

**MUNICIPALITY OF NEW LEBANON
SPECIAL COUNCIL MEETING
JANUARY 14, 2025, 7:00 pm**

Call to Order

The meeting was called to order at 7:00 p.m. by Mayor Nickerson.

Verbal Roll Call of Council Members Present for the Record

Council Members:

Timothy L. Back	Present
Gale Joy	Absent
Lyndon Perkins	Present
Chris Sands	Present
Melissa Sexton	Present
Nicole Adkins	Present
David Nickerson	Present

Others Present:

Acting Manager Anderson
Interim Law Director Rose
Tom Judy - PFS Consultants
Bryan Thurman - PFS Consultants
Acting Superintendent Sorrell

Water and Sewer Rate Discussion

Presentation to council and the public by PFS consultants regarding village fund balances and recommendations for water and sewer rate increases in a five-year plan.

Council Member Perkins suggested that the Village send a letter to residents announcing the rate increase.

Several Council members discussed the amount of the increase and whether we should pass a larger increase this year. Tom Judy explained that the 20% rate is large enough to start to build back the fund balance and keep the Village below average for the rest of the region.

Income Tax Collection Services Discussion

Mr. Anderson gave a presentation to council and the public on contracting with Regional Income Tax Agency (RITA) for income tax collection services.

Council Member Sands asked if the process would be the same for 2025 tax filing as it has been in the past. Mr. Anderson stated that 2025 will continue as in previous years and the new collections with RITA will begin in 2026.

Discussion about the services provided by RITA and how the transition to a third party would take place.

Adjournment

Council member Back made a motion to adjourn the meeting. Council member Sexton seconded the motion.

Roll Call:

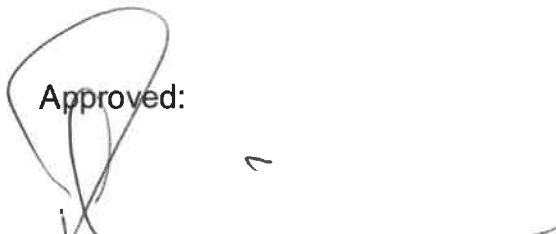
Council member Sands	Yes
Council member Back	Yes
Vice-Mayor Adkins	Yes
Mayor Nickerson	Yes
Council member Perkins	Yes
Council member Sexton	Yes

**NEW LEBANON, OHIO
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6 yes votes and zero no votes, the motion passes.

Meeting adjourned at 8:05 p.m. by Mayor Nickerson.

Approved:



