

RESOLUTION R31-17

A RESOLUTION AUTHORIZING THE VILLAGE ADMINISTRATOR TO
ENTER INTO A CONTRACT WITH THE CITY OF ST. MARY'S OHIO FOR
INCOME TAX COLLECTION

Whereas, the Village of Covington has used the City of St. Mary's, Ohio as its agent to collect income tax within the Village and has been satisfied with the service it has received from said agent;

Whereas, the Village desires to continue to maintain the City of St. Mary's Ohio as its agent and the City has submitted a proposed contract for income tax collection attached as Exhibit A;

NOW THEREFORE, BE IT RESOLVED by the Legislative Authority of the Village of Covington, State of Ohio, that:

SECTION 1: The Legislative authority for the Village of Covington finds it in the best interest of the Village to continue its relationship with the City of St. Mary's, Ohio regarding the collection of income tax revenue;

SECTION 2: The Village of Covington's Village Administrator is authorized to enter into the contract for income tax collection attached as Exhibit A hereto; and

SECTION 2: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

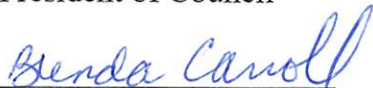
APPROVED November 20, 2017:



Edward L. McCord, Mayor



R. Scott Tobias
President of Council



Brenda Carroll
Clerk / Fiscal Officer

CONTRACT FOR INCOME TAX COLLECTION

This contract made and entered into this ____ day of _____, ____ by and between the Village of Covington, Ohio, hereafter referred to as Village, by Michael Busse, its Village Administrator, Party of the first part: and the City of St. Marys, Ohio, hereafter referred to as City, by Gregory Foxhoven, its Director of Public Service and Safety, Party of the second part:

WITNESSETH:

That, WHEREAS, the council of the Village of Covington has an Income Tax Ordinance, and

WHEREAS, the Village of Covington is desirous of having the Income Tax Division of the City of St. Marys collect said income tax on behalf of Village of Covington.

IT IS AGREED by and between said parties follows:

Said City from and after the first of January, 2018 until and including the 31st day of December, 2020 shall collect all income tax monies due to the Village and under the following conditions:

1. A. Said Village agrees to pay yearly to said City collection fee equal to three and one quarter percent (3.25%).

 B. An invoice shall be issued by the Income Tax Division of the City at the end of each calendar quarter using the above schedule only for those dollars collected for the preceding 3 months as shown on the monthly reports described in paragraph 2 below. All payments shall be due no later than 30 days following the billing date.
2. It is agreed and understood by the parties that monies collected under this agreement shall be deposited to the Village of Covington Income Tax checking account on a daily basis. An accounting of total monies received shall be provided monthly. The Village further agrees to retain a balance of not less than \$300.00 in the checking account for the purpose of avoiding negative balances occurring from depositing checks that are returned by the bank for insufficient funds.
3. It is further understood and agreed between the parties that all machines such as scanners, calculators, and computers, computer software and all desks, chairs and file cabinets as needed and maintenance thereon shall be provided by the City who shall retain ownership thereof: that the City shall provide all paper, miscellaneous machines and the personnel to administer this agreement and pay their wages, including fringe benefits. The City is to provide all other paraphernalia and service necessary to administer said collection program.
4. It is further understood that the Village shall be responsible for all legal action on delinquent accounts, either through civil or criminal action in the Covington Administrator's court or court of competent jurisdiction. All monies and revenue collected as the result of such legal action shall be paid through the City and shall be included as part of the gross income tax proceeds collected.
5. This agreement may be renewed by mutual agreement between the parties.

CONTRACT FOR INCOME TAX COLLECTION

6. It is further agreed and understood by the Parties that if said consideration as specified in Paragraph 1 is inadequate to meet the expense for the administering this contract, the Village agrees to reimburse the City to the extent of the expenses incurred in collecting said income tax.
7. It is agreed and understood that the Village shall appoint a responsible person within the Village of Covington, who shall keep the Income Tax Division of the City advised of changes taking place within the Village of Covington, particularly all new utility accounts, outside contractors, etc., and changes of address as the same become available from time to time and that said person shall be responsible for receiving confidential information from the City and subject to the provisions of ORC 718.13 and the Village of Covington Income Tax Ordinance. The Village of Covington appoints Michael Busse as their designee.
8. It is further understood that the Village shall be responsible for the issuing of all refund checks as authorized by the Tax Commissioner.
9. The Village shall be responsible for compliance with all State requirements with regards to the posting of tax ordinances and rules and regulations on the interest in accordance to ORC 718.07.
10. The City shall not be held responsible for accounting for tax dollars paid directly from the State of Ohio to the Village for payment of income tax from utility and telephone companies. This does not include those funds transmitted through the Ohio Business Gateway.
11. The City shall advise the Village of legislative amendments affecting municipal income tax. The Village shall be responsible for all amendments to its tax ordinance.
12. The Village shall maintain a local Board of Review to consider appeals in accordance with ORC 718.11.
13. It is further agreed between the parties that the within contract may be cancelled by either party by giving ninety days notification of the intention to terminate.
14. The Village agrees to reimburse the City for the costs of audit reports as required by the state auditor's office, to be divided equally between the City's contracted municipalities.

