

INCOME TAX BOARD

City of Findlay
February 8, 2024

MINUTES

ATTENDANCE

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

Staff Present: Mary Price and Kathy Launder.

Guests Present: Melissa Patch and Gregg Like, Village of McComb.

APPROVAL OF MINUTES

Motion to approve minutes of the November 1, 2024, meeting as presented, by Councilman Wobser, second by Law Director Rasmussen. Motion passed 5-0.

OLD BUSINESS

McComb Income Tax Service: Mayor Muryn reiterated that late last year the Village of McComb made a request of the City of Findlay to provide income tax collection services because their income tax administrator abruptly resigned. At the November Income Tax Board meeting there was discussion and concerns were brought up. Without being able to schedule another Income Tax Board meeting since then, McComb has been in limbo and asking for an update if this is a service we will be able to provide. Mayor Muryn asked Price to gather information to determine if her team would be able to add McComb's income tax collections to their workload with the implementation of the new software system and does she have the staff to support it short term and long term. Price reached out to the software vendor to see if it was possible for McComb to be added. It is possible and the software vendor is willing to do it. McComb has approximately 800 accounts which is minimal for Price's staff. Price sees no issues with adding McComb. Mayor Muryn stated that McComb would be responsible for paying for the implementation and uploading of data. Mayor Muryn inquired if it is legally possible to pass an ordinance to change the tax filing deadline for McComb residents for 2023 tax year to push it back a couple weeks? That will give a bit more time for implementation and notification processes. Mayor Muryn stated that we will have to work through the process with Findlay City Council if we move forward. A concern that was brought up at the last meeting was overall operations for the department and to make sure that we are below the RITA cost of operation. Price went over the breakdown of costs that she provided to the Board that shows the department's operating costs and percentage of accounts. Mayor Muryn stated that the operation cost for collections for 2022 was 1.257% and for 2023 was 1.485% which is well below the 2% rate that RITA charges for collection. Mayor Muryn further stated that our operations are efficient and with the implementation of the new software will continue to improve. Helping McComb makes sense. It is not a burden to our team. Currently the contracted rate is based off of percentage of accounts. Mayor Muryn stated that we can look if there is an administrative fee that we should charge in addition or other opportunities in the future to make sure that it is equitable to the City of Findlay taxpayers for Findlay to provide income tax collection services for villages. Price is researching how other communities do it to make sure that an increase in cost is not a huge surprise to the villages we currently work with, but also provide a buffer for the City of Findlay in offsetting our costs. Auditor Staschiak asked how costs are done today. Price stated that she multiplies the Account Summary Percentage by the total of operational costs plus the village specific costs. Auditor Staschiak asked how the villages are charged for court cases/appearances. Price stated that they are charged the court costs only, not specifically the time associated with filing the cases. Price further stated that the salaries of those filing the cases are included in the overall collection cost charged to the villages. Price stated that there are maybe one or two court cases filed per week for the villages. Auditor Staschiak asked if McComb received a quote from RITA. McComb

has not. Auditor Staschiak is interested to know what RITA would charge them and what Findlay's charge would be. Auditor Staschiak asked if McComb would have to bid out the service because it would equal over the \$75,000 threshold over multiple years. He further stated that we should not be charging any less than RITA is charging. Don't know whether they are allowed to be here to ask us to do this service to a point we would offer a contract without going through a bid process.

Auditor Staschiak's questions to be answered by the Village of McComb:

Is the Village of McComb required to go out for bid for income tax collection services?

Where is McComb in the process?

What legislation has been passed allowing them to be at the Findlay Income Tax Board meeting?

Does McComb have a bid from RITA?

Mayor Muryn stated that the agreements with the other villages that Findlay is providing income tax collections are renewable annual agreements with a six month notice of terminating agreement or making changes to the agreement. Mayor Muryn stated that we are waiting on discussing a change in the rate structure for income tax collection services until after the implementation of the new software; gathering other types of fee structures; and gathering how RITA's fee structure works since they do a variety of tiered structures, additional fees based on your numbers, and different levels of customer service.

Motion to recommend City of Findlay enter into a contract with the Village of McComb for one year to provide income tax collection services, by Mayor Muryn, second by Councilman Wobser.

Discussion:

Rasmussen stated that none of the villages that Findlay currently works with for income tax collection services were customers of RITA. Mayor Muryn asked Price if she has any concerns with operations with her team taking on the Village of McComb income tax collection services without it being a significant burden to her team. Price stated there are no significant concerns, but would recommend that McComb pass legislation to extend the due date for McComb income tax filing. Price reiterated that none of the villages were RITA customers. The Village of Carey was a Central Collections Agency customer out of Cleveland. There are several reasons they moved to Findlay. One of the reasons they stopped using them is to have someone closer administer the income tax collections. Auditor Staschiak stated that he feels it would be irresponsible to move forward because we don't have an obligation to do it and there are more things that should be done to be prepared, and we are constantly seeing things that not prepared in terms of presentation and action being taken, we have not reviewed fee structure. He further stated that there's a perception in the county right now that the City is overstepping its bounds by a number of people who are working in the city and that we are putting our noses in places it doesn't belong. Auditor Staschiak stated that he agrees with some of the comments he gets from the general public and reads online in regard to that subject. Thinks it will be not well thought of the City. He stated we are ill prepared because we haven't had the complete package of information presented and haven't had a complete discussion on the proper way for us to do this if we are going to do it, the circumstances in which we should do it. We are just haphazardly grabbing everything that comes our way and he stands against that not only for the taxpayer of Findlay in general but just as a principal in regard to our municipal authority of what we should and shouldn't be doing.

Motion passed 3-2. Ayes: Mayor Christina Muryn, Councilman Jeff Wobser, Law Director Don Rasmussen. Nays: Auditor Jim Staschiak II, Treasurer Susan Hite.

Compliance Process: Mayor Muryn stated that at the last meeting it is was discussed how to better communicate to the public the process to ensure income tax collection compliance. Price presented the written process for compliance measures that will be added to the website. Auditor Staschiak suggested to add obtaining permit reports from Wood County Building Inspector. Price also checks the solicitor license list regularly and contacts them. Price stated that if a person new to Findlay, if they

don't file a state income tax form the year prior, the only thing we would catch is if they work in Findlay and their employer withholds the tax. Mayor Muryn stated that regarding the influencers and Etsy vendors, the federal government passed legislation that if you transfer over a certain dollar amount you will get a federal tax statement from the entity. Price stated that the amount is \$600 and a 1099 would be created to report to the federal government. Mayor Muryn stated that we will be able to capture additional taxable income through the new business data bill that was passed at the federal level where all business entities have to report the individual owner's names. The state will have a much more thorough database when they file because you have to get back to the individual person not just additional entities.

NEW BUSINESS

Year-To-Date Collections: Price reported that collections were down 4.537%. She stated that the mail has been behind which could account for the month to date numbers being skewed in the individual withholdings.

Collections, Estimates, Delinquencies: Price stated that due to the training and implementation of the new income tax software system, the Income Tax Department did not file new court cases for a two-three week period. This could also account for individual collections being down.

Legal Actions in Process and Contemplated: Price stated that due to the training and implementation of the new income tax software system, the Income Tax Department did not file new wage garnishments for a two-three week period.

OTHER BUSINESS

Next Meeting: Meeting schedule for 2024: May 1, August 7, and November 6. 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