

VILLAGE NEWSLETTER

JUNE 2022

In February the Mayor sent a letter to residents outlining expected village income shortages due to reduced income tax collections from Westfield Insurance and income tax refunds from 2021 collection. Since then the picture has become clearer. The refunds on 2021 collections continue, but not at an overwhelming pace. Income tax collections for 2022 continue at about fifty percent of 2021. Village officials met with Westfield Insurance executives recently. The outlook they give the Village going forward is that income tax collection will probably remain in the area of fifty percent. They are having employees return to the home office for two to three days per week. The village finance committee and tax administrator will continue to work with Westfield Insurance to monitor the numbers.

Where does all of this leave the Village?

1. Income tax projections for 2022 are now estimated at \$900,000 plus approximately \$300,000 from other sources. This means that day to day operations will continue without interruptions or cutbacks as it takes about \$1,000,000 to operate the village for a year.
2. There is no room for capital projects such as roads or park improvement. Fortunately, roads are in good shape at the present time. Grant money secured for the village or safety issues would be the exceptions and would be funded through last year's carryover balance.
3. Tax refunds to those who worked at home in 2021 are less than expected due mainly to those working at home paying elsewhere.
4. The finance committee met recently and decided to recommend to council based on the financial picture that:
 - A. there be no immediate change in village services.
 - B. the complete financial picture of 2022 will be considered in 2023.
 - C. consideration will be given to joining the fire district. The Village presently pays \$128,500 per year to the fire district but township trustees are considering millage increases that will double our payment.
 - D. an income tax increase may be considered to offset the lost revenue. The Village is good now, but the situation is not long term sustainable.

Village Council and the Mayor are in agreement on where the village is and where things are headed. Future communications will keep you informed as to what will be the best course of action to reach financial sustainability.

Sincerely,

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