

City of Montgomery
Financial Planning Committee Meeting
June 6, 2022

Present

Brian Riblet, City Manager
Tracy Henao, Asst. City Manager
Katie Smiddy, Finance Director
Connie Gaylor, Clerk of Council

Council Committee Members Present

Ken Suer, Chair
Mike Cappel
Lee Ann Bissmeyer

The Financial Planning Committee of Council convened its meeting for May 6, 2022 at 4:30 p.m. at City Hall with Mr. Suer presiding.

Regional Income Tax Authority (RITA) Presentation

Brian Thunberg and Angela Veazey of RITA provided background of the organization as well as an overview of the services that RITA could provide to the City in relation to full service tax collections. Mr. Thunberg explained that while residents would be able to utilize the tax system online, they could still visit City Hall to obtain assistance and have that community involvement.

Mrs. Bissmeyer asked of the six locations in Ohio, which location was near Montgomery.

Mr. Thunberg stated that the Xenia office would be the closest. He explained that currently they are in a two-year agreement in that location but as they grow, they will continue to look for additional locations in southwest Ohio.

Ms. Smiddy explained that among their services she is interested in the compliance aspect of their services. She stated she felt with the relationship they have presented that residents would not see any differences in service.

Mr. Cappel asked if RITA was a public entity.

Mr. Thunberg explained that RITA is a Government Non-Profit as established in Chapter 167 of the O.R. C. He stated that the agency does not make money actually.

Mr. Cappel asked how residents who do not file returns electronically would be serviced.

Mr. Thunberg replied that they could drop off their returns as they do now, and the Tax Department staff would file for them.

Mr. Suer stated that while the State of Ohio would be in favor of all communities being clients of RITA that Council is concerned about local control. He asked how the communities managed their existing staff when they enter into an agreement with RITA. He stated that the City takes a different approach about providing good customer service that can be controlled here at the local level.

Mr. Thunberg explained that there is no affiliation between RITA and the State of Ohio. He stated that the City has total control over the level of services they would provide.

Mr. Suer thanked Mr. Thunberg and Ms. Veazey for their presentation.

May 2022 Income Tax Report

Ms. Smiddy explained that for the month of May, the City's total income tax receipts were \$762,257, which is a decrease of \$525,835 or (40.82)% when compared to the 2021 May collections of \$1,288,092. The variance is due to the extended filing deadline in 2021. The decrease was anticipated as collections were up 85.21% in April.

Ms. Smiddy stated that the month of May 2022 withholding collections were \$612,765; a decrease of \$115,048 or (15.81)% when compared to May 2021 collections of \$727,813. Reports showed a decrease in revenue from several of our larger employers; possibly due to changes in withholding for work-from-home employees. In addition, one of our larger employers failed to remit a significant withholding payment in May which staff is investigating. Despite the decrease in May, year-to-date collections are up 15.98%.

In May 2022, net profits from businesses located within or doing business within Montgomery were \$22,090. This is a decrease of \$41,913 or (65.49)% when compared to May 2021 collections of \$64,003. The majority of the business returns were posted in April, and very few were posted in May as staff is focusing on finishing individual returns. However, year-to-date business collections are up 89.74%.

Revenues of \$127,402 were collected in May 2022 from residents living in Montgomery, which is a decrease of \$368,874 or (74.33)% when compared to May 2021 collections of \$496,276. The decrease in May is due to the April filing deadline; and the majority of returns, extensions, and first quarter estimated taxes were posted in the system prior to the end of last month. Year-to-date Individual collections remain up at 13.37%.

Minutes

Mr. Cappel moved to accept the minutes of the May 2, 2022 meeting of the Financial Planning Committee as written. Mrs. Bissmeyer seconded. The Committee unanimously agreed.

Adjournment

Mrs. Bissmeyer moved for adjournment. Mr. Cappel seconded. The Committee unanimously agreed.

The Financial Planning Committee of Council was adjourned at 5:45 p.m.



Chair