Mayor Nickerson

1/21/25

Date



Acting Clerk of Council

1/21/25

Date

Village of New Lebanon
Water and Sewer Rates
January 14, 2025

PFS
Public Financial Solutions, LLC

Local Government Financial Advisory Services

Thomas Judy, CPA, MBA

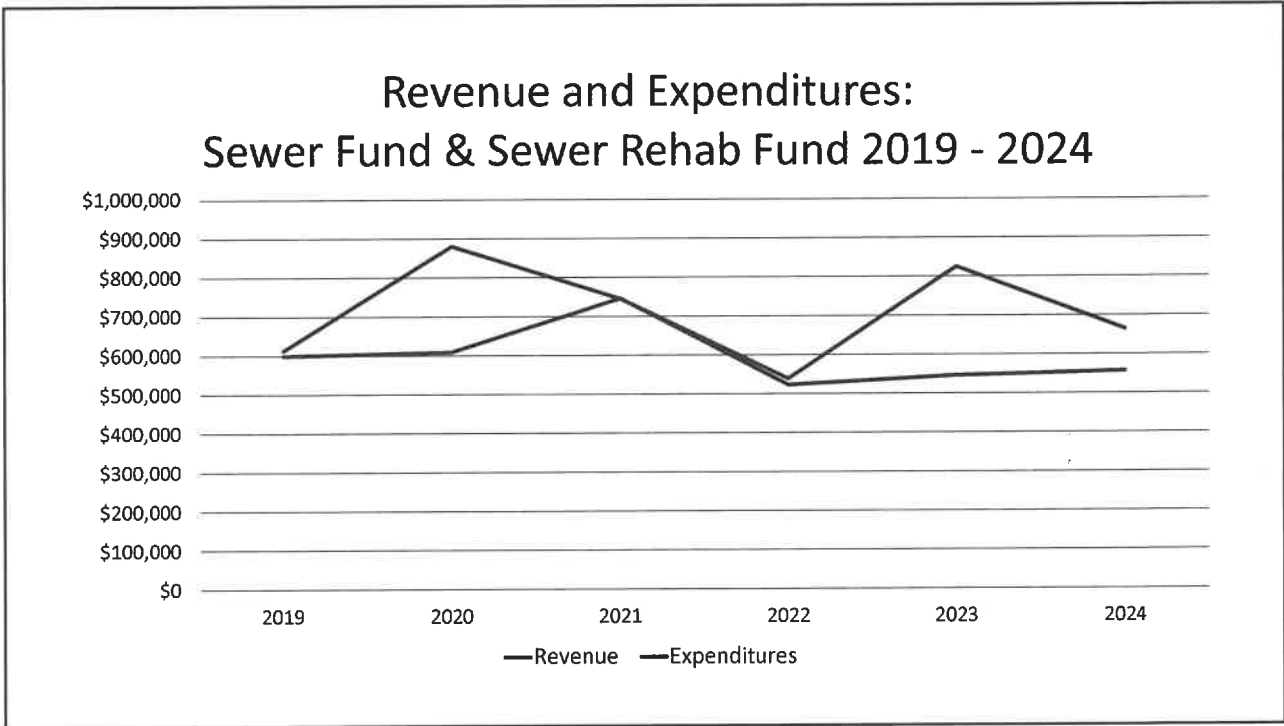
Bryan Thurman, MBA

Deficit Fund Balances

- Deficit Fund Balance Audit Findings – 2019-2020 Audit and 2021-2022 Audit
 - Construction Projects Fund and Sewer Rehab Fund
- Funds with Deficit Fund Balance as of 12/31/2024:
 - (\$148K) Construction Projects Fund
 - (\$176K) Sewer Rehab Fund
 - (\$ 35K) Sewer Fund

Sewer Fund / Sewer Rehab Fund

- Last rate increase in 2018
- Since 2018:
 - Inflation has increased 27%
 - Average sewer rate in the area has increased 26%
 - Unfunded Capital Outlay
 - Sewer Fund / Sewer Rehab fund balances have **decreased** by nearly **\$700,000**



Sewer Fund

	<u>12/31/2018</u> <u>Fund Balance</u>	<u>12/31/2024</u> <u>Fund Balance</u>	<u>Increase /</u> <u>(Decrease)</u>
Sewer Fund	\$462,496	(\$ 35,160)	(\$497,656)
Sewer Rehab Fund	<u>\$ 9,567</u>	<u>(\$176,324)</u>	<u>(\$185,891)</u>
Combined	\$472,063	(\$211,484)	(\$683,547)

- Sewer Fund + Sewer Rehab Fund combined deficit will be about **(\$1,000,000)** by 2029 if no action is taken

Water Fund

- Last rate increase in 2013
- Since 2013:
 - Inflation has increased 37%
 - Average water rate in the area has increased 57%

Water Fund

<u>12/31/2020</u> <u>Fund Balance</u>	<u>12/31/2024</u> <u>Fund Balance</u>	<u>Increase /</u> <u>(Decrease)</u>
\$1,014,954	\$682,077	(\$332,877)

- Water fund balance is on pace to be near \$0 at the end of 2029

Sewer Fund 2025-2029 Financial Planning Objectives

- Adhere to Financial Policy best practices, such as:
 - Minimum fund balance: 20% of Annual Expenditures
 - Multi-year financial planning
 - Annual user fee review; rate adjustments, if necessary
 - Self-supporting: Sewer Fund revenues will cover all costs, operating and capital
- Eliminate fund deficits (Sewer and Sewer Rehab)
- Capital / Debt Capacity:
 - Moderate cash-funded capital through 2029
 - Create financial capacity for \$1 million+ additional debt by end of 2029

2025-2029 Financial Plan

- Financial Projection Assumptions
 - Inflation Factors: Wages 3%; Employee Benefits 5%; Other Expenditures 3%
 - Staffing unchanged except:
 - Treatment Plant Operator of Record requirement satisfied by employee vs. contractor
 - 2025-2029 savings: Sewer Fund approx. \$330,000; Water Fund approx. \$50,000

