

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

May 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
Delorian Malone
NaomiRose Paulin
Cordelia Hardin
Larry Lenahan
Bill Hollander

President Travis Frick welcomed guests Aaron Jackson and Tim Gray with the Office of Management and Budget.

On motion of Commissioner Lenahan seconded by Commissioner Hardin, and unanimously passed, the minutes of the regular meeting of April 14, 2020 were approved. (See **Tab 1**)

The next item of business was the FY 2021 Budget Presentation. Tim Gray, Financial Analyst, Office of Management and Budget advised for FY21 year there is an increase of forty percent. Mr. Gray advised the FY21 Budget approximately represents a forty percent increase compared to FY 2020 for an increase of \$2,204,000. This increase is primarily due to the necessary contract to support the cost of the new tax system MINTS, which is an increase of \$1.7 million. The payment has switched from capital where LMRC had a three-year agreement to now being an operating cost. There will be an ongoing cost for system maintenance in the future.

Mr. Gray advised the bulk in the remaining increase will be to fill vacant positions such as Audit positions that were not part of the plan reduction in FY20 and other routine items such as collective bargaining and healthcare.

The 4.3-million-dollar personnel budget recommended for FY 21 represents an increase of approximately \$390,000 above the FY20 personnel budget of \$3.9 million dollars. The budget assumes forty-five filled positions of which nineteen are union and twenty-six are non-union positions, in addition to an increase of some unintended vacancies. Mr. Gray stated in broader terms in 2019 LMRC had 51 filled positions and in 2017 LMRC had fifty-eight filled positions. The ASCME contract has been renewed through June 30, 2023. This contract includes thirty-two union positions.

Overall, the largest increase was due to the MINTS tax system. The other changes in supplies and equipment capital have been left relatively flat from FY20. As always LMRC has continued to pursue efficient revenue collections via technology, interfacing with the IRS matching program and the Audit services, with a relatively small personnel compliment compared to other comparable collection arms in other entities.

Mr. Gray further stated following approval from the commissioners the FY21 Budget remains subject to change pending final approval from the Louisville Metro Council.

On motion of Commissioner Lenahan seconded by Commissioner Paulin, and unanimously passed, the FY 2021 Budget Presentation was approved.

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 Lenahan, seconded by Commissioner Hardin, 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 April are down 32.36%, (see **E14**).

Individual Withholding Taxes are down 8.01%, (see **E1**), for the month.

Corporate Net Profit Taxes are down 63.21%, (see **E2**)

Insurance Premiums Taxes are up 6.55%, (see **E5**)

Transient Room Tax collections are down 54.27%, (see **E7**)

One of the significant events that took place in the month of March was the 2020 Adidas Bluegrass Tournament which took place 3/7-3/8 with an expected attendance of 10,000 and peak rooms of 5,100.

Next presented were the financial statements showing the collections and expenditures during April, 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 Hardin seconded by Commissioner Lenahan, and unanimously passed, refunds totaling \$878,186.71 were approved.

Next presented was the approval for Abatement of Penalty and Interest for this month. There were no recommendations for approval of Abatement or Interest for the month.

The next item of business was the Report of General Counsel Doug Dowell. General Counsel Dowell advised at this time state court judicial facilities remain closed to in-person services. Pleadings, motions, and other documents may still be filed, however, and considered and ruled upon by the courts where hearings are not necessary, with hearings limited to time-sensitive and emergency matters.

Mr. Dowell further advised that he is continuing to research and work on pending legal cases and has also been working with other Commission personnel on possible updates to the Commission's regulations.

The next item of business was the Report of the Secretary Treasurer. Angela Dunn. Mrs. Dunn advised at this time LMRC is not actively seeking collection action via telephone calls. LMRC has received \$644,000 in delinquent collections for the month of April. This is due to letters and other correspondence going out before the shutdown due to COVID19. To date \$5.7 million dollars has been brought in through delinquent debt.

Mrs. Dunn stated Josh Steele is working on the development of the new finance system set to go live on July 1, 2020. This will be instrumental in assisting the Finance Department with their processes of getting the reports completed through the system versus having to upload through spreadsheets.

Currently LMRC still has staff reporting to the building there are anywhere from 15-20 people in the building on any given day. While there the staff is still adhering to the social distancing and precautions.

The government is talking with how to open and what safety precautions will need to be in place before the agencies can open. At this time LMRC does not have plexiglass that would separate the citizens and LMRC representatives. Lobby control will also be a discussion that is needed, it could be a possibility that taxpayers will need to make appointments to stay within the guidelines of social distancing. Administration will need to approve any agency opening, this will be coordinated through Facilities and the Health Department.

President Frick reminded those in attendance next month's meeting is scheduled for Thursday June 11, 2020 at 9:00 am.

On motion of Commissioner Lenahan, seconded by Commissioner Paulin, and unanimously passed, the meeting was adjourned approximately at 9:55 a.m.