



The City of Huron, Ohio  
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Agenda for the regular session of City Council  
**December 11, 2018 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** Regular meeting of November 13, & work session meeting of November 27, 2018.
- 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**
- Ordinance 2018-32 An ordinance amending Sections 189.02-Definitions, 189.03-Imposition of Tax, 189.07-Statement and Charge of Tax, and 189.08-Registration within Chapter 189 -Lodging Tax, to incorporate transient accommodations. (2<sup>nd</sup> Reading)
- Ordinance 2018-33 An ordinance repealing Chapter 1369-Rooming Houses, within the Building Code, and replacing same with Chapter 1369- Transient Rental Property. (2<sup>nd</sup> Reading)
- Ordinance 2018-34 An ordinance amending Chapter 905-Culverts, Drains, Ditches within the Streets, Utilities, and Public Services Code. (2<sup>nd</sup> Reading)
- VI. New Business**
- Resolution 2018-94 A resolution authorizing a collective bargaining agreement with AFSCME for the contract term of January 1, 2019 through December 31, 2021.
- Resolution 2018-95 A resolution authorizing an extension of the agreement with Juniper CRE for the provision of marketing and economic development services.
- Resolution 2018-96 A resolution authorizing the submission of a Marine Patrol grant application by the HPD.
- Resolution 2018-97 A resolution authorizing an agreement with Engineered Process Systems for the provision of electrical consulting services for 2019.
- Resolution 2018-98 Transfers
- Ordinance 2018-35 Budget Appropriation (2018 closeout)
- Public Hearing: 2019 Proposed Municipal Budget**
- Ordinance 2018-36 Budget Appropriation (2019 Municipal Budget)

Ordinance 2018-37	An ordinance amending Codified Ordinance Section 161.04 (a) -Position & Salary Schedule.
Ordinance 2018-38	An ordinance amending Codified Ordinance Section 161.04.1- Salaries of the Law Director, Finance Director, Service Director, Fire Chief and Police Chief.
Ordinance 2018-39	An ordinance acknowledging the donation of 7.51 acres of real property by Dr. David and Mrs. Carole Dreffer to the City of Huron.
Ordinance 2018-40	An ordinance authorizing a license agreement with Key Real Estate LTD, LLC for a portion of real property owned by the City of Huron.
Ordinance 2018-41	An ordinance authorizing a purchase agreement with Liberty Development for a 3 acre portion of property located on the ConAgra property.
Motion	Board/Committee/Commission Appointments

**VII. City Manager's Discussion**

**VIII. Mayor's Discussion**

**IX. For the Good of the Order**

**X. Executive Session**

**XI. Adjournment**



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Ordinance No. 2018-32  
**DATE:** December 3, 2018

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**Subject Matter/Background**

Ordinance No. 2018-32 will be on the December 11<sup>th</sup> for its second of the recommended three readings. Should Council have any recommend changes to the proposed amendment, Administration would advise to entertain discussion at the meeting of December 11<sup>th</sup> in order for Administration to revise the legislation in advance of the third/final reading.

**Summary**

Ordinance No. 2018-32 amends four sections of Chapter 189-Lodging Tax of the Codified Ordinances. Exhibit A of the ordinance is the Lodging Tax as it currently exists with Exhibit B representing the proposed modifications.

Under current legislation, the lodging tax is applicable to hotels. A hotel by definition has five or more rooms for accommodating guests. Under the proposed legislation, the new category of transient accommodation is created. Transient accommodations contain less than five rooms for accommodating guests and would incorporate short term weekly/weekend rental houses. By definition, a transient accommodation is available for less than thirty days rental. These properties are not currently subject to the 3% lodging tax. Additionally, the legislation will require owner/operators of all transient rental properties to register with the city.

Erie County and Sandusky passed similar legislation in 2018 and the matter has been discussed throughout the year at the Finance Committee and City Council levels and identified as a legislative item for consideration. The Erie County Auditor's office has established an internal mechanism to manage the additional lodging tax collections.

**Financial Review**

A conservative estimate of \$25,000 in revenue has been included in the 2019 proposed budget to be directed to the Recreation Fund as is currently being done with receipted bed tax revenue.

**Legal Review**

This matter has been reviewed and is properly before you.

**Recommendation**

The legislation is placed before you for its second reading. The administration is recommending the legislation be heard for three readings.

**ORDINANCE NO. 2018-32**

**AN ORDINANCE AMENDING SECTIONS 189.02-DEFINITIONS, 189.03-IMPOSITION OF TAX, 189.07-STATEMENT AND CHARGE OF TAX, AND 189.08-REGISTRATION; ALL OF CHAPTER 189 LODGING TAX OF THE CITY OF HURON CODIFIED ORDINANCES.**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HURON, OHIO:**

**SECTION 1.** That Sections 189.02- Definitions, 189.03-Imposition of Tax, 189.07-State and Charge of Tax, and 189.08-Registration all of Chapter 189 – Lodging Tax of the Codified Ordinances of the City of Huron which currently reads as follows: (refer to Exhibit “A” attached), shall be and hereby are amended.

**SECTION 2.** That Sections 189.02- Definitions, 189.03-Imposition of Tax, 189.07-State and Charge of Tax, and 189.08-Registration all of Chapter 189 – Lodging Tax of the Codified Ordinances of the City of Huron are hereby amended to read as follows: (refer to Exhibit “B” attached).

**SECTION 3.** That Sections 189.02- Definitions, 189.03-Imposition of Tax, 189.07-State and Charge of Tax, and 189.08-Registration all of Chapter 189 – Lodging Tax of the Codified Ordinances of the City of Huron, as existing prior to the adoption of this Ordinance shall be, and the same hereby are, repealed.