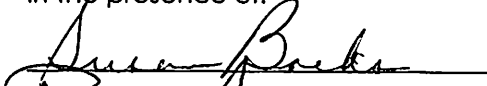
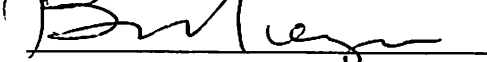
Signed, sealed and acknowledged
in the presence of:

VILLAGE OF COVINGTON

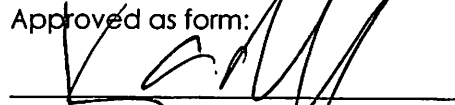
BY: _____
Michael Busse, Village Administrator

CONTRACT FOR INCOME TAX COLLECTION

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in the presence of:

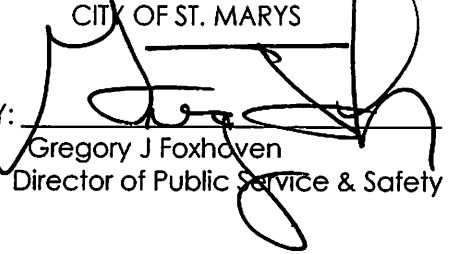



Approved as form:


City of St. Marys Law Director

CITY OF ST. MARYS

BY:


Gregory J Foxhoven
Director of Public Service & Safety

CONTRACT FOR INCOME TAX COLLECTION

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WITNESSETH:

That, WHEREAS, the council of the Village of Covington has an Income Tax Ordinance, and

WHEREAS, the Village of Covington is desirous of having the Income Tax Division of the City of St. Marys collect said income tax on behalf of Village of Covington.

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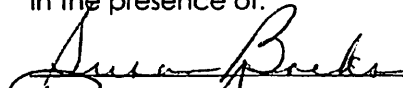
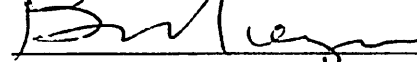
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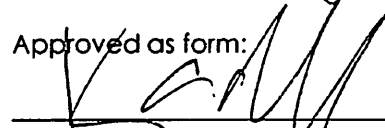
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Signed, sealed and acknowledged
in the presence of:

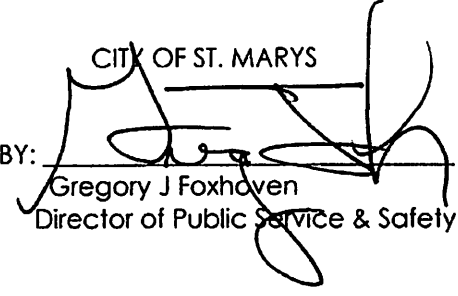



Approved as form:


City of St. Marys Law Director

CITY OF ST. MARYS

BY:


Gregory J Foxhoven
Director of Public Service & Safety

CONTRACT FOR INCOME TAX COLLECTION

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Signed, sealed and acknowledged
in the presence of:

Brenda Carroll

VILLAGE OF COVINGTON

BY: mfb
Michael Busse, Village Administrator

CITY OF ST. MARYS, OHIO

ANGELA BROWN
Tax Commissioner



106 East Spring Street
St. Marys, OH 45885-2363

November 3, 2017

Village of Covington
1 S High St
Covington, OH 45318

Regarding: 2018 through 2020 contract for Income Tax Collection

Dear Mike,

Enclosed is the contract for the collection of income taxes for the Village of Covington. We recently notified you regarding the new flat rate based on tax dollars collected. Your rate for 2018-2020 is 3.25%.

Please sign the enclosed contract, keep a copy for your records and send the original back to me. I will keep the all signed copies in the tax office. If you wish to have an original, let me know.

We look forward to serving your community.

Sincerely,

Angela Brown
Tax Commissioner

Enc.

CITY OF ST. MARYS, OHIO

ANGELA BROWN
Tax Commissioner



106 East Spring Street
St. Marys, OH 45885-2363

October 4, 2017

Village of Covington
Mike Busse
1 S High St
Covington, OH 45318

Dear Mike,

2018 is beginning of the new contract year. In the past, the Tax Commissioner assigned the tax rate for each individual village based on difficulty and time spent on each village. This created 9 different fee schedules. In order to simplify, we have decided to go to a flat rate based on the tax dollars collected.

< \$50,000	\$3,000.00/year
\$50,000-\$100,000	6%
\$100,000-\$500,000	3.5%
\$500,000-1,000,000	3.25%
\$1,000,000-1,500,000	2.5%
>\$1,500,000	1.75%

Add .5% if the village has reduced credit.

This has been a joint decision between the Mayor, Safety Service Director and the Tax Commissioner. The new rate will be based on the average tax dollars collected in the past 3 years. We have tried to keep the rate the same or very close to what you have paid for the past three years. Contracts will be sent out in the next few weeks.

If you have any questions, please contact our office. I will be happy to answer any questions or concerns you may have.

Sincerely,

Angela Brown
Tax Commissioner