New Lebanon Sewer Rate Increases 2024 - 2029

Year	Pct (%) Change	Effective Date	Over / (Under) Area Average ⁽¹⁾⁽²⁾
2024	0%	N/A	(22%)
2025	20%	3/1/2025	(9%)
2026	18%	1/1/2026	4%
2027	9%	1/1/2027	10%
2028	3%	1/1/2028	10%
2029	3%	1/1/2029	10%
<i>(1) Average per City of Piqua annual utility survey</i>			
<i>(2) Assumed 3.1% annual increase in average</i>			

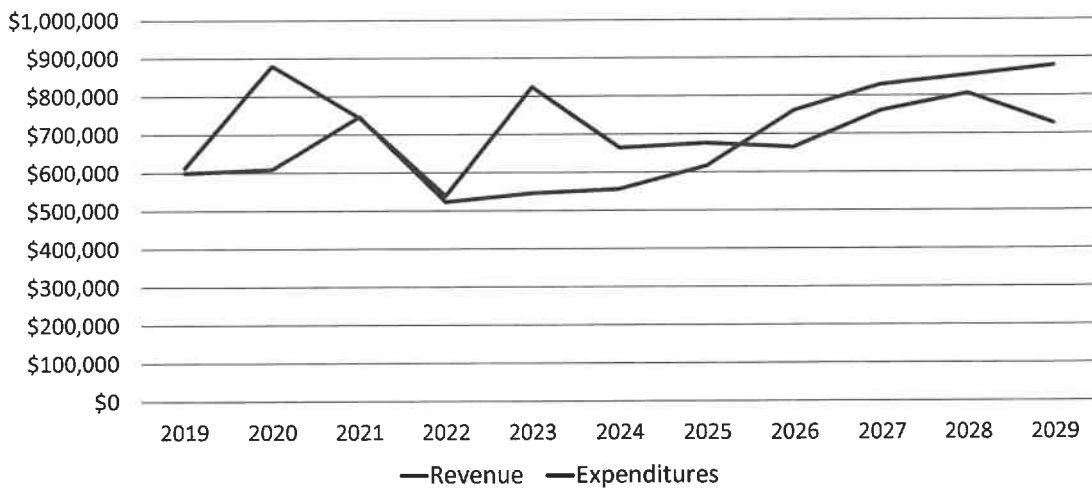
New Lebanon Water Rate Increases 2024 - 2029

Year	Pct (%) Change	Effective Date	Over / (Under) Area Average ⁽¹⁾⁽²⁾
2024	0%	N/A	(17%)
2025	0%	3/1/2025	(20%)
2026	5%	1/1/2026	(19%)
2027	8%	1/1/2027	(16%)
2028	10%	1/1/2028	(11%)
2029	10%	1/1/2029	(6%)
<i>(1) Average per City of Piqua annual utility survey</i>			
<i>(2) Assumed 3.8% annual increase in average</i>			