**SECTION 4.** It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including O.R.C. §121.22.

**SECTION 5.** This ordinance will take effect thirty (30) days following adoption.

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Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_

**CHAPTER 189**  
**Lodging Tax**

<b>189.1</b>	<b>Purpose.</b>	<b>189.11</b>	<b>Penalties and interest.</b>
<b>189.2</b>	<b>Definitions.</b>	<b>189.12</b>	<b>Failure to collect;</b> <b>assessments; refunds.</b>
<b>189.3</b>	<b>Imposition of tax.</b>	<b>189.13</b>	<b>Appeals.</b>
<b>189.4</b>	<b>Exemptions.</b>	<b>189.14</b>	<b>Collection.</b>
<b>189.5</b>	<b>False evidence of</b> <b>tax-exempt status.</b>	<b>189.15</b>	<b>Collection of tax after</b> <b>termination of chapter.</b>
<b>189.6</b>	<b>Payment by transient</b> <b>guest.</b>	<b>189.16</b>	<b>Disposition of funds</b> <b>collected.</b>
<b>189.7</b>	<b>Statement and charge of tax.</b>	<b>189.17</b>	<b>Separability.</b>
<b>189.8</b>	<b>Registration.</b>	<b>189.99</b>	<b>Violations; penalty.</b>
<b>189.9</b>	<b>Records.</b>		
<b>189.10</b>	<b>Returns and payment.</b>		

**CROSS REFERENCES**

State Authority- see Ohio R.C. 5739.08  
City Income Tax - see Ch. 185

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**189.1 PURPOSE.**

To provide revenues for the general fund to be used for municipal purposes including but not limited to the promotion of tourism in the City and all matters related thereto, this lodging tax is established.

(Ord. 2005-2. Passed 1-24-05.)

**189.2 DEFINITIONS.**

As used in this chapter, the following words shall have the meaning ascribed to them in this Section, except as and if the context clearly indicates or requires a different meaning.

- (a) "Administrator" means the individual designated pursuant to Chapter 185, who is to administer and enforce the provisions of this chapter.
- (b) "Board of Review" means the Board of Review created by and constituted as provided in Section 185.12.
- (c) "City" means the City of Huron, Ohio.
- (d) "Hotel" means every establishment kept, used, maintained, advertised or held out to the public to be a place where sleeping accommodations are offered to guests, in which five or more rooms are used for the accommodation of such guests, whether such rooms are in one or several structures (including but not limited to motels and bed and breakfast establishments).

- (e) "Occupancy" means the use or possession, or the right to the use or possession, of any room or rooms or space or portion thereof, in any hotel for dwelling, lodging or sleeping purposes. The use or possession or the right to use or possess any room or any suite of connecting rooms as office space, banquet or private dining rooms, or exhibit, sample or display space shall not be considered occupancy within the meaning of this definition unless the person exercising occupancy uses or possesses, or has the right to use or possess, all or any portion of such room or suite of rooms for dwelling, lodging or sleeping purposes.
- (f) "Operator" means any person who is the proprietor of a hotel, whether in the capacity of owner, lessee, licensee or any other capacity. Where the operator performs his functions through a managing agent of any type or character, other than an employee, the managing agent shall be deemed an operator for the purposes of this Chapter and shall have the same duties and liabilities as his or her principal. Compliance with the provisions of this chapter by either the principal or the managing agent shall, however, be considered to be compliance by both.
- (g) "Person" means a "person" as defined in Section 185.02(v).
- (h) "Rent" means the consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or service of any kind or nature, and also any amount for which the occupant is liable for the occupancy without any deduction therefrom whatsoever.
- (I) "State" means the State of Ohio.
- (j) "Transient Guests" means persons occupying a room or rooms for sleeping accommodations for less than 30 consecutive days.  
(Ord. 2005-2. Passed 1-24-05.)

### **189.3 IMPOSITION OF TAX.**

(a) For the purpose of providing revenue for the purpose set forth in Section 189.01, an excise tax is levied on transactions by which lodging by a hotel is or is to be furnished to transient guests.

(b) The tax is 3% on all rents paid or to be paid by transient guests for the lodging. Such tax constitutes a debt owed by the transient guest to the City, which debt is extinguished only by payment to the operator as trustee for the City, or to the City. The tax applies and is collectible at the time the lodging is furnished regardless of the time when the rent is paid.

(c) For the purpose of the proper administration of this Chapter and to prevent the evasion of the tax, it is presumed that all lodging furnished by hotels in the City to transient guests is subject to the tax until the contrary is established.  
(Ord. 2005-2. Passed 1-24-05.)

### **189.4 EXEMPTIONS.**

(a) No tax shall be imposed under this chapter on:

- (1) Rents not within the taxing power of the City under the Constitution or laws of the State or the United States of America; or
- (2) Rents paid by the City or any of its political subdivisions.

(b) No exemption claimed under (a) above shall be granted except on a claim therefor made at the time the rent is collected and under penalty of perjury on a form prescribed by the Administrator. All claims of exemption shall be made in the manner prescribed by the Administrator. (Ord. 2005-2. Passed 1-24-05.)

**189.5 FALSE EVIDENCE OF TAX-EXEMPT STATUS.**

No transient guest shall refuse to pay the full tax as required by this chapter or present to the operator false evidence indicating that the lodging as furnished is not subject to the tax. (Ord. 2005-2. Passed 1-24-05.)

**189.6 PAYMENT BY TRANSIENT GUEST.**

(a) The tax imposed by this chapter shall be paid by the transient guest to the operator, and each operator shall collect from the transient guest the full and exact amount of the tax payable on each taxable lodging.

(b) If the transaction is claimed to be exempt, the transient guest must furnish to the operator, and the operator must obtain from the transient guest, a certificate specifying the reason that the sale is not legally subject to the tax. If no certificate is obtained, it shall be presumed that the tax applies.

(Ord. 2005-2. Passed 1-24-05.)

**189.7 STATEMENT AND CHARGE OF TAX.**

(a) The tax to be collected shall be stated and charged separately from the rent and shown separately on any record thereof, at the time when the occupancy is arranged or contracted and charged for, and on every evidence of occupancy or any bill or statement or charge made for such occupancy issued or delivered by the operator. The tax shall be paid by the occupant to the operator as trustee for and on account of the City and the operator shall be liable for the collection thereof and for the remittance of the tax to the Administrator.

(b) No operator of a hotel shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator, or that it will not be added to the rent, or that, if added, any part will be refunded except in the manner hereinafter provided.

(Ord. 2005-2. Passed 1-24-05.)

**189.8 REGISTRATION.**

Within 30 days after the effective date of Ordinance 2005-2, passed January 24, 2005 or within 30 days after commencing business, whichever is later, each operator of any hotel renting lodging to transient guests shall register the hotel with the Administrator and obtain from the Administrator a Transient Occupancy Registration Certificate, which Certificate shall be at all times posted in a conspicuous place on the premises. The Certificate shall, among other things, state the following:

- (a) The name of the operator;
- (b) The address of the hotel;
- (c) The date upon which the Certificate was issued; and
- (d) "This Transient Occupancy Registration Certificate signifies that the person named on the face hereof has fulfilled the requirements of the Lodging Tax Ordinance by registering with the Administrator of the City of Huron for the purpose of collecting from transient guests the Lodging Tax and remitting that tax to the Administrator of the City of Huron. This Certificate does not constitute a permit."

