

**THE CITY OF HURON, OHIO**  
**Proceedings of the Huron City Council**  
**Work Session Meeting Monday, December 30, 2019 at 4:30 p.m.**

A work session meeting of the City Council of the City of Huron, Ohio was called to order by Mayor Sam Artino on Monday, December 30, 2019 at 4:30p.m. in the Council Room of City Hall, 417 Main Street, Huron, Ohio.

The Mayor directed the Clerk to call the roll. The following members of Council answered present: **Sam Artino, Joe Dike, Trey Hardy, Joel Hagy, Christine Crawford, Mark Claus and Monty Tapp.**

Also present: City Manager Andy White, Law Director Benjamin Chojnacki, Finance Director Cory Swaisgood, Assistant to the City Manager Mike Spafford, City Engineer/Zoning Inspector Doug Green, Executive Administrative Assistant and Clerk of Council Terri Welkener, Parks and Recreation Operations Manager Doug Steinwart and Huron Township Building Official John Zimmerman.

**Old Business**

**Bed Tax/Rental Registration – Ordinance 2019-33**

Mr. White indicated that the main purpose of this work session is to set in motion to policy for the rental registration. If Council wants to endorse the project, a referral of zoning changes to the Planning Commission is required. If that is done tonight, it will keep the ball moving to a target deadline of the Planning Commission meeting on January 22, 2020 and then it will be on the clock to be adopted by March.

The current inspection fee of \$50 is probably too low. Sandusky is at the other end of the spectrum at \$500 per unit. The City must go outside of the City's existing resources to have someone conduct the inspections, which would have to be tied to a timeline. Once a person files the registration paperwork, there would be a defined timeline of when the inspection will occur. It will take approximately 1-1/2 months, if outsourced, to get the program up and running. There was some discussion of a grace period for existing businesses so that they are not in violation of any of the existing legislation. This would then expand the 3% bed tax to those transient lodging as well as traditional lodgings. There are two pieces of revenue: (1) the fees generated on the registration and inspection process; and (2) the bed tax. Concerns that have been brought up are timing, liability associated with an inspection that goes awry and there is an incident, and concerns over policing the actual changing demographics of the City from January to June (a street with 50 homes may have 3 people in them right now, versus 6 months from now there are 300). Mr. Hagy asked what the actual cost of the inspection would be, to which Mr. Swaisgood indicated that there are a couple of options for Council to consider. The first would be to hire a part-time enforcer/inspector. Cost-wise, \$50 is too low, and staff is working to find a happy medium. Depending on what Council wants to do, staff will offer options over the next month. The decision regarding fees is not required to make the referral to the Planning Commission. Mr. Chojnacki stated that the administration met two weeks ago to discuss some of the issues that had been raised and identified two policy issues for which Council needs to provide guidance to the administration. The first is a zoning issue – right now, the R-1 zoning district doesn't allow the commercial use (rental). Before Council can move forward with any legislation on the bed tax, the zoning code must be changed to allow for that to be a permitted use. Council has to give the administration policy guidance on whether they are willing to march forward with that type of zoning change. What the City Manager is referring to in making a referral to the Planning Commission is to get that process rolling. If Council makes a referral, that is the first step in cleaning up the first policy hurdle to be cleared to get this tax and the registration process implemented. The second big picture policy decision is an implementation decision. Apparently, the Chief Building Official is overworked and is not going to be capable of handling the inspections at the estimated rate that we anticipate is going to happen. Historically, we have relied upon the Fire Department to provide guidance in that respect, but that is not a feasible option going forward.

