



The City of Huron, Ohio
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Agenda for the regular session of City Council
January 14, 2020 at 6:30p.m.

REVISED

- I. **Call to Order** Moment of Silence followed by the Pledge of Allegiance to the Flag
- II. **Roll Call of City Council**
- III. **Approval of Minutes** Minutes of work session & regular Council meeting of December 30, 2019
- IV. **Audience Comments** Citizens may address their concerns to City Council. Please state your name and address for the recorded journal. (3-minute time limit)
- V. **Old Business**
Legal Discussion re: ConAgra Property Swap
Legal Discussion re: Showboat Property
- VI. **New Business**
Resolution 2020-1 A Resolution authorizing City Manager's pre-tax pension "pick up"
Resolution 2020-2 A Resolution authorizing pre-tax pension contributions for all other City employees
- VII. **City Manager's Discussion**
- VIII. **Mayor's Discussion**
- IX. **For the Good of the Order**
- X. **Executive Session(s)**
Executive Session 1 Executive session for conferences with an attorney for the public body concerning disputes involving the public body that are the subject of pending or imminent court action. O.R.C. 121.22(G)(3)
Resolution 2019-79 A Resolution authorizing the city manager to enter into a settlement agreement in the case of *Stacy Chubak Hinnners, et al., v. City of Huron, et al., Erie County Common Pleas Court Case No. 2019 cv 0275*
Executive Session 2 Executive session for the purpose of confidential business information of an applicant for economic development assistance. O.R.C. 121.22(G)(8)
- XI. **Adjournment**



TO: Mayor Artino and City Council
FROM: Andrew D. White, City Manager
RE: Resolution No. 2020-1 and Resolution No. 2020-2
DATE: January 10, 2020

Subject Matter/Background

The Finance Director was recently made aware of legislative requirements from OPERS related to employee contributions and City pick ups. City Council must approve these resolutions in order to comply with state and federal laws. OPERS is giving the City an opportunity for compliance with these laws prior to issuing any penalties. These legislative requirements relate to 1) The City Manager's pension "pick up" as contractually established in the City's Manager's contract (approved by Council), and 2) Pre- and post-tax pension contributions for all other employees.

- 1) **Resolution 2020-1.** OPERS requires a separate resolution from the City Manager's contract, allowing the City to pick up 5% of the City Manager's pension contribution. Nothing will change for the employee or the City. This will not add any cost the City.

- 2) **Resolution 2020-2.** In the past, the City has inconsistently applied employee pension contributions. Two employees have pension contributions deducted on a pre-tax basis and the rest on a post-tax basis. There is nothing wrong with the way it was done in the past; however, OPERS is requesting the City create legislation and decide on pre- or post-tax contributions for all pension eligible employees. Either way, this will not add any cost the City. Employees will see a change in their net pay and pension statements. The difference in pre- and post-tax contributions for employees is whether taxes will be withheld today (through City paycheck) or after retirement when benefits are drawn down. The attached resolution in front of Council will move the City to pre-tax contributions for all employees. This will add a few more dollars to employees' net pay and reduce taxable income for federal and state taxes.

Legal Review

The matter has been reviewed, follows normal legislative procedure and is properly before you.

Recommendation

If the Council is in support of the request, motions waive the three reading rule and to adopt Resolution No. 2020-1 and Resolution No. 2020-2 would be in order.

RESOLUTION NO. 2020-1

Introduced by: Joel Hagy

RESOLUTION THAT THE CITY OF HURON WILL PICK UP FIVE PERCENT (5%) OF THE STATUTORILY REQUIRED CONTRIBUTION TO THE OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM AS A FRINGE BENEFIT FOR THE CITY MANAGER OF THE CITY OF HURON PURSUANT TO INTERNAL REVENUE CODE SECTION 414(h)(2).

WHEREAS, pursuant to federal and Ohio laws, the City of Huron may offset future salary increases and "pick up" (assume and pay) the contributions statutorily required by such elected officials and covered employees to the Ohio Public Employees Retirement System (OPERS) and such individuals will not be required to pay federal and state income taxes on such contributions; and

NOW THEREFORE BE IT ORDAINED BY THE CITY OF HURON, OHIO, THAT:

SECTION 1. Effective February 14, 2020, five percent (5%) of the statutorily required employee contributions to OPERS shall be "picked up" and paid as a fringe benefit by the City of Huron for each person within any of the classes established in Section 2 herein. The "pick up" shall be an offset against future salary increases. This "pick up" by the City of Huron shall be designated as public employee contributions and shall be in lieu of contributions to OPERS by each person within any of the classes established in Section 2 herein. No person subject to this "pick up" shall have the option of choosing to receive the statutorily required contribution to OPERS directly instead of having it "picked up" by the City of Huron or of being excluded from the "pick up". The City of Huron shall, in reporting and making remittance to OPERS, report that the public employees contribution for each person subject to this "pick up" has been made as provided by the statute. Therefore, contributions, although designated as employee contributions, are employer-paid, and employees do not have the option to receive the contributions directly. All contributions are paid by the employer directly to the plan.

SECTION 2. The "pick up" by the City of Huron provided by this resolution shall apply to the City of Huron's City Manager.

SECTION 3. Under the fringe benefit method of employer pick up, salary is not modified; however, the employer will pay five percent (5%) of the employee's statutorily required contribution to OPERS. The remaining contributions will be handled in the salary reduction manner.