(Ord. 2005-2. Passed 1-24-05.)

**189.9 RECORDS.**

Each operator shall keep complete and accurate records of lodging furnished, together with a record of the tax collected thereon, which shall be the amount due under this chapter, and shall keep all invoices and other pertinent documents. If the operator furnishes lodging not subject to the tax, the operator's records shall show the identity of the transient guest, if the sale was not exempted by reason of such identity, or the nature of the transaction if exempted for any other reason. The records and other documents shall be opened during business hours to the inspection of the Administrator and shall be preserved for a period of three years, unless the Administrator, in writing, consents to their destruction within that period, or unless the Administrator orders that such records be kept for a longer period of time.

(Ord. 2005-2. Passed 1-24-05.)

**189.10 RETURNS AND PAYMENT.**

Each operator shall, on or before the last day of the month following the close of each calendar quarter, or at the close of any shorter reporting period that may be established by the Administrator, make a return to the Administrator, on forms provided by the Administrator, of the total rents charged and received and the amount of tax collected by transient occupancies. All claims for exemption from tax filed by transient guests with the operator during the reporting period shall be filed with the report. At the time the return is filed, the full amount of the tax collected shall be remitted to the Administrator. The Administrator may establish shorter reporting periods for any Certificate holder if the Administrator deems it necessary in order to insure collection of the tax, and the Administrator may require further information in the return if such information is pertinent to the collection of the tax. Returns and payments are due immediately upon cessation of business for any reason. All taxes collected by operators pursuant to this Chapter shall be held in trust for the account of the City until payment is made to the Administrator. All returns and payments submitted by each operator shall be treated as confidential by the Administrator and shall not be released by the Administrator except on order of a court of competent jurisdiction or to an officer or agent of the United States of America, the State, the County of Erie or the City for official use only.

(Ord. 2005-2. Passed 1-24-05.)

**189.11 PENALTIES AND INTEREST.**

(a) Original delinquency. Any operator who fails to remit any tax imposed by this Chapter within the time required shall pay a penalty equal to 10% of the amount of the tax, in addition to the tax.

(b) Continued delinquency. Any operator who fails to remit any delinquent remittance on or before a period of 30 days following the date on which the remittance became delinquent shall pay a second delinquency penalty equal to 10% of the amount of the tax and previous penalty in addition to the tax and the 10% penalty first imposed. An additional penalty equal to 10% of the total tax and penalty of the previous 30-day period shall be added for each successive 30-day period that the occupant remains delinquent, but the accumulated penalty shall not exceed 100% of the delinquent remittance.

(c) Fraud. If the Administrator determines that the nonpayment of any remittance due under this chapter is due to fraud, a penalty equal to 25% of the amount of the tax shall be added thereto, in addition to the penalties stated in (a) and (b) above.



(d) Interest. In addition to the previous penalties imposed, any operator who fails to remit any tax imposed by this chapter shall pay interest at the rate of 1.0% per month, or fraction thereof, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid.

(e) Penalties during pendency of hearing or appeal. No penalty provided under the terms of this Chapter shall be imposed during the pendency of any hearing provided for herein or during the pendency of any appeal to the Board of Review.  
(Ord. 2005-2. Passed 1-24-05.)

#### **189.12 FAILURE TO COLLECT; ASSESSMENTS; REFUNDS.**

If any operator fails or refuses to collect the tax and to make, within the time provided in this chapter, any report and remittance of such tax or any portion thereof required by this chapter, the Administrator shall proceed in such manner as he may deem best to obtain facts and information on which to base his estimate of the tax due and shall have the same investigative powers described in Section 185.09(a) and (b). As soon as the Administrator procures such facts and information as the Administrator is able to obtain on which to base the assessment of any tax imposed by this chapter and payable by any operator who has failed or refused to collect it and to make such report and remittance, the Administrator shall proceed to determine and assess against such operator the tax, interest and penalties provided for by this chapter. In case such determination is made, the Administrator shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the operator so assessed at the operator's last known place of business. Such operator may, within ten days after the serving or mailing of such notice, make application in writing to the Administrator for a hearing on the amount assessed. If application by the operator for a hearing is not made within the time prescribed, the tax, interest and penalties, if any, determined by the Administrator shall become final and conclusive and immediately due and payable. If such application is made, the Administrator shall give not less than five days written notice in the manner prescribed herein to the operator to show cause at a time and place fixed in such notice why such amount specified therein should not be fixed for such tax, interest and penalties. At such hearing, the operator may appear and offer evidence why such specified tax, interest and penalties should not be so fixed. After the hearing, the Administrator shall determine the proper tax to be remitted and shall thereafter give written notice to the person in the manner prescribed herein of such determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable after 15 days unless an appeal is taken as provided by Section 189.13. No assessment shall be made against an operator for any tax, interest or penalty imposed by or pursuant to this Chapter more than four years after the due date for the remittance of the tax imposed by this Chapter or the date the return of such tax is filed, whichever is later. No statute of limitation on assessments exists where (i) the Administrator has substantial evidence of amounts of tax collected by an operator from transient guests that were not returned to the Administrator or (ii) the operator failed to file a return as required by this Chapter. A claim for refund to the Administrator of any tax illegally or erroneously paid, collected and/or remitted shall be made in the manner, and within the time, prescribed by Ohio R.C. 5739.07, including any amendments or successor provisions thereto. (Ord. 2005-2. Passed 1-24-05.)

**189.13 APPEALS.**

Any operator aggrieved by any decision of the Administrator with respect to the amount of such tax, interest and penalties, if any, may appeal to the Board of Review by filing a notice of appeal with it within ten days of the serving or mailing of the determination of tax due. The Board of Review shall fix a time and place for hearing the appeal, and shall give notice in writing to such operator at the last known place of business of the operator. The findings of the Board of Review shall be final and conclusive and shall be served on the appellant in the manner prescribed above for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of notice.  
(Ord. 2005-2. Passed 1-24-05.)

**189.14 COLLECTION.**

Any tax required to be paid by a transient guest under the provisions of this Chapter shall be deemed a debt owed by the transient guest to the City. Any tax collected by an operator that has not been paid to the City shall be deemed a debt owed by the operator to the City. Any person owing money to the City under the provisions of this Chapter shall be liable to an action brought in the name of the City for the recovery of such amount.  
(Ord. 2005-2. Passed 1-24-05.)

