Water Works- MSD plan floats our boat

We have complained almost nonstop in this space about the city of Cincinnati’s reluctance to cut costs, jobs or pension benefits, despite its increasingly precarious financial state.

But we’ll take a break from grousing to praise two city agencies that are stepping up to remake themselves and in the process, save money and think creatively about how to make more of the same down the road.

Jon Newberry’s page 3 story this week details plans by the Metropolitan Sewer District and the Greater Cincinnati Water Works to combine many operating functions, saving up to $105 million over the next decade. It will also eliminate about 85 positions as workers retire, according to the story.

What has pushed these two agencies into action? The drastic rise in water and sewer rates, which places a burden on businesses and homeowners. That’s happening because in 2004, the U.S. EPA ordered Cincinnati to fix its antiquated sewer system, which during heavy rain caused sewage to back up into people’s basements, as well as rivers and streams.

MSD tried to go green, proposing solutions like rain gardens and wetlands to soak up the water in a more inexpensive way. But the EPA wasn’t buying that, so the agency agreed to spend $1.8 billion on repairs by 2018, and $4 billion over 20 years.

So MSD and the Water Works are thinking out of the box, which should be encouraging to residents and businesses who have seen their quarterly water/sewer bills skyrocket over the past several years.

And they’re not just thinking about cutting costs. Tony Parrott, executive director of the MSD, told Newberry that the agencies plan to start about a dozen new businesses over the next two years. Water Works is already providing billing services for a couple of cities, and MSD is shopping its incinerator services.

What do you think?

We want your opinion.

Send your letters to cincinnatibusinesscourier.com or call Managing Editor Lisa Benson at (513) 337-9436 with questions. A few guidelines: Keep it brief and civil and remember to mention which news story you’re writing about. No anonymous letters will be printed. All submissions become the property of the Business Courier and will not be returned. Submissions may be edited and may be published or otherwise used in any medium.

Legacy Trust Act preserves the nest egg

On March 27, the Ohio Legacy Trust Act will become effective. Both houses of the Ohio General Assembly passed the enabling legislation (H.B. 479) by unanimous votes, and Gov. John Kasich signed it Dec. 20, 2012.

With this act, Ohio has leaped to the forefront of legitimate asset protection jurisdictions. As of March 27, an individual can create a trust, transfer assets to it, remain as a beneficiary of the trust and enjoy protection from the claims of future creditors against the trust’s assets.

Under current law, a creditor of the creator of the trust can reach the trust’s assets to the max—imum extent that a distribution could have been made to the creator at any time and under any circumstances. A legacy trust, however, will not allow any creditor access to the trust, unless the transfer to the trust was fraudulent or the claim relates to child support or, in the case of a previous or current spouse, to spousal support or property division.

Most creditors will be left with the sole remedy of pursuing trust assets if and when they are distributed by the trustee directly to the trust’s creator. Whether they are financial advisers, lawyers or accountants, the professionals who advise clients in Ohio and beyond need to be aware of this new law and its benefits. Clients seeking peace of mind as to nest-egg assets from future uncertainties will find much relief in the Legacy Trust.

Furthermore, a well-drafted legacy trust can accommodate advanced estate planning techniques designed to legitimately avoid wealth transfer taxes over multiple generations, including the federal gift, estate and generation-skipping transfer taxes.

No longer do Ohioans need to take their businesses to Delaware, South Dakota, the Cook Islands, the Isle of Man and numerous other, mostly foreign, asset protection jurisdictions. Now Ohio advisers will benefit from the retention of business and Ohio’s competitive Legacy Trust Act and other legal infrastructure that attract significant trust business and ancillary legal, accounting and financial management business to the state. No state near Ohio has a comparable set of laws.

Furthermore, this legal infrastructure should foster entrepreneurship in Ohio, because persons who wish to start a new business can be confident that what they have already accumulated will be protected within a legacy trust structure.

Similarly, Ohio’s ability to attract coveted medical specialists will be improved for the same reason. For these reasons, the Legacy Trust Act earned the endorsement of the Ohio Chamber of Commerce and the Ohio State Medical Association.

Many thanks are owed to the former Speaker Pro Tempore of the Ohio House, Louis Blessing Jr., for introducing and promoting this legislation.

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TO THE WEB

For the full details on the Ohio Legacy Trust Act, the 129th General Assembly, Substitute House Bill No. 479, go to http://www.legislature.state.oh.us/bills.cfm?id=129 HB_479.