

MINUTES OF THE REGULAR MONTHLY MEETING OF THE
LOUISVILLE/JEFFERSON COUNTY METRO REVENUE COMMISSION

April 14, 2020

Due to COVID 19 and social distancing, the regular meeting of the Louisville/Jefferson County Metro Revenue Commission (LMRC) was held via WebEx Meeting, the Commissioners are not issued Metro Government computer equipment with video and microphone capability, for this reason not all could join via video, but did participate via teleconference. The call-in information for the teleconference was posted on our website to provide public access to the meeting. The meeting began at 9:03 a.m., on the above date. The monthly agenda and financial information were electronically provided to all Commissioners prior to the above date. The following members were present:

Travis Frick
NaomiRose Paulin
Cordelia Hardin
Larry Lenahan
Bill Hollander

President Travis Frick welcomed guests Charles Musson and Nicholas Lococo with Rubin and Hayes, Daniel Frockt, Chief Financial Officer (CFO) with Louisville Metro Government Office of Management and Budget (OMB) and Amit Sarkar, Executive Director of IT with LMRC.

The next item of business was the Line of Credit / Tax Anticipation Note Resolution. Daniel Frockt, CFO, OMB, advised the resolution the commissioners have before them corresponds to an ordinance that is working its way through the Louisville Metro Council. It had its first reading on April 9, 2020, it will have its budget hearing reading on April 16, 2020 and if approved the ordinance will be adopted on April 23, 2020. Corresponding to that LMRC would acknowledge and authorize this resolution as an either / or Line of Credit backed by general obligation or a Tax Anticipation Note up to \$240 million dollars for Louisville Metro. This would be the Revenue Commissions duty to withhold if the Office of Management and Budget does not make the interest or principle payments for the lines of credit and or the Tax Anticipation note.

Mr. Frockt advised the reason we are meeting telephonically is that we have been severely affected by the COVID 19 events and economic distress the country has been placed under. This is an authorization for cash flow purposes that would allow Louisville Metro flexibility up to four months of expenditures. This would not expand the expenditures authority; it would help manage the cash flow for when those tax and fee receipts come in.

Charles Musson with Rubin and Hayes advised normally the Revenue Commission would hold tax revenue to pay off general tax obligations as they come in the start of the fiscal year. This particular action is based on the idea that it is going to be very short term. It is a cash flow financing to cover any short-term deficits that might occur because of the receipt of revenues. Therefore should be built into the ordinance and the LMRC resolution before the commission a provision that LMRC will not withhold tax revenues from Louisville Metro for payment of this debt because this is a bullet type maturity that will mature before the end of the fiscal year. Theoretically almost all tax

revenues for Louisville Metro would be withheld for the rest of the year. For this reason, a provision has been built into the resolution that LMRC will not withhold paying Louisville Metro for the purpose of this debt service until five days before it is due and payable. This gives Louisville Metro time to plan for collection of the various revenues for paying the debt or take out the debt with a longer-term finance. Due to the unknown situation the country is currently facing Louisville Metro needs as much flexibility as possible.

On motion of Commissioner Lenahan seconded by Commissioner Hardin, and unanimously passed, the Line of Credit / Tax Anticipation Note Resolution was approved.

On motion of Commissioner Lenahan seconded by Commissioner Hardin, and unanimously passed, the minutes of the regular meeting of March 12, 2020 were approved. (See **Tab 1**)

The next item of business was the distribution of tax collections to the Louisville Metro Government, the School Boards, and the Mass Transit Fund. On motion of Commissioner Hardin, seconded by Commissioner Lenahan, and unanimously passed, distributions to the aforesaid taxing jurisdictions were approved. (See **Tab 2**)

The next item of business was the collections' comparison report of the prior month's receipts by Josh Steele. Total tax collections for the month of March are up 2.87%, (see **E14**).

Individual Withholding Taxes are up 5.81%, (see **E1**), for the month.