**189.15 COLLECTION OF TAX AFTER TERMINATION OF CHAPTER.**

This chapter shall continue effective insofar as the levy of the tax is concerned until revoked, and insofar as the collection of the tax levied hereunder and actions or proceedings for collecting any tax so levied or enforcing any provisions of this chapter are concerned, it shall continue effective until all of such taxes levied in the aforesaid period are fully paid and any and all suits and prosecutions for the collection of such taxes or for the punishment of violations of this chapter have been fully terminated, subject to the limitations contained in Section 189.99.  
(Ord. 2005-2. Passed 1-24-05.)

**189.16 DISPOSITION OF FUNDS COLLECTED.**

By the passage of this chapter, it is the expressed intention of Council to place the funds derived from the imposition of the tax herein imposed in the general fund, such funds to be used as set forth in Section 189.01.  
(Ord. 2005-2. Passed 1-24-05.)

**189.17 SEPARABILITY.**

If any sentence, clause, section or part of this chapter or any tax against any individual or any of the several groups specified herein is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall affect only such clause, sentence, section or part of this chapter and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this chapter. It is hereby declared to be the intention of Council that this chapter would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.  
(Ord. 2005-2. Passed 1-24-05.)

**189.99 VIOLATIONS; PENALTY.**

Whoever violates or fails to comply with any of the provisions of Sections 189.01 through 189.17 for which no penalty is otherwise provided is guilty of a minor misdemeanor. Each day the violation continues shall be deemed a separate violation.  
(Ord. 2005-2. Passed 1-24-05.)

**CHAPTER 189**  
**Lodging Tax**

<b>189.01 Purpose.</b>	<b>189.11 Penalties and interest.</b>
<b>189.02 Definitions.</b>	<b>189.12 Failure to collect; assessments; refunds.</b>
<b>189.03 Imposition of tax.</b>	<b>189.13 Appeals.</b>
<b>189.04 Exemptions.</b>	<b>189.14 Collection.</b>
<b>189.05 False evidence of tax-exempt status.</b>	<b>189.15 Collection of tax after termination of chapter.</b>
<b>189.06 Payment by transient guest.</b>	<b>189.16 Disposition of funds collected.</b>
<b>189.07 Statement and charge of tax.</b>	<b>189.17 Separability.</b>
<b>189.08 Registration.</b>	<b>189.99 Violations; penalty.</b>
<b>189.09 Records.</b>	
<b>189.10 Returns and payment.</b>	

**CROSS REFERENCES**

State Authority- see Ohio R.C. 5739.08  
City Income Tax - see Ch. 185

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**189.01 PURPOSE.**

To provide revenues for the general fund to be used for municipal purposes including but not limited to the promotion of tourism in the City and all matters related thereto, this lodging tax is established.

(Ord. 2005-2. Passed 1-24-05.)

**189.02 DEFINITIONS.**

As used in this chapter, the following words shall have the meaning ascribed to them in this Section, except as and if the context clearly indicates or requires a different meaning.

- (a) "Administrator" means the individual designated pursuant to Chapter 185, who is to administer and enforce the provisions of this chapter.
- (b) "Board of Review" means the Board of Review created by and constituted as provided in Section 185.12.
- (c) "City" means the City of Huron, Ohio.
- (d) "Hotel" means every establishment kept, used, maintained, advertised or held out to the public to be a place where sleeping accommodations are offered to guests, in which five or more rooms are used for the accommodation of such guests, whether such rooms are in one or several structures (including but not limited to motels and bed and breakfast establishments).
- (e) "Transient accommodation" means every establishment kept, used, maintained, advertised or held out to the public to be a place where sleeping accommodations are offered to guests in which four (4) or less rooms are used for the accommodations of such guests, whether such rooms are in one (1) or several structures.

- (f) "Occupancy" means the use or possession, or the right to the use or possession, of any room or rooms or space or portion thereof, in any hotel or **transient accommodation** for dwelling, lodging or sleeping purposes. The use or possession or the right to use or possess any room or any suite of connecting rooms as office space, banquet or private dining rooms, or exhibit, sample or display space shall not be considered occupancy within the meaning of this definition unless the person exercising occupancy uses or possesses, or has the right to use or possess, all or any portion of such room or suite of rooms for dwelling, lodging or sleeping purposes.
- (g) "Operator" means any person who is the proprietor of a hotel or **transient accommodation**, whether in the capacity of owner, lessee, licensee or any other capacity. Where the operator performs his functions through a managing agent of any type or character, other than an employee, the managing agent shall be deemed an operator for the purposes of this Chapter and shall have the same duties and liabilities as his or her principal. Compliance with the provisions of this chapter by either the principal or the managing agent shall, however, be considered to be compliance by both.
- (h) "Person" means a "person" as defined in Section 185.02(v).
- (i) "Rent" means the consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or service of any kind or nature, and also any amount for which the occupant is liable for the occupancy without any deduction therefrom whatsoever.
- (l) "State" means the State of Ohio.
- (j) "Transient Guests" means persons occupying a room or rooms for sleeping accommodations for less than 30 consecutive days.  
(Ord. 2005-2. Passed 1-24-05.)

### **189.03 IMPOSITION OF TAX.**

(a) For the purpose of providing revenue for the purpose set forth in Section 189.01, an excise tax is levied on transactions by which lodging by a hotel or **transient accommodation** is or is to be furnished to transient guests.

(b) The tax is 3% on all rents paid or to be paid by transient guests for the lodging. Such tax constitutes a debt owed by the transient guest to the City, which debt is extinguished only by payment to the operator as trustee for the City, or to the City. The tax applies and is collectible at the time the lodging is furnished regardless of the time when the rent is paid.

(c) For the purpose of the proper administration of this Chapter and to prevent the evasion of the tax, it is presumed that all lodging furnished by hotels in the City to transient guests is subject to the tax until the contrary is established.  
(Ord. 2005-2. Passed 1-24-05.)

### **189.04 EXEMPTIONS.**

- (a) No tax shall be imposed under this chapter on:
  - (1) Rents not within the taxing power of the City under the Constitution or laws of the State or the United States of America; or
  - (2) Rents paid by the City or any of its political subdivisions.

(b) No exemption claimed under (a) above shall be granted except on a claim therefor made at the time the rent is collected and under penalty of perjury on a form prescribed by the Administrator. All claims of exemption shall be made in the manner prescribed by the Administrator. (Ord. 2005-2. Passed 1-24-05.)

