

Village of Rushville/RITA Informational Meeting

May 14, 2024

The Village of Rushville/Regional Income Tax Agency Informational Meeting started at 7:00 p.m. on May 14, 2024, at the Rushville Union Lions Club, with the following council members present: Mayor John Burge, Council President Jennifer Henery, Steve June, Matt Schweitzer, Ken Dean, Kate Poston, and Al Dolezal, RITA Government Liaison. Steve Lewis and Fiscal Officer Cindy Lewis (vacation) and Village Solicitor Jon Browning (prior commitment) were absent. Guest attendees: Tony Craig, Charlotte Beyer, Lowell and Carolyn Fisher, Patty Friesner, Jack and Colleen Prentice, Mary Wagner, Kyle Peters, Connie Butterbaugh, Paul Norby, Laura McKenzie, Rick Lyons, and Mike Pessel.

Mayor Burge thanked everyone for coming. He explained how grants worked, and that the village has started the process to obtain grants for the water and sewer infrastructure (emergency generator for the pump station, aerators for the lagoons, and numerous supplies). However, to obtain grants, municipalities need matching funds and an engineering firm to help write grants and decide what grants would be suitable for the village. This potential income tax can help us not to just obtain grants, but to alleviate the burden on our water and sewer funds.

Al Dolezal explained the fund uses for the village (help in covering water and sewer expenses like labor). He also discussed the county property tax and how that is dispensed to the municipalities and townships. The RITA tax isn't covered by the county. It's ran by RITA, and if the income tax is passed, the businesses located within the village will start to take the required taxes out of the employees' paychecks as soon as possible, with residents who are eligible will file the village taxes the following tax year. Right now, if the tax goes into effect at 1%, the village can make \$62,000-\$70,000.

Examples of taxable income for individuals are W2s, 1099s, Schedule C (self-employment income), Schedule E (net rental income), and Schedule F (net farm income).

Not taxable income examples for individuals are as follows: interest and dividends, capital gains, Social Security income, pension and annuity distributions, and state unemployment compensation. If someone is retired, they are required to fill out a form to be excluded for non-taxable income.

For businesses, examples of taxable income are: tax withholdings on employee wages that work at a business located within the village, tax on business profits are allocated based on 1) Total employee wages, 2) Real and tangible property, and 3) Gross receipts from sales.

Mr. Dolezal went over how the Regional Income Tax Agency works, what to expect, and how residents can file 24/7, have access to a toll free number, and also mail in.

Mayor Burge stated that the council has the options of 1) Putting it on the ballot with the caveat that if it's defeated at the election polls it can't be voted in by the council, 2) Passing it at 1% with just the council voting on it, and 3) Tabling it to be reconsidered at a later date. He then opened up the floor for questions and concerns about the proposed income tax.

Lowell Fisher stated that we're technically owned by the entities we serve. He inquired about having a water and sewer levy. This would require council to investigate the legalities and possibilities for a levy. He also suggested building up the General Fund and allocate the funds accordingly.

Carolyn Fisher inquired about RITA and what they do with the money. Al Dolezal stated that Rushville would pay (estimated) \$200.00 per month, with 97% going to the village, and RITA retaining 3%. The village would get reports in which the State of Ohio audits.

Every paycheck of a person that works in Rushville, for every business that is located within Rushville, would have an amount taken out to pay to the village. For people who would be paying double tax (example: you live in Lancaster but work in Rushville), options would be considered. RITA is aware of the municipalities that surround Rushville that have income taxes. The village council can allocate taxes to different funds by ordinance.

Carolyn Fisher questioned about a cap for RITA, or does the fee for the village increase as the taxes being paid increases. Al Dolezal responded that the fee actually decreases as more members (municipalities) are brought in by RITA. RITA's closest competition is CCA out of Cleveland, Ohio. Small municipalities under RITA have no administrator overlook, which would result in more labor expenses.

Kyle Peters asked if employees pay taxes if business that is conducted outside of Rushville with a business located inside the village. The answer is yes, they would pay taxes wherever they worked because the business is within the Rushville corporation limits.

Charlotte Beyer stated that it isn't fair to the residents and businesses located within Rushville to be the only ones paying an income tax to help the village water and sewer expenses. Would it be possible for West Rushville to initiate an income tax to help out? The answer would need to be looked into as it's not clear how Rushville would be able to get the money from West Rushville's income tax to help out with water and sewer operations per Mayor Burge.

Ken Dea reiterated why RITA was brought in as a possibility to counteract the increase in rates by outside entities and the increase in supplies and labor. Labor wages had to be raised in order to compete with the high wages paid by industries across the board in order to retain employees.

Paul Norby confirmed that what Ken Dean and Mayor Burge had stated was true, as it was the same problems that had been present when he had served as mayor during the pandemic. Paul Norby started the process of getting the village funds replenished, and it is being continued by Mayor Burge by looking for additional ways of obtaining money for village expenses.

The Mayor and council were asked if an income tax lower than 1% was considered. Mayor Burge responded that a lower tax percentage is a consideration, but the 1% income tax threshold was a good place to start to get residents' input.

People were questioning about how the utility bill payments for the village are distributed. Mayor Burge stated that what is paid for water is only for water expenses, sewer payments are for sewer expenses only, and the payments for trash can only be used for trash. Also, the concern about street maintenance and how it is funded was answered by Mayor Burge. The street maintenance fund is maintained by gasoline, plates, and registration taxes.

Several people voiced their concern about the water and sewer rates going up again. They were encouraged to come to the council meetings to express their apprehension and dismay at the rates being raised. In addition to the rates' concern, a request was made to hand out flyers with what can and can't be flushed in order to maintain a healthy sewer system for everyone who uses it.

Connie Butterbaugh brought up about the water still getting into her sewer tank. Sewer maintenance is monitoring the situation. She also asked about the fire hydrant near her house not

being checked. The fire department did check it, and it will be checked during that fire hydrant's next scheduled inspection.

The Village of Rushville is flourishing with younger people, and we must protect the village for their and our future. That is why we are constantly looking for ways to maintain and strengthen our infrastructure.

All residents of the Village of Rushville are invited to attend our council meetings which are held monthly on the second Thursday at 6:00 p.m.

The meeting ended at 7:59 p.m.