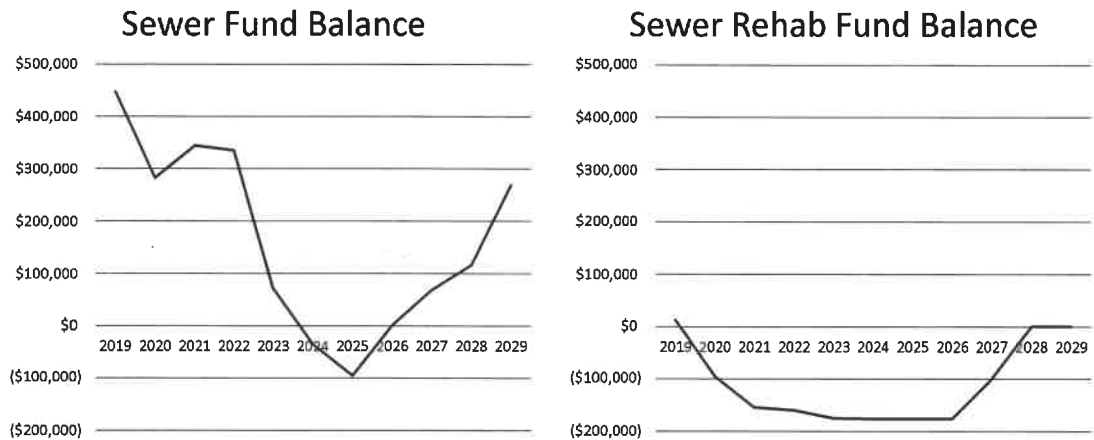
Monthly Bill

	Low-Volume User (2000 gal/mo)	Mid-Volume User (5000 gal/mo)	High-Volume User (7500 gal/mo)
2024 Water & Sewer Monthly Bill	\$27.82	\$60.55	\$87.83
2025 Water & Sewer Monthly Bill	\$30.61	\$66.63	\$96.65
\$ Increase Water & Sewer	\$2.79	\$6.08	\$8.82
% Increase Water & Sewer	10%	10%	10%

Revenue and Expenditures: Sewer Fund & Sewer Rehab Fund 2019 - 2029



Sewer Fund & Sewer Rehab Fund 2019-2029



12/31/29 Status If Rate Plan is Followed

- Sewer Fund
 - Fund Balance Deficits Eliminated
 - Fund Balance Exceeds 20% of Expenditures
 - Debt Capacity to Finance up to \$1.6 Million of Sewer Improvements
- Water Fund
 - Fund Balance Deficit Avoided
 - Fund Balance Exceeds 20% of Expenditures
 - Debt Capacity to Finance up to \$500,000 of Water Improvements

QUESTIONS?

REGIONAL INCOME TAX AGENCY
Municipal Income Tax Services for
The Village of New Lebanon

DECEMBER 2024



RITA
REGIONAL INCOME TAX AGENCY

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Understanding Your Municipal Tax Needs

Is your municipality:

- Concerned about rising budget costs
- Looking to maximize municipal tax collection for support of local services and amenities for your community
- Interested in simplifying filing and payment processes for your residents and businesses
- Looking for efficient and economical operations
- Interested in having a voice and having your interests represented in State and Federal legislation

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How RITA Can Help Meet Your Needs



**MUNICIPAL TAX
EXPERTS**



COLLECTIONS



**TAX RETURN
PROCESSING**



**LEGAL
SERVICES**

RITA's Full Service and Comprehensive Approach to Local Tax Administration and Collection Historically Results in Increases in Revenue and a Reduction in Operation Costs

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Our Mission

The mission of the Regional Income Tax Agency is to provide Ohio cities and villages with a high quality, cost effective, municipal tax collection service.



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Ohio's Leader in Municipal Tax Collection & Administration, Serving Taxpayers & Local Governments **Since 1971**

Largest municipal income tax administrator in Ohio

RITA:

- Serves Member Municipalities in 81 of Ohio's 88 counties
- Processes approximately \$2.3 Billion in annual tax collections (2023)
- Provides service to over 1 million taxpayers every year



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Structured to Deliver Services to Your Community

REGIONAL INCOME TAX AGENCY (RITA)

- RITA serves more than 50% of Ohio municipalities that have an income tax
- Currently, processing approximately \$2.3 billion in annual tax collections (2023)
- Full service tax collection from registration to litigation
- Enhanced website with eFiling capabilities
- Modernized eFile (MeF) Partnerships
- Call center service with extended hours and Saturdays during filing season

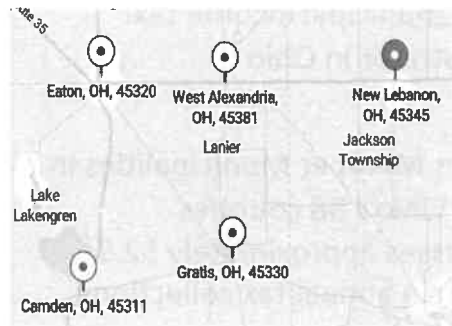
REGIONAL COUNCIL OF GOVERNMENTS (RCOG)

- The governing body of the member partnership
- RCOG formed RITA to administer income tax ordinances of member municipalities
- Comprised of over 400 member municipalities and JEDDs in 81 Ohio counties
- Large membership base provides benefits to all members with efficient and economical operations through shared facilities and resources
- RCOG is managed by a 9-member Board of Trustees, each serving three-year staggered terms

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Neighboring RITA Communities

- Camden
- Eaton
- Gratis
- West Alexandria
- Fairborn (not shown)
- Pleasant Hill (not shown)
- Yellow Springs (not shown)



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Partnering with RITA

When your community partners with RITA each member municipality can expect to:

