2009 Revenue Highlights as of July 31, 2009

General Fund

- **Municipal Income Taxes:** Represent the largest revenue source to the City and is generated by a 1.5% tax on wages and corporate earnings. Because the income tax accounts for such a large proportion of estimated general fund revenues (50%), the amount of financial resources available to provide city services is directly related to the health of the local economy. Total income tax collections through July are $11.367 million compared to $11.494 million through July 2008, or a decrease of $127,000.

  A small amount of the difference ($50,000) is attributable to timing differences of both employer withholding and individual estimated payments in a year over year comparison.

  Total individual returns filed have increased by 235 over 2008 resulting in $100,000 of additional revenues.

  However, Income Tax refunds issued in 2009 are $295,000 compared to $220,000 through July 2008, and increase of $75,000. The net result in cash flow is a decrease of $202,000 compared to July 2008.

Actual Collections Through July 31

	2009	2008	Difference
Individual	$ 6,509,000	$ 6,400,000	$ 109,000
Net Profit	$ 445,000	$ 509,000	$ (64,000)
Withholding	$ 4,413,000	$ 4,585,000	$ (172,000)
Less Refunds	$ (295,000)	$ (202,000)	$ (93,000)
Total	$ 11,072,000	$ 11,292,000	$ (220,000)

- **Property Taxes:** During FY 2006, there was a reappraisal of properties within Cuyahoga County. As a result, the City of Lakewood realized an increase of real and personal property tax revenues of 9 percent in FY 2007 to $8.32 million.

  In FY 2008 property tax revenues fell by $17,000 over 2007 to $8.415 million. This is a result of local economic factors, and the 'Housing Crisis".

  Property tax collections for 2009 are estimated to be $7.922 million, a decrease of $493,000 due to revised estimates from the County Auditor that collections will be 94.17% of the current levy compared with 95.39% in 2008.

Actual Collections Through July 31

	2009	2008	Difference	2007	2006**
Real Prop.	$ 7,309,000	$ 7,563,000	$ (254,000)	$ 6,995,000	$ 6,639,000
Personal Prop.	$ 6,000	$ 15,000	$ (9,000)	$ 14,000	$ 38,000
Total	$ 7,315,000	$ 7,578,000	$ (263,000)	$ 7,009,000	$ 6,677,000
% +/- over prior year	-4%	9%		5%	

**Revenues collected in 2006 were based upon the property values established in 2003.

Actual collections through July 2009 are $7.315 million compared to $7.578 million through June 2008. The reduction of $263,000 is a direct reflection on the local economy and residents ability to pay property taxes in a timely manner.

- **Intergovernmental Revenues:** The City receives various shared revenues from the State of Ohio. These include the following:
  - Local Government Fund (return of state income and sales taxes)
  - Estate Tax (death taxes)
  - Cigarette and Liquor permit license fees
  - Corporate Activity Taxes (CAT) - reimbursement for the discontinuation of business personal property taxes.

	Actual Collections Through July 31		
	2009	**2008**	**Difference**
Local Government Fund	$ 2,177,000	$ 2,509,000	$ (332,000)
Estate Tax	$ 727,000	$ 400,000	$ 327,000
Cigarette/Liquor permit fees	$ 17,000	$ 14,000	$ 3,000
CAT Tax	$ 28,000	$ 19,000	$ 9,000
Total	$ 2,951,009	$ 2,944,008	$ 7,000

The Local Government Fund estimated revenues were reduced by $309,000 on January 5, 2009 (from the original November 2008 estimate) due to reduced collections statewide of income and sales taxes. On June 25th, the Ohio Department of Taxation announced that estimated collections for 2009 would be approximately 15% less than 2008 collections. The impact on the City could be an additional reduction of $300,000 or a total reduction of $609,000 compared to 2008.

Estate Tax actual receipts to date and amounts due from the County Auditor suggest that the City could receive $270,000 more than the $700,000 estimated for 2009.

- **Interest Earnings:** Since the original November 2008 estimate the Federal Reserve has reduced rates to 0.00%-0.25%. This change will decrease interest earnings by approximately $85,000 for 2009 to $200,000 from the original estimate of $285,000. The average interest rate on the bulk of our short-term portfolio ($11.0 million) has averaged approximately 0.40% through June. The ending yield for STAR-OHIO as of July 31st is .18%.