SECTION 4. The treasurer and/or the clerk are hereby authorized and directed to implement the provisions of this resolution to institute the “pick up” of five percent (5%) the statutorily required contributions to OPERS for those persons reflected in Section 2 herein so as to enable them to have five percent (5%) of their employee contributions paid by their employer as a fringe benefit.

Sam Artino, Mayor

ATTEST: _____
Clerk of Council

ADOPTED: _____

RESOLUTION NO. 2020-2

Introduced by: Joel Hagy

RESOLUTION THAT THE CITY OF HURON WILL PICK UP THE STATUTORILY REQUIRED CONTRIBUTION TO THE OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM FOR THE EMPLOYEES OF THE CITY OF HURON PURSUANT TO INTERNAL REVENUE CODE SECTION 414(h)(2).

WHEREAS, pursuant to federal and Ohio laws, the federal and state income taxes on a portion of the wages or salaries of the employees of the City of Huron will be deferred if the City of Huron “picks up” (assumes and pays) the contributions statutorily required to be made by such elected officials and covered employees to Ohio Public Employees Retirement System (OPERS); and

WHEREAS, the City of Huron will not incur any additional costs in the picking up of such contributions.

NOW THEREFORE BE IT ORDAINED BY THE CITY OF HURON, OHIO, THAT:

SECTION 1. Effective February 14, 2020, the full amount of the statutorily required employee contributions to OPERS shall be withheld from the gross pay of each person within any of the classes established in Section 2 herein and shall be “picked up” (assumed and paid to OPERS) by the City of Huron. This “pick up” by the City of Huron shall be designated as public employee contributions and shall be in lieu of contributions to OPERS by each person within any of the classes established in Section 2 herein. No person subject to this “pick up” shall have the option of choosing to receive the statutorily required contribution to OPERS directly instead of having it “picked up” by the City of Huron or of being excluded from the “pick up”. The City of Huron shall, in reporting and making remittance to OPERS, report that the public employee contribution for each person subject to this “pick up” has been made as provided by the statute. Therefore, contributions, although designated as employee contributions, are employer-paid, and employees do not have the option to receive the contributions directly. All contributions are paid by the employer directly to the plan.

SECTION 2. The “pick up” by the City of Huron provided by this resolution shall apply to all persons that are employees of the City of Huron who are or become contributing members of OPERS, except for the City Manager.

SECTION 3. The City of Huron’s method of payment of salary to employees who are participants in OPERS is hereby modified as provided in Section 4, in order to provide for a salary reduction pick up of employee contributions to OPERS.

SECTION 4. The total salary for each employee shall be the salary otherwise payable under the City of Huron’s policies. Such total salary of each employee shall be payable by the City of Huron in two parts: (a) deferred salary and (b) cash salary. An employee’s deferred salary shall be equal to that percentage of that employee’s total salary which is required from time to time by OPERS to be paid as an employee contribution by that employee, and shall be paid by the City of Huron

to OPERS on behalf of that employee as a pick up and in lieu of the OPERS employee contribution otherwise payable by that employee. An employee's cash salary shall be equal to that employee's total salary less the amount of the pick up for that employee, and shall be payable, subject to applicable payroll deductions, to that employee. The City of Huron shall compute and remit its employer contributions to OPERS based upon an employee's total salary. The total combined expenditures of the City of Huron for such employees' total salaries payable under applicable City of Huron policies and the pick-up provisions of this City of Huron shall not be greater than the amounts it would have paid for those items had this provision not been in effect.

SECTION 5. The treasurer and/or the clerk are hereby authorized and directed to implement the provisions of this resolution to institute the "pick up" of the statutorily required contributions to OPERS for those persons reflected in Section 2 herein so as to enable them to obtain the result in federal and state tax deferments.

Sam Artino, Mayor

ATTEST: _____
Clerk of Council

ADOPTED: _____

RESOLUTION NO. 2019-79

Introduced by Mayor Sam Artino

A RESOLUTION AUTHORIZING THE CITY MANAGER AND CITY COUNCIL TO ENTER INTO A SETTLEMENT AGREEMENT IN THE CASE OF *STACY CHUBAK HINNERS, ET AL., V. CITY OF HURON, ET AL., ERIE COUNTY COMMON PLEAS COURT CASE NO. 2019 CV 0275*

WHEREAS, Stacy Chubak Hinnners and Jason Hinnners (“Respondents”) filed a lawsuit against the City of Huron and members of City Council (“City”) claiming Respondents City of Huron and its Councilmembers violated Ohio’s Open Meetings Act, O.R.C. 121.22, on or about January 9, 2018 through on or about December 11, 2018; and

WHEREAS, the Respondents and the City have reached an agreement to settle and resolve the pending lawsuit; and

WHEREAS, this Council believes that it is in the best interest of the City and its residents to enter into a Settlement Agreement to fully settle and resolve the pending lawsuit.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HURON, OHIO, THAT:

SECTION 1. The City Manager and City Council are hereby authorized to enter into a Settlement Agreement in the case of *Stacy Chubak Hinnners, et al. v. City of Huron, et al.*, Erie County Common Pleas Court case number 2019 CV 0275, before the Erie County Court of Common Pleas, in substantially the form attached hereto as Exhibit A.

SECTION 2: This Council hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Council and that all deliberations of this Council and of its committees, if any, which resulted in formal action, were taken in meetings open to the public in full compliance with applicable legal requirements, including O.R.C. §121.22 of the Revised Code.

SECTION 3: This Resolution shall be in full force and effect from and immediately after its adoption.

Sam Artino, Mayor

ATTEST: _____
Clerk of Council

ADOPTED: _____