

INCOME TAX BOARD

City of Findlay
February 1, 2023

MINUTES

ATTENDANCE

Members Present: Mayor Christina Muryn, Don Rasmussen, Susan Hite, Jim Staschiak II, Jeff Wobser.

Staff Present: Mary Price, Jaclynn Hohman, and Kathy Launder.

APPROVAL OF MINUTES

Motion to approve minutes of the November 2, 2022, meeting as presented, by Rasmussen, second by Wobser. Motion passed 5-0.

Motion to approve minutes of the January 26, 2023, meeting as presented, by Wobser, second by Rasmussen. Motion passed 3-0-2 abstain. Hite and Staschiak abstained.

NEW BUSINESS

Year-To-Date Collections: Price reported that collections are comparable to this time last year. Staschiak inquired of any impact on how the severance payouts at Goodyear will affect collections. Price stated that she won't know until they file. Mayor Muryn stated that she received a call from Goodyear that they were doing a 5% reduction in workforce in their overseas facilities and 30 employees are impacted locally at the Chemical and Materials Research Lab facility. Mayor Muryn further stated that economic development is working with those employees to find them other employment opportunities locally. She stated that we probably won't see a clear indication of the effect until March 2023. Other businesses are seeing wage increases and growth that will positively affect collections.

Collections, Estimates, Delinquencies: Price stated that past due collections were down in 2022 as compared to 2021 due largely to attorney Scott Basinger taking over past due collections cases and revived a lot of old cases. Mayor Muryn stated that Price is developing an aging AR report that shows a breakdown of how old cases are that will provide an indication of how likely the City will be able to collect. Staschiak asked if there is an advantage to write off past due cases. Rasmussen stated that if we are at a point that it is costing more to collect the past due taxes than the amount of taxes, then it would make sense to write it off. Mayor Muryn stated that she is hesitant to put together an official policy around writing off outstanding tax debt that may encourage people to just wait until the designated time and their tax debt will be written off. Mayor Muryn further stated that it is worth a discussion once we have a little more data that she hopes will come with the new software. Price stated that some of the past due collection cases are still estimates while others are actual past due amounts.

Legal Actions in Process and Contemplated: Price stated court cases were down 6.4% year-to-date at the end of 2022. Wage garnishments were down 13.2% year-to-date at the end of 2022.

Attorney General's Office Collection Services: Price stated that the Ohio Attorney General's Office (AG) collection service has been around for several years and over the last couple years have opened up their collection services up to collecting past due municipal income tax. She has talked with municipalities that are using this service and thinks its to our advantage to set up a contract. AG collection fees are 11% vs. the City's collection attorney fee of 25%. This is less money that the

taxpayer has to pay for collection fees. AG has capability of offsetting federal and state refunds to cover the municipal income tax balance due. Staschiak asked how it is delineated which taxpayer will go to which collection service. Price stated that after a taxpayer goes through the small claims process and the City receives a judgement against them, if there is no information for a garnishment order, then the judgment is sent to third party collection. Price stated that it is wise to utilize attorney Scott Basinger as well as the AG. If the AG can't locate a taxpayer, Basinger may be able to due to being local. Staschiak requested a decision tree be created by Price to determine which taxpayer goes to Attorney General and which goes to local collection attorney and Income Tax Board approve. He doesn't want to approve moving forward with an agreement with AG until the decision tree is approved.

Staschiak excused himself from the meeting.

Hite and Rasmussen are in favor of using AG to collect past due municipal income tax as well as retaining the local collection attorney. Rasmussen stated that the decision would be that of the Tax Administrator to determine which cases would go to which collection service. He doesn't feel a strict policy needs to be in place. Price stated that it varies case to case as to which taxpayer case would go to which collection service. Hite asked if the state would communicate as much as our local attorney. Price stated that the state will give regular reports and will be in communication just as much as our local attorney. Wobser confirmed with Price that she already has a decision tree in place, it is just not formalized and is on a case by case basis. Wobser inquired if we need to formalize a decision tree. Mayor Muryn stated she is comfortable putting in the motion that she trusts the judgement of tax administrator to determine which cases should go to the state and that we can reevaluate in six months how the state program is working and if we want to shift all of the cases there. Wobser inquired if we have an issue treating people equally. Price stated that we should not disqualify the local collection attorney because the AG does not collect on potential estimated tax liability. If we have a case that we know is estimated, then we cannot send the case to AG. Local collection attorney will allow taxpayer to file actual tax returns. The AG does not allow us to update a collection figure after it has been sent. We need to keep both local collection attorney as well as AG as options. If the case is estimated tax liability send to attorney Scott Basinger. If actual tax liability is known, send to Attorney General.

Motion to authorize Income Tax Department to enter into a contract with Ohio Attorney General's Office for collection services for actual past due collections and continue to work with local collection agency for estimated payment past due collections and review process in six months, by Mayor Muryn, second by Councilman Wobser. Motion passed 4-0.

OTHER BUSINESS

Next Meeting: Meeting schedule for 2023: May 3, August 2, November 1. All meetings will be held at 2:30pm in the third floor conference room of the Municipal Building.

Being no further business, the meeting adjourned.

Respectfully submitted,

Kathy K. Launder
City Clerk