Council has to make a choice as to whether you want to have a contract with someone else to do the inspections for you, or potentially look at giving the administration the authority to hire someone on a part-time/full-time basis to provide services for this and other administrative goals depending upon what the needs of the City's administration are. The answer to the cost question is going to be driven by what you want to do as it relates to implementation and enforcement. The City Manager had a couple creative ideas of how to go about accomplishing that goal – the part-time/full-time employee is an option. During the meeting, the option of potentially contracting with the City of Sandusky and their Building Department to facilitate timely inspections. Part of that decision-making process is figuring out how much of an investment you want to make because there is a timing issue from a practical standpoint to address the flood of inspections that are going to happen at the beginning of every year/2 years to make sure that process is in place. We have a legislative work-around to ensure anybody who submits a timely application can rent their property out, but the preference would be to get people "clean" as opposed to holding an inspection to make sure that we can provide the services the citizens want. The goal of the work session it for the administration and Council to talk to one another about those two issues, confirm that we are all on the same page so that the City Manager, the Finance Director and everybody else has an idea of where Council want them to go. The administration estimates 200 units, conservatively. At \$50/hour, that generates \$12,500, which is not sufficient. The Finance Committee could provide some input on deciding on the fee as well. On addition to the individual that is going to be responsible for conducting the inspection, there is a support apparatus that affects the Finance Department, the Clerk's Office, the Engineers, etc. All of those costs would have to be rolled up to make the best estimate of what the fee should be. The revenue that it is generated on the expanded base of the bed tax would be greater. The revenue generated from the bed tax would be reinvested in the City somehow – infrastructure, economic development, parks and recreation. These details cannot be nailed down until the administration has Council's proposal.

Mr. Zimmerman referenced continuing property maintenance issues and how that would be handled. If the City hires someone, whether it be part-time or full-time, that is going to get your inspections and also property maintenance (code enforcement). That person would not have to be credentialed because the code being enforced is not the building code. Mr. Zimmerman said that he would work with the inspector so that he has a list to work off of and with go with that person on some of the inspections to make sure that everything is being done that the code requires. Mr. White agreed saying that the City does not have a specialized individual to deal with day-to-day code issues. This individual would provide a more timely response to code issues. The City is trying to determine how to proactively respond to a citizen's complaint by identifying code issues ahead of time. If a problem is found that is a building issue, that matter would be referred to the Building Official. Mr. Dike mentioned the Kisil property issue where the Law Director at the time said there was nothing the City could do to enforce that. There is a place in Wexford, too, where there are issues. After it goes through the code enforcement and to the Legal Department, the City can't do anything. Mr. White said that the first test case – 315 Wexford Drive – is in process. Mr. Green said that he has been working with Mike Kaufman on that. The final notice was served in person a couple weeks ago. Once the 30 days run on that, Mr. Kaufman will be taking the matter to the Huron Municipal Court, which will outline a path for these issues moving forward. The City has never taken something to the point of court action for a property maintenance issue. Mr. Dike stated that Council should ensure that citizens are treated equally. Mr. Zimmerman stated that he took numerous people to Court when he was Fire Chief. Ms. Crawford asked Mr. Zimmerman if transient rental properties should be re-inspected at 6 months or some other follow-up after the initial permit is granted. Mr. Zimmerman said that the City should stick with the annual or 2-year inspection schedule. It is important to remember that as with any type of inspection, when that inspector walks out they can do anything they want – it is just a snapshot. Annual inspections are fine unless you have a complaint. The registration will be displayed by each rental unit. Mr. Zimmerman thought the inspection charge should be \$300. The inspector may have to go back to reinspect if an issue is identified, so that must be taken into consideration. Mr. Green indicated that one of the changes Council was looking at for the ordinance is 12-month and 24-month certifications. That way, if someone only wants a year, is spreads the inspections out so that 2 years from now they are not all coming

due at the same time. Secondly, if the inspector goes out and looks at a home and it is currently okay to pass but there are things he sees that he wonders about the condition 2 years from now, he could make the decision to only issue a 1-year certificate – it gives the inspector a little bit of flexibility in that regard. A 2-year registration will not cost the same as the 1-year registration, so there would be room for another inspection if another inspection is required during the license term. Mr. Claus confirmed with Mr. Zimmerman that the inspector would be designee of the Building Official. Mr. Zimmerman stated that if he is called in, he would be acting as a housing inspector, not as building official. Mr. Tapp asked about the necessity for a hearing on the referral to the Planning Commission. The code says that they may have a hearing, but Mr. Zimmerman thought that it wouldn't be treated any differently from the other hearing. The Planning Commission will decide if they want a hearing. It is just a general notice for either one. Mr. Green said that the plan was to take it to the Planning Commission as regular business, having them recommendation to Council and having Council set the public hearing. There is no need to have 2 public hearings – the Planning Commission's purpose is just to make a recommendation to Council; they are not making any decisions whatsoever. Mr. White stated that with the current timeline, the City will not realize collection of the full 3% bed tax in 2020, it might not happen until 2021.