Corporate Net Profit Taxes are down 3.29%, (see **E2**)

Insurance Premiums Taxes are down 62.72%, (see **E5**)

Transient Room Tax collections are down 3.05%, (see **E7**)

Some of the significant events that took place in the month of February were the 2020 Dance Super Nationals which took place 2/7-2/9 with an expected attendance of 4,366 and peak rooms of 1,300 and the 2020 National Farm Machinery Show which took place 2/12-2/15 with an expected attendance of 305,000 with peak rooms of 8,900.

Next presented were the financial statements showing the collections and expenditures during March, as well as statements showing the condition of the agency's general reserve. On motion of Commissioner Lenahan, seconded by Commissioner Paulin, and unanimously passed, the above-described monthly statements were approved. (See **Tab 3**)

Bills for the past month, which had been reviewed, approved and recommended for payment, were presented to the Commissioners. On motion of Commissioner Hardin seconded by Commissioner Lenahan and unanimously passed, the following bills, plus previously authorized expenditures as listed, were approved for payment. (See **Tab 4**)

President Frick advised the Legal Account checks is informational only and requires no action. (See **Tab 5**)

On motion of Commissioner Lenahan seconded by Commissioner Hardin and unanimously passed, the investment transactions since the last monthly meeting were approved and ratified. (See **Tab 6**)

On motion of Commissioner Lenahan seconded by Commissioner Hollander, and unanimously passed, refunds totaling \$655,182.52 were approved.

Next presented was the approval for Abatement of Penalty and Interest for this month. The staff are recommending the Penalty and or Interest be abated for the taxpayer's listed on Line 1-2, Line 1 Taxpayer provided proof of a hospitalization. Line 2, the taxpayer's CPA provided proof of medical situation for the bookkeeper. For these reasons, staff is recommending the Penalty to be abated.

On motion of Commissioner Hardin seconded by Commissioner Hollander, and unanimously passed, the abatement of the penalty was approved.

The next item of business was the Report of General Counsel Doug Dowell. General Counsel Dowell advised there is nothing new to report at this time.

The next item of business was the Report of the Secretary Treasurer. Angela Dunn. Mrs. Dunn who advised LMRC is adjusting to working with the new format due to COVID19. The filing deadline has been moved from April 15,2020 to July 15, 2020. This means any rules regarding interest and penalties that apply to the April 15th deadline will now be moved to July 15th. Interest and Penalties will not apply as long returns and payments are filed appropriately by July 15, 2020. The yearly reporting on net profits has been moved from April 15, 2020 to May 15, 2020. All other deadlines will stay in place as they are.

Mrs. Dunn advised LMRC has received questions regarding the monthly depositors for W1's. These dates will remain the same, however if the business has been affected by COVID19 and would like to file a request for an abatement of penalty. LMRC will review where appropriate.

Mrs. Dunn stated LMRC's collections shows March brought in over \$700 thousand dollars for delinquent debt. This is reflective of work that took place in February. At the end of March calls for collections were scaled back due to COVID19. For the month of April LMRC will not make any active collections actions against taxpayers. No garnishments will be issued for April. LMRC will still file for Liens where appropriate. In the coming month activity for payments and collection activities will decline. LMRC is working with taxpayers to assist during this time.

Mrs. Dunn advised a large majority of the staff is teleworking. Metro IT partnered with LMRC to supply laptops allowing more staff members to telework. There are still employees who are coming into the building and working. Currently LMRC does not have a way to allow the customer service division to telework as they are unable to take calls from home.

For the staff members coming into the office they are being separated more than six feet apart to maintain social distancing standards.

President Frick reminded those in attendance next month's meeting is scheduled for Thursday May 14, 2020 at 9:00 am.

On motion of Commissioner Lenahan, seconded by Commissioner Hollander, and unanimously passed, the meeting was adjourned approximately at 9:35 a.m.