  Our long-term portfolio ($6.0 million) is yielding an average of 3.93%, and $4.0 million dollars of the long-term portfolio will mature in May 2010. As of July 2009, interest earnings were $105,000 compared to $329,000 through July 2008.

- **Municipal Court:** Court revenues are $769,000 through July 2009 compared to $910,000 through July 2008. The decrease is due to a reduction in criminal court cases.

<u>Other Funds</u>:

- **Lakewood Hospital Fund**: Total revenues are expected to decrease by $89,000 due to the transfer of Health operations to the County Board of Health in 2008. EMS billing fees are expected to increase by $59,000 due to the increase in Advanced Life Support (ALS) fees in 2008. Through July, EMS revenues have increased by $60,000 over the same time period of 2008.

- **Water Operating Fund:** Total operating revenues were budgeted to increase $148,000 over 2008 based on the increased water rates effective January 1, 2008. Through July 31st, operating revenues have decreased by $231,000 compared to July 2008.

- **Wastewater Collection Fund:** Total operating revenues were budgeted to increase $119,000 over 2008 based on the increased sewer rates effective January 1, 2008. Through July 31st, operating revenues have decreased by $53,000 compared to July 2008.

- **Parking Facilities Fund:** Total revenues through July 2009 have increased by $49,000 compared with July 2008. This is mainly due to the installment of new parking meters in 2008 and 2009.

2010 Estimated Property Tax and Local Government Fund Revenue

- **2010 Property Tax Estimates-All Funds**: The County Auditor has estimated that the average decline in real property values for 2010 will be 6%. Based upon 2009 budgeted revenues the reduction in revenue could approach $1 million dollars for all City funds. During other reassessment periods the City has enjoyed increases of 6-10%. The following chart shows that estimated revenues for 2010 may be less than received in 2006.

		2009 Budgeted	2010 Estimated **	Difference	2008 Actual	2007 Actual	2006 Actual
General	Real Prop.	$ 7,922,000	$ 7,446,000	$ (476,000)	$ 8,340,000	$ 8,321,000	$ 7,549,000
Fund	Pers. Prop.	$ -	$ -	$ -	$ 75,000	$ 111,000	$ 135,000
	Total	$ 7,922,000	$ 7,446,000	$ (476,000)	$ 8,415,000	$ 8,432,000	$ 7,684,000
Bond	Real Prop.	$ 3,178,000	$ 2,987,000	$ (191,000)	$ 3,345,000	$ 3,338,000	$ 3,028,000
Retirement	Pers. Prop.	$ -	$ -	$ -	$ 30,000	$ 45,000	$ 59,000
Fund	Total	$ 3,178,000	$ 2,987,000	$ (191,000)	$ 3,375,000	$ 3,383,000	$ 3,087,000
Police/Fire	Real Prop.	$ 3,004,000	$ 2,823,000	$ (181,000)	$ 3,162,000	$ 3,156,000	$ 2,863,000
Pension	Pers. Prop.	$ -	$ -	$ -	$ 29,000	$ 43,000	$ 56,000
Fund	Total	$ 3,004,000	$ 2,823,000	$ (181,000)	$ 3,191,000	$ 3,199,000	$ 2,919,000
Wastewater	Real Prop.	$ 1,831,000	$ 1,722,000	$ (109,000)	$ 1,928,000	$ 1,924,000	$ 1,745,000
Improvement	Pers. Prop.	$ -	$ -	$ -	$ 17,000	$ 26,000	$ 34,000
Fund	Total	$ 1,831,000	$ 1,722,000	$ (109,000)	$ 1,945,000	$ 1,950,000	$ 1,779,000
Grand Totals		**$ 15,935,000**	**$ 14,978,000**	**$ (957,000)**	**$ 16,926,000**	**$ 16,964,000**	**$ 15,469,000**

** County Auditor estimated 6% decline in real property values for collection in 2010.

- **2010 Local Government Fund Estimates**: On August 4th, The County Budget Commission certified the estimated amounts the City will receive for 2010 at $3,185,000. This 2010 estimate represents a 17% decrease compared to the 2009 original budget.

	Local Government Fund		Difference
2010-Estimate	**2009-Original Budget**	**2008-Actual**	**2010-2009**
$ 3,185,000	$3,840,000	$ 3,787,000	$ (655,000)

The estimated reduction for 2010 general fund revenues of property taxes and local government funds is at least $1,131,000 compared to 2009.