

Village of Arcanum
January 7, 2025
Organizational Meeting – 6:00 pm
Special Council Meeting – 6:15 pm

Call to Order – Council Member Jerry Boolman opened the meeting with the Pledge of Allegiance along with all present members of Council.

Roll Call - The following council members were present: Ryan Burns, David Hartley, Jerry Boolman, Eric VanHoose, Rick Genovesi and Tammy Burner. Also in attendance were VA/Police Chief Marcus Ballinger and Fiscal Officer Karen Deao. Solicitor Nicole Pohlman arrived at 6:10pm.

Organizational Items

Council Member Genovesi moved to nominate Jerry Boolman as Council President Pro-Tem. Council Member Hartley seconded. All council members present voted yea. Motion passed.

Special Council Meeting-

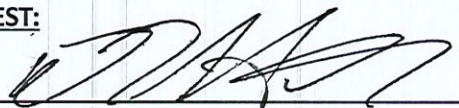
With the Tax Administrator resigning, the Village Administrator looked into the Village contracting with Regional Income Tax Agency (RITA), a third-party company, instead of hiring an actual onsite employee to handle the Village's income taxes. The VA stated that it would be a significant cost savings to the Village, not having the income taxes handled in house. VA stated that he would never want to let go of an employee because of budget issues, but the Village is reaching the point where the budget is getting pretty serious. VA believes that with this position currently available, it can be filled by a very reasonable cost. VA stated that in going with RITA it would be approximately a \$37K savings in the Tax Fund, and overall, all the funds it would be a savings of \$54K. The Fiscal Officer does have a possible candidate to hire, and the VA provided to Council what it would cost to hire that person for this year. Councilman Burns asked if there are any downsides to having RITA. VA stated that everyone that he had spoken with about RITA loves them. RITA has a very aggressive technology in being able to locate people and they work directly with the IRS. RITA will go as far as doing the collection and going to court for the Village, or they will send the Village a list of everyone that is delinquent and the Village can do their own prosecution or send them to the Attorney General's Office. There are a lot of different options, the Village can choose to have with RITA. The Village would only pay a percentage of what we receive, not based on a flat rate. If the Village goes over the flat rate, RITA would reimburse the Village back at the end of the year. Councilman Boolman asked who locally has RITA. VA stated that Union City and Bradford have recently contracted with RITA. RITA will come in and do the data pull from the Village's current software CMI. VA stated that RITA would not be able to start taking over until June or July this year, therefore for this tax season, if the Village was to go with RITA, a temp would probably be needed for this tax season, or find some pathway forward in getting through this tax season which will probably be very stressful for the whole office. Councilman Boolman asked if the \$20K was an annual cost? VA stated that it is an estimated cost range depending on how much work RITA does for the Village. Councilman Genovesi commented that they offer extras that you would have to pay for. VA answered in the affirmative, and stated that the percentages work based on how much revenue is brought in. Councilman Boolman asked how much tax revenue is the Village currently bringing in? VA & FO stated that is approximately \$807K, but with refunds it was closer to \$754-770K. VA stated that the minimum the Village would be charged would be close to \$18-20K, based on the tax information the Village sent to RITA for a cost estimate. Councilman Burns asked if the citizens would file their income taxes directly with RITA, which the VA confirmed they would. Councilman Burns asked if there was any negative impact or more challenging to the citizens by going through RITA. VA speculated that it could be easier. Councilman Hartley asked how tax disputes would be handled. VA stated that RITA would handle those. Councilman Hartley asked whether RITA would have someone available to help if a resident called them. VA stated yes, and that they would work directly with the Village as well. VA stated that the Village can be as hands off or on as we want to be. If a resident has a question, they can come in talk with the administration and we can make a phone call together to RITA. Residents would be able to check their accounts online with RITA's web portal. The Village would also have an administrative portal to RITA. Councilman Burns asked how many people in the Village are delinquent. Fiscal Officer stated that there is quite a bit. Councilman Genovesi asked if all the CPAs know about RITA and how they work. VA stated that RITA has over 52% of the State. Councilman Burns stated that RITA will charge up to a 5% monthly delinquent fee to the resident, and for some residents that could be a huge burden on them financially. FO stated that currently the Attorney Generals assess interest and penalties on top of what the Village has already assessed. VA stated that RITA will send a letter to the individual, and there is also a more aggressive approach called Subpoena Program that is \$1 per letter. RITA also has a legal department that will take people to the local courts, as RITA does not process through the Attorney General's Office at this point in time, but they are in negotiations with the AG's Office. The Village doesn't have to pay RITA's to do that, if the Village wants to handle that portion ourselves. Councilman Hartley asked how long the contract with RITA would be, at which the VA stated that it's not a contract, and the Village can leave RITA whenever they choose to, however, in his opinion it would be about a three-year process to decide if RITA was not a good fit. Councilman Boolman asked if the Village would choose to move forward with RITA what the lead time would be? VA stated that RITA would start taking over at the earliest in June or July. Councilman Burns questioned if someone is delinquent, does RITA give the Village their cut of the penalties and interest, and it could be a few years before the Village gets any of their money. FO stated that is like that now,