- Access real-time taxpayer data and reports provided through RITA'S Tax Authority Portal
- Review and make decisions related to penalty and interest
- Retain its right to administer and enforce its own income tax laws concurrently with RITA and retain a local board of review
- Have a landing page for their municipality on ritaohio.com that includes tax rates, credits, and special notes related to municipal income tax
- Have one representative and one vote on all matters involving the RCOG, including the annual election of Board Members
- Have the ability to run for a Board position

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RITA's Full Service Tax Collection

Included in Agency Cost

- **Taxpayer Registration**
 - Online; IRS Data Exchange; Ohio Department of Tax Filing Lists; Employer W-2s Matched Against Individual Accounts
- **Individual & Business Customer Service**
 - 24/7 Self Service; Online Account Information; Live Agent Call Center; Secure Messaging with RITA Agents

- **Filing and Payment Compliance**
 - Federal Tax Information (FTI) for Non-filers and Underreporters; Collection of Delinquent Non-payers; Non-filer Letter Program
- **Records Management**
 - Optical Character Recognition (OCR); Data Entry; Imaging; Records Retention

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RITA's Full Service Tax Collection

Included in Agency Cost

- **Member Support Services**
 - Member Service Department; Tax System Access & Training; Ordinance & Legislation Review; Projection & Analysis on Revenue; Income Tax Receivable Estimates (GASB 33); Representation in Various Tax Organizations & at the Ohio Statehouse

- **Information Technology/Computer Hardware and Software Systems**
 - Tax System Access; Secure Email; eServices; Document Imaging; Secure Credit Card Processing
 - Helpdesk Support
- **Outside Services/Partnerships**
 - Printing & Mailing - Refund Checks, Correspondence, Billing Statements; Tax Forms & Payments in Secure Bank Lockbox

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RITA Online Resources for Taxpayers

Visit www.ritaohio.com

RITA MyAccount

- File Returns (current and prior tax years)
- File Exemptions (current and prior tax years)
- View Tax Filing History
- View/Amend Estimates
- Make a Payment and View Payment History
- Send a Secure Message to RITA
- Enroll in eBilling

FastFile

- File current and prior year taxes, file exemption
- No login or password required

FastPay

- Make a payment
- No login or password required

QuickTaxCalc

- Quickly calculate your effective tax rates and potential withholdings

Additional Resources on www.ritaohio.com

- Fillable PDF Forms
- Manual Forms

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RITA Resources for Your Taxpayers

