

**From:** Knoblauch, Jeff

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**To:** Howington, Jane <[jhowington@hudson.oh.us](mailto:jhowington@hudson.oh.us)>

**Cc:** Sheridan, Thomas <[TSheridan@hudson.oh.us](mailto:TSheridan@hudson.oh.us)>; Comeriato, Frank <[FComeriato@hudson.oh.us](mailto:FComeriato@hudson.oh.us)>; Griffith, Brian <[BGriffith@hudson.oh.us](mailto:BGriffith@hudson.oh.us)>

**Subject:** Cash flow and revenue monitoring

Here is a brief summary of revenue/cash flow issues we are likely to face. There may be others but I wanted to make us all aware as we look at the expense side of our operations. We'll be able to quantify the impact and put into a spreadsheet type of format as we move through the next few months.

1. Income tax revenue – we're up 6.7% through March but will very likely drop off starting in April-May.
2. Water and Electric collections – impacted by residents and businesses ability to pay
3. KWH tax collections – tied to electric payments
4. Interest income – overnight rates reduced to near 0% impacting our short term rate return. Our portfolio is laddered out over 5 years primarily with fixed rate investments but we will start to see decline as these mature and are reinvested at much lower rates.
5. Golf Course – closed, no revenue. On the plus side, 2019 was their best year ever and ended up with \$360,000 fund balance at 12/31/2019. The cash balance is currently \$194,000.
6. Gas Tax – reduced travel = lower collections. You'll recall we had \$500k increase in 2020 budget because of the gas tax rate increase in mid-2019.
7. Motor Vehicle/License Tax – goes into the Service Fund. Will see decrease if businesses/residents don't renew or are slow to renew.
8. Local Govt Revenue from State – estimated at \$400,000 for General Fund in 2020. Will State reduce or eliminate to push their own shortfall down to the local governments? State has \$2.7 billion rainy day fund (thank you Gov. Kasich) they can tap into.
9. Fees and Fines – fewer permits, reduced ticketing by police
10. VBB – customer ability to pay, new customer growth slowed
11. Grants – fewer available from state, feds
12. Property taxes – could be OK because people/businesses will do everything possible to keep property. More likely to see increased delinquencies
13. HCTV franchise fees – may be OK but will decrease if customers unable to pay or increased cord cutting.

14. Ambulance billing – may be OK unless insurance companies slow pay (or don't pay) our billing company
15. Cell tower revenue – could be OK because cell companies are likely to be OK – very unlikely people will disconnect cell service. Cell companies may slow pay us.

I mentioned on the call yesterday, the municipal bond market is very volatile and rates spiked especially for variable rate debt (all of our debt is fixed rate). This will impact our decision on the internal VBB notes that come due in July. We may want to roll them for a short time (e.g. 5-6 months) and see if the market settles down. We have notes coming due in December 2020 that we could tie the VBB notes into a larger issue.

**Jeffrey F. Knoblauch, CPA**

Assistant City Manager  
Finance Director

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City of Hudson  
1140 Terex Rd  
Hudson, OH 44236  
330-342-5785