residents are still paying from 2021, 2022, and 2023. VA stated that he's not saying RITA is the best choice, but he felt like it was his responsibility to provide the information to the Council, so they knew there are other options available, especially considering some of the budget problems that the Village has. He stated that it would put a strain on the office this year, but the benefit would be that the Village would be able to save quite a bit of money out of the budget every year. Solicitor mentioned another company called CCA, which the VA stated that two other municipalities had used them, and would not recommend them. Councilman Boolman asked about the strain on the office, and how being short a person is going to affect the office. VA stated that for many years the Village didn't have 3 employees, so the Village would just be going back to 2 people up front. Councilman Boolman stated that those here now do a lot more now than what they did in the past. Councilman Bruner asked if it was going to be easy to find a temporary employee for this tax season. VA stated that the Village would have to reach out to a temp service. VA stated that the last thing the FO wants to do is to train a temp, just to lose the temp. FO stated that in reality it doesn't matter who she gets she's going to have to train them, and the next few months are going to be difficult. VA asked if there would be anything negative about working evenings? FO asked the question back if the VA would feel comfortable having someone in the office while no one else is here. The VA stated it would probably depend on who it was, but the key cards could be adjusted so they could only go into certain places. Councilman Burns said that someone might be more interested in doing the job if they could do it after they got done with their full-time job. Councilman Genovesi stated he didn't have a problem giving RITA a try, especially when you look at the savings and the levies not passing. Councilman Genovesi stated his only concern would be making it through this tax season, but if the office feels like they can make it through the hard times he's all for it. FO stated her only concern is being able to find a temporary person for this season. She doesn't feel that Julie and herself can do all of it on top of their normal work load. Councilman Burns asked if there was another Village that we could have a shared resource with. FO stated she did ask the lady at Versailles who use to do their taxes, and the lady said it would be too far of a drive for her. Solicitor suggested speaking to Roberta Hocker, who is New Madison's part time clerk and use to do New Madison's taxes. Councilman Burns asked about the individual the FO would want to hire if Council choose not to go with RITA. FO stated that her and the VA had interviewed several candidates and the one they both agreed on, and would be a good fit is from Bradford. She doesn't have per say tax experience but she does have a lot of banking and accounting experience. FO stated that she needed to be able to let the individual know by tomorrow whether she would be hired or not. Councilman Genovesi stated that it really puts the Council in a tight spot, because if the Village doesn't hire her, what happens if a temp can't be found. VA stated that there is a little bit of time before heading into tax season, but something does need to be figured out very soon. Councilman Boolman added that the Village could bring in a third party to do the taxes, such as a CPA for a short time. VA stated that he feels that the end of January would be the deadline to get everything figured out for this tax season. VA stated that after the first committee meeting, if the Village decides to pull away from RITA, then we'd begin the hiring process again. Councilman Boolman stated that if we are going to go towards RITA, he doesn't want to be wasting those applicants time waiting on the Village. Council Member Genovesi moved to allow a temp to be hired for the Tax Department for the 2025 Tax Season. Council Member Hartley seconded. All present council members voted yea. Motion passed.

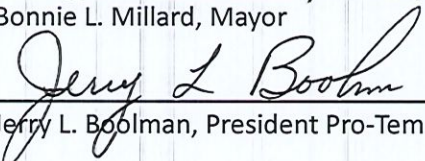
Councilman Boolman thanked the Council for their vote of confidence for allowing him to continue as Council President. He asked Council members to let him know what committees they would like to be on. Councilman Boolman advised Council that the mayor had provided him with a new committee structure, defining the issues that would be handled by each committee. Councilman Boolman said there was a few small changes, such as hiring an employee would move from Personnel to Finance, for an example, and Service & Leisure would be separated.

Adjournment – Council Member Hartley moved to adjourn. Council Member Bruner seconded. All present council members voted yea. Meeting adjourned at 6:28pm.

ATTEST:



Bonnie L. Millard, Mayor



Jerry L. Boolman, President Pro-Tem



Karen L. Deao, Fiscal Officer