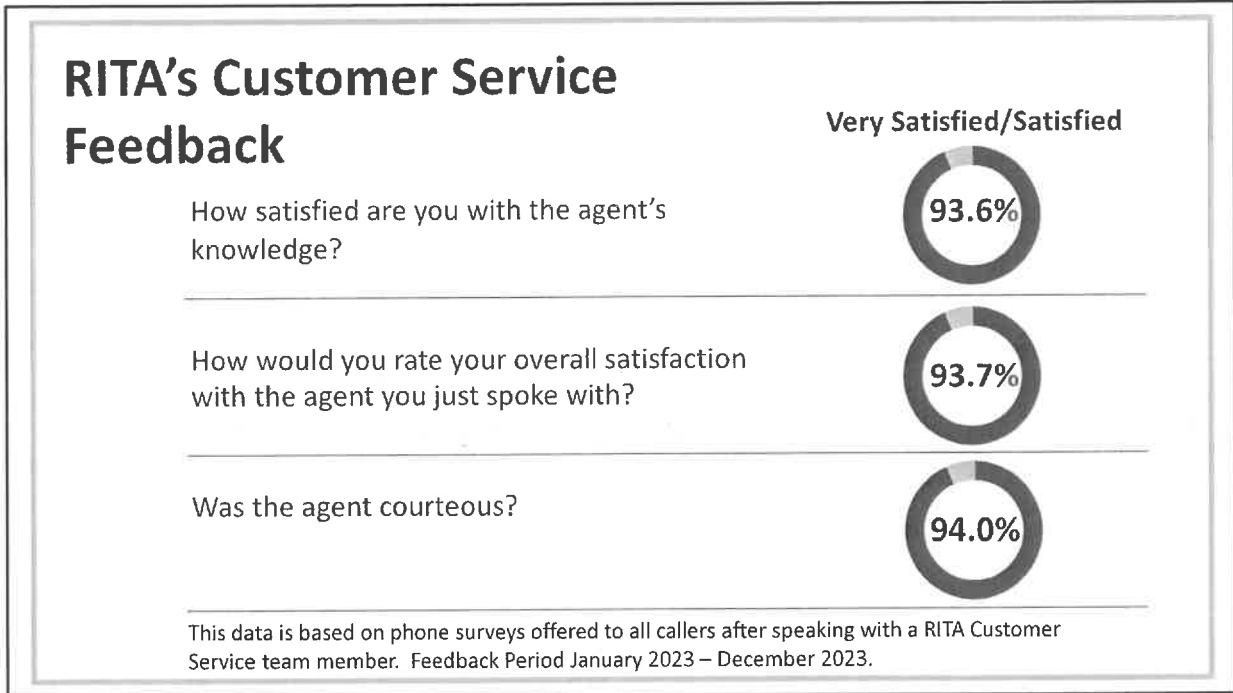
Contact us 800-860-7482

- Access our IVR (Interactive Voice Response system) 24/7 – refund status, estimates, payment information
- Need to talk to an agent? The call is recorded for training and quality assurance
 - Every caller offered the opportunity to complete a survey at the end of the call
 - Surveys reviewed daily by management
- Send secure e-mail or service requests through “MyAccount” available at www.ritaohio.com

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Year-Round Taxpayer Compliance Programs

COLLECTIONS

In 2023 the Collections Department:

- Recovered \$34 Million through payment plans or settlements
- Collections work performed year-round for all members at no additional cost

COMPLIANCE

In 2022/2023 through the Non-filer Subpoena Program (optional for members at additional cost of \$1.00 per subpoena) the Compliance Department:

- Issued 245,362 non-filing notices and 113,929 subpoenas
- Identified over \$19 Million in liabilities with \$6.2 Million collected to date
- Total cost to participating members - \$113,929

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Federal Tax Information (FTI)



IRS Data Exchange Program

- RITA is approved to partner with the IRS for taxpayer data exchange
- Receives Federal Tax Information (FTI) on behalf of its member communities
- Using FTI, RITA efficiently identifies unreported and underreported income
- FTI work performed year-round for all members at no additional cost

**In 2023 the
FTI Department
Collected Over
\$21 Million**

Year-Round Taxpayer Compliance Programs

LEGAL PROGRAM

In 2023 the Legal Department (optional for members after being with the agency for one year; over 250 members participate):

- Filed over 12,000 cases
 - Accounts are audited for accuracy before litigation is filed
 - Cases are filed using RITA attorneys and staff
- Collected \$13.3 Million
 - \$1.4 Million from FTI suits
 - \$6.9 Million from In-House RITA legal staff
 - \$5.0 Million through partnership with third-party collection attorney
- At a cost of \$675,054 shared among participating members

RITA Data Protection and Privacy

Protecting Confidential Information is a Top Priority



- RITA's comprehensive security program incorporates industry best practices to ensure data protection.
- All taxpayer data is considered confidential under ORC 718.13
- All RITA employees receive annual security awareness and IT role based training
- Taxpayer data is consistently backed up
- Customer service agents verify taxpayer identity on recorded lines
- Only authorized city/village employees have access to taxpayer information
- Multifactor identification used throughout our systems

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Security Best Practices





- SOC 1 – Report on Controls conducted annually and provided to all Members. This report conducted by an external audit firm reports on the operating effectiveness of RITA's controls.
- Annually report to the IRS on our Safeguards Security Report and the IRS conducts on-site audits every 3 years.
- Annual Disaster Recovery test
- Internal and external penetration tests performed every year by third party.

REGIONAL INCOME TAX AGENCY | DECEMBER 2024

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Recognized Leader in Financial Reporting

This is the 38th year that the Agency has received this award


- The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.


RITA Receives Auditor of State Award

- The Ohio Auditor of State has once again recognized the Agency for excellence in financial reporting related to our Annual Comprehensive Financial Report and compliance with applicable laws for the fiscal year ended 2023.