**189.05 FALSE EVIDENCE OF TAX-EXEMPT STATUS.**

No transient guest shall refuse to pay the full tax as required by this chapter or present to the operator false evidence indicating that the lodging as furnished is not subject to the tax. (Ord. 2005-2. Passed 1-24-05.)

**189.06 PAYMENT BY TRANSIENT GUEST.**

(a) The tax imposed by this chapter shall be paid by the transient guest to the operator, and each operator shall collect from the transient guest the full and exact amount of the tax payable on each taxable lodging.

(b) If the transaction is claimed to be exempt, the transient guest must furnish to the operator, and the operator must obtain from the transient guest, a certificate specifying the reason that the sale is not legally subject to the tax. If no certificate is obtained, it shall be presumed that the tax applies.

(Ord. 2005-2. Passed 1-24-05.)

**189.07 STATEMENT AND CHARGE OF TAX.**

(a) The tax to be collected shall be stated and charged separately from the rent and shown separately on any record thereof, at the time when the occupancy is arranged or contracted and charged for, and on every evidence of occupancy or any bill or statement or charge made for such occupancy issued or delivered by the operator. The tax shall be paid by the occupant to the operator as trustee for and on account of the City and the operator shall be liable for the collection thereof and for the remittance of the tax to the Administrator.

(b) No operator of a hotel or transient accommodation shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator, or that it will not be added to the rent, or that, if added, any part will be refunded except in the manner hereinafter provided.

(Ord. 2005-2. Passed 1-24-05.)

**189.08 REGISTRATION.**

Within 30 days after the effective date of Ordinance 2005-2, passed January 24, 2005 or within 30 days after commencing business, whichever is later, each operator of any hotel renting lodging to transient guests shall register the hotel with the Administrator and obtain from the Administrator a Transient Occupancy Registration Certificate, which Certificate shall be at all times posted in a conspicuous place on the premises. Within 30 days after the effective date of Ordinance 2018-\_\_\_\_\_, passed \_\_\_\_\_ or within 30 days after commencing business, whichever is later, each operator of any transient accommodation renting lodging to transient guests shall register the transient accommodation with the Administrator and obtain from the Administrator a Transient Occupancy Registration Certificate, which Certificate shall be at all times posted in a conspicuous place on the premises. The Certificate shall, among other things, state the following:

- (a) The name of the operator;
- (b) The address of the hotel or transient accommodation;
- (c) The date upon which the Certificate was issued; and
- (d) "This Transient Occupancy Registration Certificate signifies that the person named on the face hereof has fulfilled the requirements of the Lodging Tax Ordinance by registering with the Administrator of the City of Huron for the purpose of collecting from transient guests the Lodging Tax and remitting that tax to the Administrator of the City of Huron. This Certificate does not constitute a permit."

(Ord. 2005-2. Passed 1-24-05.)

### **189.09 RECORDS.**

Each operator shall keep complete and accurate records of lodging furnished, together with a record of the tax collected thereon, which shall be the amount due under this chapter, and shall keep all invoices and other pertinent documents. If the operator furnishes lodging not subject to the tax, the operator's records shall show the identity of the transient guest, if the sale was not exempted by reason of such identity, or the nature of the transaction if exempted for any other reason. The records and other documents shall be opened during business hours to the inspection of the Administrator and shall be preserved for a period of three years, unless the Administrator, in writing, consents to their destruction within that period, or unless the Administrator orders that such records be kept for a longer period of time.

(Ord. 2005-2. Passed 1-24-05.)

### **189.9 RETURNS AND PAYMENT.**

Each operator shall, on or before the last day of the month following the close of each calendar quarter, or at the close of any shorter reporting period that may be established by the Administrator, make a return to the Administrator, on forms provided by the Administrator, of the total rents charged and received and the amount of tax collected by transient occupancies. All claims for exemption from tax filed by transient guests with the operator during the reporting period shall be filed with the report. At the time the return is filed, the full amount of the tax collected shall be remitted to the Administrator. The Administrator may establish shorter reporting periods for any Certificate holder if the Administrator deems it necessary in order to insure collection of the tax, and the Administrator may require further information in the return if such information is pertinent to the collection of the tax. Returns and payments are due immediately upon cessation of business for any reason. All taxes collected by operators pursuant to this Chapter shall be held in trust for the account of the City until payment is made to the Administrator. All returns and payments submitted by each operator shall be treated as confidential by the Administrator and shall not be released by the Administrator except on order of a court of competent jurisdiction or to an officer or agent of the United States of America, the State, the County of Erie or the City for official use only.

(Ord. 2005-2. Passed 1-24-05.)

### **189.10 PENALTIES AND INTEREST.**

(a) Original delinquency. Any operator who fails to remit any tax imposed by this Chapter within the time required shall pay a penalty equal to 10% of the amount of the tax, in addition to the tax.

(b) Continued delinquency. Any operator who fails to remit any delinquent remittance on or before a period of 30 days following the date on which the remittance became delinquent shall pay a second delinquency penalty equal to 10% of the amount of the tax and previous penalty in addition to the tax and the 10% penalty first imposed. An additional penalty equal to 10% of the total tax and penalty of the previous 30-day period shall be added for each successive 30-day period that the occupant remains delinquent, but the accumulated penalty shall not exceed 100% of the delinquent remittance.

(c) Fraud. If the Administrator determines that the nonpayment of any remittance due under this chapter is due to fraud, a penalty equal to 25% of the amount of the tax shall be added thereto, in addition to the penalties stated in (a) and (b) above.

(d) Interest. In addition to the previous penalties imposed, any operator who fails to remit any tax imposed by this chapter shall pay interest at the rate of 1.0% per month, or fraction thereof, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid.

(e) Penalties during pendency of hearing or appeal. No penalty provided under the terms of this Chapter shall be imposed during the pendency of any hearing provided for herein or during the pendency of any appeal to the Board of Review.  
(Ord. 2005-2. Passed 1-24-05.)