Mr. White said that he reached out to the City of Sandusky to talk with them about a potential partnership. We have had general conversations with Perkins Township, also. The problem is that there could be potential political issues relating to Sandusky's fee being \$500 while we are charging only \$300 – how do you justify the contract with the City of Huron while the stakeholders in Sandusky have to pay \$500. You are outsourcing the effort to a neighboring community and they are getting a \$200 discount. Mr. White thought it would be messy, and thought that having an actual body in the office when he and Mr. Green are out on a water line project. We get a lot of headaches from people because sometimes it is hard to get a hold of us, especially during certain times of the year. He believes there is real utility and value looking at the part-time person. Mr. Zimmerman added that the inspector could be switched to full-time if it works out well and that person could be used for code enforcement and making calls to find out who is not reporting transient rentals. Mr. Zimmerman did not recommend an off-duty firefighter for the position because scheduling could be complicated. Mr. Hardy mentioned models previously prepared by staff comparing a full-time to a part-time person for code enforcement that could be brought back into consideration. Mr. White said that the City is in a better position fiscally to have that conversation than 4 years ago when it first came up. The process to register would include coming into City Hall, filling out the registration paperwork, and paying the registration fee to the Christine Gibboney in the Zoning Department. The 3% would be collected by the County because they are already collecting their 4%. The City of Sandusky collects their own bed tax. If we move forward with the bed tax program in Huron, it would be more complicated for the property owner to submit payments to two different entities; having the County collect the funds for the City would be easier and on \$100,000 in tax, it would only cost the City \$2,000 in administrative fees. Mr. Dike asked there could be a dual type of fee where residents of the City of Huron would pay a lower registration fee than out-of-town property owners. Mr. Chojnacki advised against that because everyone must be treated equally in the eyes of the law.

Mr. Chojnacki asked Council members what direction they want the City administration to follow, and should Mr. White get together the part-time cost estimate to hire somebody to do the inspections so that at a subsequent meeting the City Manager can come with a proposal of what it is going to cost. Mr. Hardy suggested a comparison of what the City of Sandusky charges, a part-time employee of Huron working with Mr. Zimmerman and a full-time position encompassing code enforcement as well. There are administrative costs involved as well, including oversight, all of which must be included in those cost estimates. Sandusky is predominantly long-term rentals, whereas the vacation rental community has just started; they only have 100 rentals right now. When asked by Ms. Crawford if there is room in the budget for an additional employee, Mr. Swaisgood stated that this scenario was considered during the budgeting process, and that was assuming the bed tax and registration fees are received. There is room in the budget if the registration fee what it needs to be. This gives us at least a pathway to what Council wants to see,

and we will give you some options. There will be overhead relating to Christine Gibboney, the City Manager's office, etc., all of which will be factored in. A discussion ensued comparing part-time vs. full-time. Mr. Zimmerman advised that it would be best to start with part-time, and then if you find that there is a sufficient workload, move that person to full-time. Mr. Green said that when grass stops growing and weeds stop growing in the winter, there may have been a concern as to what a code enforcement employee would be doing, but if the bed tax is enacted, there will be year-round inspections to be conducted. Mr. White stated that this also addresses the matter of succession planning, as Mr. Zimmerman may want to retire at some point. Whether it's 10 years from now or 15 years from now, the City has derived a great benefit from its relationship with the Township in this endeavor. The City has no Building Department without the Township. The City does not want these eyesores to continue to exist perpetually. We are trying to spur development and bring in investment in some of these areas and it is not very inviting in a couple of those areas. This would be a big help in that regard.

Mr. Green asked Mr. Chojnacki when he will provide drafts of the changes to 1123.01 and 1123.02 so that he can get his Planning Commission agenda packet put together. Mr. Chojnacki said that he would get that to Mr. Green the middle of next week.