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REGIONAL INCOME TAX AGENCY

New Members 2023

★

- Bedford
- Crooksville
- Fayetteville
- Forest
- Montgomery
- Nelsonville
- Octa
- Rutland
- Smithville
- Spencerville
- Stockport
- Walton Hills
- Warsaw

New Members 2024

★

- Apple Creek
- Beverly
- Blanchester
- Bradford
- Coal Grove
- College Corner
- Creston
- Dresden
- Glenmont
- Holmesville
- Millbury
- New Concord
- Northwood
- Ottawa Hills
- Rushville
- South Bloomfield
- Urbana
- Waynesfield

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RITA Member Toolkit			
ESTIMATED PAYMENTS/BILLING STATEMENTS	ABOUT MUNICIPAL INCOME TAX	MUNICIPAL INCOME TAX AND BUSINESSES	NON-FILING
Ohio Municipal Income Tax Guide to Understanding Estimated Tax Payments	Online Resources for Taxpayer Filing Needs	Municipal Tax Guide for New Businesses	Did you receive a notice from RITA?
Sample Social Media Posts and Graphics	Municipal Tax Guide for Residents (Contact communications@ritaohio.com to customize for your municipality!)	FAQs for Businesses	Subpoena FAQs
Sample Website Posts and Graphics	Video Resources		Sample Social Media Posts and Graphics
FAQ's On Estimated Payments	NOL Phase Out		Sample Website Graphics
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RITA Member Toolkit


Quick, Easy Filing of Your Municipal Income Tax.

Use RITA's **PassFile** or **MyAccount** before the Monday, April 15 tax filing deadline.



Reminder! Your Municipal Tax Filing Deadline is Monday,

APRIL 15




Municipal Taxes are due Monday, April 15!

Visit ritaohio.com for quick and easy municipal tax filing.

Filing Season Resources
January 2024

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RITA Member Toolkit

MUNICIPAL INCOME TAX GUIDE FOR RESIDENTS IN OHIO


In the State of Ohio municipal income taxes are created by the laws of each municipality. The tax is an annual tax levied on the income of every person residing in or earning or receiving income in the city or village. Generally, the purpose of the tax is to provide for essential municipal services and necessary capital improvements as set forth by each individual city or village in Ohio.

Municipal Tax In Ohio is Levied On:

-  **Residence Tax**
Individuals that live in municipalities
-  **Workplace Tax**
Individuals that earn taxable income in municipalities
-  **Net Profit Tax**
Businesses that earn taxable income in municipalities

RITA's Role

- Formed in 1971 through the Regional Council of Governments, RITA is a governmental agency established under Chapter 167 of the Ohio Revised Code.
- RITA provides income tax collection and processing services for more than 350 of Ohio's municipalities and is the largest municipal income tax collection agency in the state.
- RITA is not a "municipality," and cannot levy its own income tax - there is actually no such thing as the "RITA Tax."
- The municipal income taxes that RITA administers belong to each of the Ohio cities and villages that have joined with RITA. The income tax is created by the laws of each municipality, and RITA administers these taxes on their behalf.



REGIONAL INCOME TAX AGENCY | DECEMBER 2024

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Why Partner with RITA?

Local residents and businesses benefit from simplified filing and payment through RITA's website, partnership with tax software providers.

Reduced Costs:

- Utilizing shared resources and economies of scale to minimize costs

Increased Service Levels:

- Electronic Filing & Payment; NEW eBilling!
- Modernized E-File (MeF) Professional Tax Preparer Software Partners
- MyAccount (Estimated Payments, Refund Status, Service Requests and Secure Messaging)
- 24/7 IVR (Interactive Voice Response, Automated Phone System)

Increased Collections:

- Municipalities that join RITA typically experience an increase in income tax collections as a result of RITA's Compliance Programs (Collections, Legal, Non-Filer/Subpoena and Access to IRS Data)

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Estimated Cost for The Village of New Lebanon

Estimated Cost of Collections:

- \$29,908 - \$33,056
- Percentage: 2.60% to 2.87%
- Based on the Village of New Lebanon Income Tax Collections of \$1,149,914

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Next Steps:

- Council passes joining legislation
- Municipality notifies current software provider of transition to RITA
- Regional Council of Government (RCOG) extends contract
- Municipality approved by RCOG at Board of Trustees monthly meeting
- Begin conversion process (July 1, 2025 Timeline provided)
- Questions



*Ohio's Leader in Municipal
Tax Collection & Administration,
Serving Taxpayers & Local
Governments **Since 1971***