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Mayfield has \$42M worth of time to figure out life without Progressive workers

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MAYFIELD, Ohio — Progressive is [closing its main campus](#) and committing to work from home, which has left Mayfield’s budget millions of dollars short. Luckily, the village has more than a decade of surplus to fix the problem.

The village of 3,400 people is projected [to have a \\$1 million to \\$3 million deficit each year](#), mostly because about 7,000 of Progressive employees continue to work remotely instead of in Mayfield offices, leaving fewer than 1,000 employees in Mayfield’s offices day-to-day.

But Mayfield is also sitting on \$42 million in reserves, something Mayor Brenda Bodnar said the village did on purpose.

“We had money coming in that we didn’t have to use,” Bodnar said. “We were careful with our spending; we didn’t overspend and now we have that money to fall back on.”

Mayfield’s general fund, which pays for day-to-day operations like the service and police departments, had millions of dollars in surplus for multiple years, largely because of income taxes

collected from Progressive employees. With the switch to work from home during the COVID-19 pandemic, things changed.

From 2020 to 2021, companies [were allowed to withhold remote workers taxes](#) based on where their old office was. But in 2022, employers had to send taxes to the cities and villages where remote workers lived.

Mayfield collected \$10.4 million less in income taxes in 2022 than in 2021, and has collected \$6.4 million less through June 2023, when compared to the first six months of 2021.

Finance Director Ronald Wynee said Mayfield used about \$2 million of its reserves in 2022. And it would have to use up to \$3 million in 2023 if it has to give refunds to taxpayers for 2020.

People who worked from home because the pandemic in 2020 can't get refunds from any Ohio municipalities, but that is subject of pending litigation.

Progressive announced on July 26 it would close its main headquarters, called [Campus 1](#), on Wilson Mills Road and consolidate into its [second campus on North Commons Boulevard](#), also in Mayfield.

The transition will begin in 2024. And while it won't further reduce the number of workers in Mayfield, it sends a signal that Progressive may never bring 100% of its workers back to the office.

Wynee said Mayfield has frozen wages for most employees and cut some recreational programming but has not had to make any layoffs or any other cuts.

He said the village could be running a \$1 to \$3 million deficit from

year-to-year.

“It’s definitely concerning but we’re not going to be shutting the door in a year or two,” Wynne said.

Wynne said the village had extra money each year, which it used pay for street repairs and new projects. Then in 2015, Mayfield starting to stash away some its surplus.

From 2016 to 2021, Mayfield would leave an extra \$2 million or more in its general fund each year, building it from \$12.3 million to \$42 million today.

That surplus stopped in 2022, when employers had to start withholding taxes again based on where employees worked — like they did in 2019 and before that.

Bodnar, elected in 2016, said Mayfield has been building its reserves on purpose, knowing that most of its eggs were in one basket. And while budgeting is more challenging without Progressive’s income taxes, she said Mayfield is moving forward “not with doom and gloom, but with a plan.”

She said the village has put a lot of effort into attracting new companies and to help current Mayfield companies expand.

Mayfield doesn’t have any major capital projects ahead, Bodnar said, adding that it has already built several projects, like a community trail and amphitheater, and has fairly new police and fire departments.

The latest announcement about Progressive’s consolidation is neutral news, Bodnar said. Employees aren’t leaving the village, just moving to another Mayfield office.

But if Progressive did sell the building, it would make room for a

new employer, Bodnar said. As it stands, Mayfield doesn't have space for another large company to move in.

Bodnar said the future of work from home is still uncertain, however, the village does not need every one of Progressive's employees to come back either.

Mayfield is in a deficit with only 10% of employees coming to offices. But if that went up to just 50%, it "would be plenty," Bodnar said.

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