#### **189.11 FAILURE TO COLLECT; ASSESSMENTS; REFUNDS.**

If any operator fails or refuses to collect the tax and to make, within the time provided in this chapter, any report and remittance of such tax or any portion thereof required by this chapter, the Administrator shall proceed in such manner as he may deem best to obtain facts and information on which to base his estimate of the tax due and shall have the same investigative powers described in Section 185.09(a) and (b). As soon as the Administrator procures such facts and information as the Administrator is able to obtain on which to base the assessment of any tax imposed by this chapter and payable by any operator who has failed or refused to collect it and to make such report and remittance, the Administrator shall proceed to determine and assess against such operator the tax, interest and penalties provided for by this chapter. In case such determination is made, the Administrator shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the operator so assessed at the operator's last known place of business. Such operator may, within ten days after the serving or mailing of such notice, make application in writing to the Administrator for a hearing on the amount assessed. If application by the operator for a hearing is not made within the time prescribed, the tax, interest and penalties, if any, determined by the Administrator shall become final and conclusive and immediately due and payable. If such application is made, the Administrator shall give not less than five days written notice in the manner prescribed herein to the operator to show cause at a time and place fixed in such notice why such amount specified therein should not be fixed for such tax, interest and penalties. At such hearing, the operator may appear and offer evidence why such specified tax, interest and penalties should not be so fixed. After the hearing, the Administrator shall determine the proper tax to be remitted and shall thereafter give written notice to the person in the manner prescribed herein of such determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable after 15 days unless an appeal is taken as provided by Section 189.13. No assessment shall be made against an operator for any tax, interest or penalty imposed by or pursuant to this Chapter more than four years after the due date for the remittance of the tax imposed by this Chapter or the date the return of such tax is filed, whichever is later. No statute of limitation on assessments exists where (i) the Administrator has substantial evidence of amounts of tax collected by an operator from transient guests that were not returned to the Administrator or (ii) the operator failed to file a return as required by this Chapter. A claim for refund to the Administrator of any tax illegally or erroneously paid, collected and/or remitted shall be made in the manner, and within the time, prescribed by Ohio R.C. 5739.07, including any amendments or successor provisions thereto. (Ord. 2005-2. Passed 1-24-05.)

### **189.13 APPEALS.**

Any operator aggrieved by any decision of the Administrator with respect to the amount of such tax, interest and penalties, if any, may appeal to the Board of Review by filing a notice of appeal with it within ten days of the serving or mailing of the determination of tax due. The Board of Review shall fix a time and place for hearing the appeal, and shall give notice in writing to such operator at the last known place of business of the operator. The findings of the Board of Review shall be final and conclusive and shall be served on the appellant in the manner prescribed above for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of notice.  
(Ord. 2005-2. Passed 1-24-05.)

### **189.14 COLLECTION.**

Any tax required to be paid by a transient guest under the provisions of this Chapter shall be deemed a debt owed by the transient guest to the City. Any tax collected by an operator that has not been paid to the City shall be deemed a debt owed by the operator to the City. Any person owing money to the City under the provisions of this Chapter shall be liable to an action brought in the name of the City for the recovery of such amount.  
(Ord. 2005-2. Passed 1-24-05.)

### **189.15 COLLECTION OF TAX AFTER TERMINATION OF CHAPTER.**

This chapter shall continue effective insofar as the levy of the tax is concerned until revoked, and insofar as the collection of the tax levied hereunder and actions or proceedings for collecting any tax so levied or enforcing any provisions of this chapter are concerned, it shall continue effective until all of such taxes levied in the aforesaid period are fully paid and any and all suits and prosecutions for the collection of such taxes or for the punishment of violations of this chapter have been fully terminated, subject to the limitations contained in Section 189.99.  
(Ord. 2005-2. Passed 1-24-05.)

### **189.16 DISPOSITION OF FUNDS COLLECTED.**

By the passage of this chapter, it is the expressed intention of Council to place the funds derived from the imposition of the tax herein imposed in the general fund, such funds to be used asset forth in Section 189.01.  
(Ord. 2005-2. Passed 1-24-05.)

### **189.17 SEPARABILITY.**

If any sentence, clause, section or part of this chapter or any tax against any individual or any of the several groups specified herein is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall affect only such clause, sentence, section or part of this chapter and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or other parts of this chapter. It is hereby declared to be the intention of Council that this chapter would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or part thereof not been included herein.  
(Ord. 2005-2. Passed 1-24-05.)

### **189.99 VIOLATIONS; PENALTY.**

Whoever violates or fails to comply with any of the provisions of Sections 189.01 through 189.17 for which no penalty is otherwise provided is guilty of a minor misdemeanor. Each day the violation continues shall be deemed a separate violation.  
(Ord. 2005-2. Passed 1-24-05.)





**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Ordinance No. 2018-33  
**DATE:** December 3, 2018

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### **Subject Matter/Background**

Ordinance No. 2018-33 will be on the December 11<sup>th</sup> for its second of the recommended three readings. Should Council have any recommend changes to the proposed amendment, Administration would advise to entertain discussion at the meeting of December 11<sup>th</sup> in order for Administration to revise the legislation in advance of the third/final reading.

### **Summary**

Ordinance No. 2018-33 repeals Chapter 1369-Rooming Houses and replaces it with Chapter 1369-Transient Rental Property. The proposed replacement will establish a transient rental registration and inspection program within the city. The existing Chapter 1369-Rooming Houses was established in 1972 and placed the inspection responsibilities within the authority of the Health Commissioner. Staff has consulted with Erie County Health Commissioner Pete Schade who supported the repeal and replacement as proposed.

The proposed legislation creates a twenty-four month rental permit/certificate of occupancy program. The filing of the initial application for a rental permit will trigger the life safety, property maintenance and building code inspection of the proposed rental property.

The fees were established upon a survey of various communities throughout northern Ohio with vacation rentals. The fees for the rental permit and inspections varied greatly. The proposed fees represent a median cost premised on that review. The permit fee includes the inspection cost and one reinspection if necessary. If additional reinspections are required, a \$50.00 fee per rental unit will be assessed.

### **Financial Review**

Upon implementation of the rental registration and inspection program, data collected will allow the city to forecast anticipated revenue and expense associated with the program and adjust the budget accordingly. Mr. Zimmerman has confirmed that required inspections identified in the ordinance would fall under the current scope of service within the Building Official agreement.

### **Legal Review**

This matter has been reviewed and is properly before you.

### **Recommendation**

The legislation is placed before you for its second reading. The administration is recommending the legislation be heard for three readings.

**ORDINANCE NO. 2018-33**

**AN ORDINANCE REPEALING CHAPTER 1369-ROOMING HOUSES OF THE CITY OF HURON CODIFIED ORDINANCES; AND REPLACING IT WITH CHAPTER 1369-RENTAL REGISTRATION OF THE CITY OF HURON CODIFIED ORDINANCES.**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HURON, OHIO:**

**SECTION 1.** That City Council has determined it is in the best interest of the residents of the City of Huron to regulate the health, safety and wellness of the public, including the owners, occupants, and neighboring property owners of properties being utilized for transient occupancy within the City.