### **OPERS Salary Reduction/Fringe Benefit Pick-Up Plan Discussion – Future Legislation**

Mr. Swaisgood said that OPERS has made the City aware that there are some legislative requirements around pre-tax/post-tax pension contributions for all employees and any pension pick-ups. We used Walter Haverfield to draft resolutions, one related to pick-up of City Manager's pension and one related to post and pre-tax of everyone else's pension. Currently, there are two employees in the City that have their contributions taken out pre-tax. Everyone else is post-tax. OPERS is recommending that we be consistent with that, or at least establish legislation on doing both. Through our recommendation with this resolution, staff is recommending everyone go to pre-tax, which is done by most governments. Doing so will result in a few extra dollars in everyone's paycheck, and taxable income will be decreased. The only difference will be that when an employee retires, he or she will be taxed when benefits are drawn down, rather than being taxed now. There is nothing wrong with the way this was done in the past, but OPERS recommended passing legislation in case there any IRS issue. The change will affect everyone right away. If the resolutions are passed at the first meeting in January for approval, the new procedure will start fresh in February moving everyone to pre-tax. The only requirement is that we start in a clean month. OPERS received the resolution drafts from Walter Haverfield and they have been approved. Mr. Chojnacki said that, legally, this is a straightforward process. It is entirely up to Council if they want to do it. The Finance Director and City Manager are bringing us in line with what most municipalities do. Mr. Hardy asked what the statements would look like since this would not be retroactive. Mr. Swaisgood explained that the statements will have separate lines for pre-tax and post-tax contributions.

### **Other Business**

#### **Strategic Planning/Economic Development**

Mayor Artino said that Abbey Beamis of ECEDC sent a draft letter to go out to Council members, which has been reviewed and approved by Mr. White, and will be reviewed by Mr. Chojnacki. This letter will announce two of the major work sessions. Ms. Beamis also has some other letters to the committee chairs that will be part of this as stakeholders. Mr. Chojnacki asked that he be allowed to review those letters are well. Ms. Beamis has already sent e-mail invitations to each member of Council to meet to talk individually. Mr. Chojnacki indicated his concern that these serial meetings didn't sound like a good idea. There are ways that Council members can meet with members of the economic development world in the right way. Mr. Chojnacki doesn't know what Ms. Beamis is proposing, but if she wants to meeting individually one after another, that is a public meeting and not being properly noticed. Mr. Chojnacki asked Mayor Artino to have Ms. Beamis contact him to sort it out.

### **Committee and Board Appointments**

Mayor Artino stated that he had to make some changes due to Mr. Hagy's conflict, which was taken care of. Mayor Artino asked if there was any other discussion – there was none.

