

May 2020 Financial Report
James W. Coffman, Clerk Treasurer
City of Beech Grove

ATTN: Dennis Buckley, Mayor; Beech Grove City Council; Craig Wiley, City Attorney

Good Evening,

Covid-19 has affected us all in more ways that we could have ever anticipated. This not only applies to our personal and work lives, but also to our City Government and how it will be forced to operate for years to come.

City Hall has been working on a modified schedule in an effort to minimize exposure to our employees. City Hall has been closed to the public and will remain closed for some time. Permits are still being received and processed on a timely basis. Citizens are still able to pay their sewer bills online, by phone, by mail, or by dropping their payment off in the 24-hour drop box. Our office has received a large amount of calls in regard to the sewer and trash increases. Most citizens understand this was decided on a couple of months ago and understand the reasoning behind the increases. We also informed them that the charges are scheduled to go up again in January 2021.

I have been in contact with the SBOA, AIM, and our financial consultant in regard to current financial issues due to Covid-19 and how they will affect local municipalities. During a webinar last week with the SBOA and AIM, we were told to expect a 35% to 45% drop in our monthly MVH tax distributions for May, June, and July of this year, and possibly longer. We should not see any impacts on Local income taxes (LIT) that are received in 2020; however, we were told we should expect a drastic drop in what will be paid to the City of Beech Grove in 2021. Experts are not sure exactly how much it will affect us, but hope to have a better idea closer to budget time.

We receive property tax distributions in June of each year. Due to the Governor's suspension of property tax penalties until July for those taxpayers that don't pay via mortgage escrow, we expect a delay in payments until after our June settlement. About 29% of property taxes in Marion County are paid via mortgage escrow, so we expect those payments would be paid on time for our June settlement. Those paid after the original due date and disbursement, will be paid out in installments over the following months.

Other revenue streams, like license Excise Tax, Financial Institutions Tax and Commercial Vehicle Excise Tax seem to be unaffected for now and should remain fairly stagnant in 2020.

AIM has encouraged municipalities to seek any and all funding options now, as no one can quite foresee how bad the Covid-19 affects will be financially. I honestly believe we will be okay, but have been in contact with the Indiana Bond Bank and our financial consultants to see what options we have.

I have stressed the need to limit spending on any items that are non-essential to all Department Heads. I applaud them all for following this request during these tough times. It has not been easy and they understand it might not be for some time. There are no new positions being offered in the city and part time employees have been minimal. There will be no new vehicle or equipment purchases or any new debt issued for the foreseeable future. Discussions on new police and fire facilities have been put on hold.

I will continue to keep you updated on what I am able to find out.

The City of Beech Grove received a check from Franciscan Alliance in the amount of \$400,000. This is for the naming rights for the Franciscan Trail and has been deposited into the corporate account. This is one of the final pieces for Franciscan Trail before going to bid later this year.

The City of Beech Grove received \$26,613.97 as part of the CARES Act. The City of Beech Grove received Medicare reimbursements in 2019, which made us automatically eligible for this payment.

The bank statement balances are listed below as of today, May 4, 2020. These totals are prior the claims that were approved earlier this evening.

City Corporation \$2,204,782.40

Utilities \$641,891.49

Criminal Investigation Fund (CIF) \$38,286.70

RDC General \$299,974.50

RDC Debt Service (DSR) \$240,000.00

We have been busy updating current information on the city website. There are over 300 pages to the current website, so there is still some work to do. If anyone sees something that needs updated, please let me know.

I will continue to have updated information as the year goes. If you have any questions at all, please let me know.

Respectfully Submitted,

James W. Coffman, Clerk Treasurer

City of Beech Grove