**SECTION 2.** That Chapter 1369-Rooming Houses of the Codified Ordinances of the City of Huron which currently reads as follows: (refer to Exhibit “A” attached), shall be and hereby is repealed and replaced with Chapter 1369-Transient Rental Property which reads as follows: (refer to Exhibit “B” attached).

**SECTION 2.** It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including O.R.C. §121.22.

**SECTION 3.** This ordinance will take effect thirty (30) days following adoption.

\_\_\_\_\_  
Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_

EXHIBIT A

**CHAPTER 1369  
Rooming Houses**

<b>1369.01</b>	<b>Compliance.</b>	<b>1369.05</b>	<b>Enforcement.</b>
<b>1369.02</b>	<b>Permit; fee.</b>	<b>1369.06</b>	<b>Minimum requirements.</b>
<b>1369.03</b>	<b>Denial of permit.</b>	<b>1369.07</b>	<b>Correction of violations;</b>
<b>1369.04</b>	<b>Inspections; right of entry.</b>		<b>notices; hearing.</b>

**CROSS REFERENCES**

Appeal, hearing and variances - see BLDG. Ch. 1355

Condemnation proceedings - see BLDG. Ch. 1357

Removal of unsafe buildings - see BLDG. Ch. 1358

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**1369.01 COMPLIANCE.**

No person shall operate a rooming house or shall occupy or let to another for occupancy any room unit in any rooming house, except in compliance with the applicable provision of every section of these regulations. (Ord. 1972-6. Passed 1-10-72.)

**1369.02 PERMIT; FEE.**

(a) No person shall operate a rooming house unless he holds a valid rooming house permit issued by the Health Commissioner in the name of the operator for the specific rooming house. This permit shall be displayed in a conspicuous place within the rooming house at all times. Every rooming house permit shall expire at the end of one year following its date of issuance.

(b) The operator shall apply to the Health Commissioner for such permit, which shall be issued by the Commissioner upon compliance by the operator with the applicable provisions of these regulations.

(c) A rooming house permit is not transferable. When a person who holds a rooming house permit transfers his interest in or control of a rooming house he shall notify the Health Commissioner in writing within twenty-four hours. Such notice shall include the name and address of the person succeeding to the ownership or control of the rooming house.

(d) A permit fee of ten dollars (\$10.00) for the first five dwelling units and one dollar (\$1.00) for each additional unit shall be paid to the County Health Commissioner. The minimum fee shall be ten dollars (\$10.00) for any rooming house.  
(Ord. 1972-6. Passed 1-10-72.)

EXHIBIT A

**1369.03 DENIAL OF PERMIT.**

(a) When the Health Commissioner denies an application for a rooming house permit, he shall notify the applicant in writing. A notice of denial shall include the date of denial, the time within which a request for hearing may be made and a brief statement of the facts upon which the denial was based.

(b) Any person whose application for a permit to operate a rooming house has been denied may request and shall be granted a hearing before the Commissioner under the procedure provided by Section 1369.07. (Ord. 1972-6. Passed 1-10-72.)

**1369.04 INSPECTIONS; RIGHT OF ENTRY.**

Upon presentation of proper credentials or proper identification, the Health Commissioner may enter at reasonable times any building, structure or premises in the City to perform any duty imposed on him by these regulations. No person shall in any way obstruct, hinder, delay or otherwise interfere with the Commissioner in such entrance.

(Ord. 1972-6. Passed 1-10-72.)

**1369.05 ENFORCEMENT.**

(a) Whenever upon inspection of any rooming house the Health Commissioner finds that conditions or practices exist which are in violation of any provision of these regulations, the Commissioner shall give notice in writing to the operator of such rooming house that unless such conditions or practices are corrected within a reasonable period to be determined by the Commissioner, the operator's rooming house permit shall be suspended. At the end of such period the Commissioner shall reinspect such rooming house, and if he finds that such conditions or practices have not been corrected, he shall give notice in writing that the permit has been suspended.

(b) Any person whose permit to operate a rooming house has been suspended, or who has received a written notice that his permit is to be suspended unless an existing violation is corrected, may request and shall be granted a hearing before the Health Commissioner, under the procedure provided by Section 1369.07. If no petition for a hearing is filed within ten days after the date the permit was suspended, the permit shall be automatically revoked. Upon receipt of notice of revocation, the operator shall immediately cease operation of the rooming house and no person shall occupy for sleeping or living purposes any rooming unit therein. (Ord. 1972-6. Passed 1-10-72.)

**1369.06 MINIMUM REQUIREMENTS.**

(a) At least one flush watercloset, lavatory basin and bathtub or shower, properly connected to a water and sewer system approved by the Health Commissioner and in good working condition, shall be provided for each ten persons or fraction thereof residing within a rooming house, including members of the operator's family wherever they share the use of such facilities. However, in a rooming house where rooms are let only to males, flush urinals may be substituted for not more than one-third the required number of water closets. All such facilities shall be so located within the dwelling as to be reasonably accessible from a common hall or passageway to all person sharing such facilities. Every lavatory basin and bathtub or shower shall be supplied with hot water at all times. No such facilities shall be located in a basement except by written approval of the Health Commissioner.

## EXHIBIT A

(b) The operator of every rooming house shall change supplied bed linen and towels therein at least once each week, and prior to the letting of any room to any occupant. The operator shall be responsible for the maintenance of all supplied bedding in a clean and sanitary manner.

(c) Every room occupied for sleeping purposes by one person shall contain at least seventy square feet of floor space, and every room occupied for sleeping purposes by more than one person shall contain at least fifty square feet for each additional occupant.

(d) Every rooming unit shall have at least one safe, unobstructed means of egress leading to safe, open space at ground level and to a public street or alley without having to pass through any other rooming unit.

(e) The operator of every rooming house shall be responsible for the sanitary maintenance of all walls, floors and ceilings; for maintenance of sanitary conditions in every other part of the rooming house and for the sanitary maintenance of the premises of the rooming house.

(f) Every provision of this regulation which applies to rooming houses shall also apply to hotels, motels, tourist homes, except to the extent that any such provision may be found in conflict with the laws of this State or with the lawful regulations of any State board or agency. (Ord. 1972-6. Passed 1-10-72.)

### **1369.07 CORRECTION OF VIOLATIONS; NOTICES; HEARING.**

(a) Whenever the Health Commissioner determines that there are reasonable grounds to believe that there has been a violation of any provision of this chapter, he shall give written notice of such alleged violation to the person or persons responsible, therefore allowing a reasonable time for the correction of the alleged violation.