### **Beachwood Cove**

Mr. White said that yesterday was a bad day with the amount of rain, so there were some issues at Beachwood Cove. He spoke with Mark Hamilton and met with Kyle Wright over the phone. They have sent a meeting with Ben Chojnacki for next Friday with a specific goal of trying to advance a legislative resolution to this problem to Council for ratification in January. Specifically, there are three entities that have collaborated to solve this issue: Erie County, which is responsible for the ditch maintenance that front the lake; the City, that has drainage ways that go into Beachwood Cove; and the Association itself. The Association has agreed to hire a contractor and the City, with your authorization, would be a financial partner and pay a proportionate share of the overall cost. We have been talking about this since the spring. Sandusky has a process they go through where they have a contractor on call and when an issue like this happens, they go and legislatively declare an emergency, which then allows them to bypass some of the bidding requirements. Mr. White doesn't think this pertains here – we can talk about it and Mr. Chojnacki can give direction – because it doesn't qualify as an emergency if we've been talking about it for this long. Mr. White is not trying to take anything away from the people being affected, but he does not want to put the City in a situation to have some type of a penalty through an audit or some other type of finding. The City's anticipated contribution was budgeted for 2020, and the project is ready to go. Mr. White and Mayor Artino discussed the fact that Beachwood Cove isn't the only subdivision that is on Lake Erie, and the qualifying event here would be important to consider. There are unique variables with regard to this. It is a private property with public agencies that are using it. We have got into a lot of other discussions with out drainage ways, one example of which is Strowbridge (Huron Green). There is a ditch that runs to the lake that constantly floods because it runs through Turtle Bay. We have never been able to come to an agreement because the City Manager cannot authorize City personnel to attack this problem on public property without an agreement. We have talked at length with different property owners and associations to have potential maintenance easements so that we can properly access the property. There are qualifying events that we need to be careful of as we consider this because while there is a lot of subdivisions on the lake, they have a multitude of different characteristics about each one of them. Beachwood Cove is particularly difficult, but it is fairly quick fix if we can get the legislative process going and have that approved. Mr. Dike asked how the City can get the County to participate if another issue arises at a later date. Mr. White stated that the City is going to get creative in how we go after this one because the problem established itself a long time ago. That infrastructure is set up to catch the sediment (and it is hard sediment) so it collects and calcifies until it is almost like concrete. Council should consider language that suggests that this is a specific, peculiar kind of project. Looking forward, the association must collect dues and we may have to participate in that with regard to our drainage ways in a nominal amount of a few hundred dollars vs. a \$50,000 project. It would be designed so that this doesn't happen again. In a perfect world, the association would set up an adequate funding source through all of the groups in the neighborhood that benefit from that drainage. There is something to that effect being done now, but it is new. New subdivisions have to submit a maintenance certificate to their jurisdiction with a plan to maintain its drainage area. The city would accept that plan and monitor it moving forward. Unfortunately, we are dealing with subdivisions that were built in the 1970's and 1980's when none of that existed and some have been maintained and some haven't. Mr. Chojnacki said after the meeting on Friday, he would determine if there is something about this particular arrangement that would justify it being treated differently than any other. Mr. White said that it would have been helpful if the City had always controlled all of these drainage ways, but there are ditches and ponds that are private property and run by associations. Ultimately, Council should be considering if it is appropriate to have drainage way management a function of municipal government regardless of who has control of the property. The Erie County Engineer's Office does annual storm drainage assessments and do the maintenance with the equipment right up to the municipal corporation line and then they stop. The water comes from the lake and goes south, while they come to the

City and it stops. That drainage ditch goes as far south as the turnpike and you would have to go through an assessment process of every single rooftop within a 7-mile area to determine the assessment. Mr. White recommends that City Council consider taking on this responsibility so that we can maintain quality of life. This project could become a boilerplate template for the next one and start to encourage people to participate. We live on the lake and it goes through cyclical changes. The second we finish this project, the pond level will come down, the geese will go away, and the trash and the debris will all be visible on the embankment, and then someone will start to dam up the outflow and on and on it will continue. The intent of this project was for the City to pay for this project. The current discussion is to have the City pay 1/3, the County pay 1/3 and Beachwood Cove pay 1/3. Mr. White said that he would try to have a County representative at next Friday's meeting, but his goal is to try to get clarification. The County may not be considering some of the things the City is worried about, and are ready to go and have the votes to appropriate the funds.

### **Murray Property Development**

There is a developer interested in the Murray property, which is located between Harbor House and the Pier Pub. They would like to be considered to present the project at an Economic Development Committee meeting in January. Specifically, they are looking for a partnership to exchange access to the waterfront for pedestrian access and a public perpetual maintenance easement and a TIF. Mr. White said that the numbers make sense on the face of it, but we didn't have a quorum at the last meeting because absences and conflicts of interest and couldn't go into executive session. That was a little perturbing for them, so he has some work to do to make it right.

### **Power Outage**

48,000 customers were without power at 9:00am. Huron had 6,600 affected properties. By 3:00pm this afternoon, Mr. White got a call from his contact and they had that number down to 38 total homes, which is a great turnaround. Ms. Crawford said that 6,500 sq. ft. of Edison School's roof blew off. Mr. White said that the high-tension lines were ruptured so they have a big job out there to get that operational.

Mayor Artino adjourned the work session meeting at 5:22p.m.

  
Terri S. Welkener, Clerk of Council

Adopted: 14 JAN 2020