinds for cities like Independence with a high percentage of office-type employees who can work remotely. If current challenges to Ohio's local taxing laws are successful, that could have an adverse impact on future municipal income tax revenue streams. Nothing has been ruled yet, but it's always best for community leaders to *"Hope for the best, but plan for the worst."*