

# Mayor's Newsletter

## February 2022

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### Village Finances

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The New Year has brought the first glimpse of what employees working from home due to the Covid pandemic will mean to the Village moving forward. The Village has maintained a one million dollar rainy day fund for some time. This is the approximate amount needed to operate the Village for one year. It does not include funds for capital projects. Unfortunately, we have arrived at a time when those funds will be needed. It will cover us through the year, but beyond that will be a challenge.

Last year the Village collected \$1,526,700 in income tax, principally from Westfield Insurance employees. That money served to operate the Village as well as to complete various projects. Due to the remote working arrangements at Westfield insurance, the 2021 income tax collected from employees working from home may have to be refunded in tax returns this year. The exact number is unknown, but could be in the million dollar range. That factor is a big problem in and of itself, but the Village has inquired of Westfield Insurance as to their expectations regarding 2022 income tax collections. That number is approximately half of what was collected in 2021. Looking at these two factors together, refunds from 2021 and about half of the income tax collection for 2022, it becomes obvious that the rainy day fund will disappear by the end of 2022.

Village Council will begin discussing options to increase Village income going forward. This could potentially be a property tax levy, increased income tax or some other possibility. The bottom line is that in 2023 the Village will need increased funding given the present circumstances. It is early in the year and the perceived picture of the Village circumstances will continue to evolve. The Mayor and the Village Council felt a need to give residents an early view of what lies ahead. We will keep you informed as the issues become clearer.



Mayor Thomas Horwedel