



## MAYOR'S NEWSLETTER JUNE 2023

The March, 2023 *Mayor's Newsletter* (copy on reverse side for reference) outlined the financial challenges facing the village in the aftermath of the global pandemic. Our Finance Committee, with the full support of the Village Council, continues to monitor our financial situation and meets regularly to discuss all changes that impact revenue and expenses. To keep you informed, the committee has provided the following update as the topic for this newsletter.

We are maintaining periodic contact with Westfield Insurance to understand any changes in their employee work-at-home schedules and the resulting impact (plus or minus) on our annual income tax revenues going forward. At this juncture we believe that our annual income tax revenue for the foreseeable future will be about a half-million less than in pre-pandemic years. At present we are depleting our reserve fund to maintain services; but, as stated in March, this is not sustainable long-term.

Operating expenses continue to be carefully monitored, and all capital expenditures in our five-year financial plan are being re-evaluated and prioritized based on our critical needs; primarily street/road/sewer improvements, and issues that directly involve the overall safety of village residents. Examples of improvements that are being postponed include new roofs on the Village Hall and the old fire station, parking lot sealing and striping at Village Hall, renovation of the community room in the old fire station, sidewalk leveling throughout the village, and vehicle replacements for the police and maintenance departments. Additionally, there will be village monetary matches to upcoming grants.

The Westfield Fire District's proposed 3.5 mil levy on the May ballot failed, which means our annual cost for fire service remains the same for now. Given the financial needs of the Fire District, future levy attempts are likely; however, at this time the suggested millage is unknown. We will remain involved with Westfield Township in the dialogue surrounding upcoming levy attempts to fully understand the impact on our future expenses with the passage of a new levy. More information on this will be addressed in a future newsletter.

Based on the current state-of-affairs, in the first quarter of 2024 the Finance Committee will make a recommendation to the Village Council for an income tax increase based on our financial position at year-end 2023, projected revenue, critical long-range capital expenditures, and an expected cost increase for fire service. Our current income tax rate of 1% (with 100% credit for residents who pay in their work city), which has been in place for over 31 years, will no longer generate the funding necessary to maintain our village to the standards expected by us all.

Municipal income tax applies to earned income only. Any income tax change passed in 2024 will not be collected until 2025 and will likely be proposed for a finite period – five years is suggested – to allow us to adjust to any unexpected increases in tax revenue. As a point of information, following are the current municipal income tax rates and credit (if any) in our surrounding communities:

- Lodi: 1% (with 0% credit for tax withheld in work city).
- Seville: 1% (with 0% credit for tax withheld in work city).
- Wadsworth: 1.4% (with 1% credit for tax withheld in work city).
- Medina: 1.25% (with partial credit for tax withheld in work city).

Please contact me or any member of the Village Council with any questions you may have regarding this update. Contact information is available on the village website at [www.westfieldcenter.org](http://www.westfieldcenter.org). Please also consider attending Village Council meetings, held the first Tuesday of each month at 7:00 p.m. at Village Hall, to stay informed on these and other issues affecting the village.

Thank you,

Tom Horwedel, Mayor

# INCLUDED AS REFERENCED IN JUNE'S NEWSLETTER



## MAYOR'S NEWSLETTER MARCH 2023

In 2022 I shared with you the financial challenges that the village would be facing as a direct result of the global pandemic and the growth in flexible work arrangements for workers throughout the country. Over the past year, these challenges have not subsided.

Last year our income tax revenue was down over \$500,000 from pre-pandemic years resulting from flexible work policies adopted by local employers. As we continue to monitor the situation, it is apparent there will be no significant change in the years ahead. Before the pandemic, our 1% income tax generated on average \$1.4 million in revenue, and in 2022 this dropped to just a little over one million.

Prior to the pandemic, our yearly expenditures averaged about \$1.4 million and included normal operating expenses, street and road maintenance, cemetery and park maintenance, capital equipment expenditures, Fire and EMS services, capital road improvements and facility improvements. Due to our declining revenue base, we reduce expenses by a bit over \$400,000 in 2022. These cuts resulted in no capital funding for street and road improvements, reductions in maintenance services and reduced funding for capital projects. These reductions were effective in the short-term but are not sustainable for our village.

In 1973 an income tax was put in place at one half percent. Eighteen years later, in 1991, it was raised to one percent where it stands today. For the past 31 years we have managed to operate, maintain, and improve our village with this funding source given the large employee base from Westfield Group working in the village. However, we are now forced to reconsider our long-term financial situation, and the Village Council and I will continue to work diligently on these issues and will keep you updated on our progress.

Another emerging financial concern is our participation in the Westfield Fire District. Currently, fire and EMS services are provided to village residents by the Westfield Fire District under a contractual agreement. These services cost the village \$158,000 annually which is based on approved millage of the Westfield Fire District multiplied by Village property values. This contribution is paid for out of our general fund. This May the fire district is requesting **Township** voters to approve an additional 3.5 mil levy to provide additional staffing, address increasing operating expense and to create a much-needed capital equipment replacement plan. This increased millage would significantly increase the Village's contribution necessary to continue to receive fire and EMS services from Westfield Fire District. As this continues to evolve, we will be looking at how we fund for these services and determine if any changes will be necessary.

I encourage residents to reach out to me or members of council with any questions. Contact information can be found on the village website [www.westfieldcenter.org](http://www.westfieldcenter.org). It is our goal to be as transparent as possible as we work through these challenges in the months ahead.

Thank you for your time and support.

A handwritten signature in black ink, appearing to read "Tom Horwedel".

Tom Horwedel, Mayor