(b) Any person affected by any notice of an alleged violation may request and shall be granted a hearing before the Health Commissioner provided the request for such hearing is made within the number of days specified in the notice.

(c) After such hearing the Commissioner shall sustain, modify or withdraw the notice, depending upon his finding as to whether the provisions of the regulations have been complied with.

(d) Whenever the Health Commissioner finds that an emergency exists which requires immediate action to protect the public health, he may without notice or hearing, issue an order reciting the existence of such an emergency and requiring that such action be taken as he deems necessary to meet the emergency.

Notwithstanding the other provisions of this chapter, such an order shall be effective immediately. Any person to whom such an order is directed shall comply therewith immediately, but upon petition to the Health Commissioner shall be afforded a hearing as soon as possible. After such hearing, depending upon his finding as to whether the provisions of this chapter have been complied with, the Commissioner shall continue such order in effect, or modify or revoke it. (Ord. 1972-6. Passed 1-10-72.)

**CHAPTER 1369**  
**Transient Rental Property**

<b>1369.01</b>	<b>Definitions.</b>
<b>1369.02</b>	<b>Purpose.</b>
<b>1369.03</b>	<b>Rental License/Certificate of Occupancy.</b>
<b>1369.04</b>	<b>Fees.</b>
<b>1369.05</b>	<b>Maintenance Responsibilities.</b>
<b>1369.06</b>	<b>Entry and Inspection.</b>
<b>1369.07</b>	<b>Reports and Reinspection.</b>
<b>1369.08</b>	<b>Change of Ownership.</b>
<b>1369.09</b>	<b>Severability.</b>
<b>1369.99</b>	<b>Penalties.</b>

**1369.01 DEFINITIONS.**

As used in this chapter:

(a) “Agent” or “Person in Charge” means any individual, person, firm, partnership, corporation or company acting on behalf of the property owner of a residential rental.

(b) “Dwelling unit” means a structure or the part of a structure that is used as a home, residence or sleeping place by one person who maintains a household or by two or more persons who maintain a common household.

(c) “Rental agreement” means any agreement or lease, written or oral, which establishes or modifies the terms, conditions, rules, or any other provisions concerning the use and occupancy of residential premises by one of the parties.

(d) “Residential premises” means a dwelling unit for residential use and occupancy and the structure of which it is a part, the facilities and appurtenances unit, and the grounds, areas, and facilities for the use of tenants generally or the use of which is promised the tenant.

(e) “Life Safety Inspection” means that inspection performed by the Building Official consisting of the following:

- (1) Testing of all electrical receptacles;
- (2) Check for and test smoke detectors and CO2 detectors;
- (3) Check for improper wiring;
- (4) Check electrical panel;
- (5) Check all light fixtures at all stairways and exterior doors;
- (6) Check furnace and water heaters;
- (7) Check for leaking water, gas and waste lines;
- (8) Check for removal of all refuse, garbage and debris.

**1369.02 PURPOSE.**

The purpose and intent of this section is to regulate the health, safety and wellness of the public, including the owners, occupants, and neighboring property owners of properties being utilized for transient occupancy within the City.

**1369.03 RENTAL LICENSE/CERTIFICATE OF OCCUPANCY.**

(a) Required. There is hereby created a Residential Rental Property Registration System for the City of Huron that requires owners of residential rental property units located within the City to

register each of their rental units. Rental units will be required to be renewed within thirty (30) days of any ownership change. The owner/operator of the rental unit shall comply with the following:

- (1) A property being utilized as a transient rental property shall visibly display a Rental License/Certificate of Occupancy outside the main entry of the property.
- (2) No person shall be allowed to transient rent a dwelling that is in violation of the City of Huron's health code, building code, or zoning regulations.
- (3) No person shall display a Rental License/Certificate of Occupancy or allow transient occupancy of a dwelling that has had its License/Certificate suspended, revoked, or denied.
- (4) No person shall allow a dwelling to be listed or advertised as a transient rental prior to obtaining a valid Rental License/Certificate of Occupancy.
- (5) No person shall allow a dwelling to be listed or advertised as a transient rental if the Rental License/Certificate of Occupancy has been suspended, revoked, or denied

(b) Issuance.

(1) Application for a Rental License/Certificate of Occupancy required by the provisions of this chapter shall be made by supplying the information and date to determine the compliance with the requirements of the Life Safety Inspection and compliance with the Residential Building Code of Ohio and Property Maintenance Code for the City of Huron for the existing use or occupancy or the intended use or occupancy on forms supplied by the Building Department. Upon completion of such application and submission of the required fee, the Building Official shall issue a Rental License. Upon obtaining a Rental License, the owner, agent or person in charge of any building or unit thereof shall comply with the provisions of this Chapter to obtain a Certificate of Occupancy.

(2) The Building Official shall cause a general inspection of the building and premises to be made.

(3) If it is found that a building and premise is in compliance with the inspection provisions of this chapter regarding a Life Safety Inspection, the Building Official shall issue a Certificate of Occupancy for such building and the rental units thereof which shall contain the following information: the name, address and telephone number of the owner(s); the address of each structure and premises with a rental unit; the number of rental units within each structure and premises; and, if someone other than the owner(s) is responsible for maintenance or repairs to a rental unit, the name, address and telephone number of the person(s) or entity responsible for such maintenance or repairs, along with identification of the rental units for which they are responsible.

(c) Revocation. The Building Official shall have the power to revoke a Rental License/Certificate of Occupancy if any false statement shall be made by the applicant in connection with the issuance of such certificate, or for the noncompliance of a building or rental unit thereof with the requirements of this chapter, or the owner, agent or person in charge of a building or rental unit thereof shall refuse to comply with any provisions of this chapter.

(d) Term. A Rental License/Certificate of Occupancy issued pursuant to this chapter shall be valid for twenty-four months from the application date or until a change in ownership of the rental unit.

**1369.04 FEES.**

(a) Registration Fee. All rental units, including but not limited to, single family

buildings or residential units located within a single building shall pay the registration fee for a Rental License/Certificate of Occupancy. Fees shall not be prorated for partial year issuance.

One Rental Unit	\$50.00
Two to Five Rental Units	\$100.00
Six or more Rental Units	\$100.00 plus \$15.00 per unit

(b) Reinspection Fee. The initial inspection and a maximum of one reinspection is of the rental unit is included in the application fee paid to the City for the Rental License/Certificate of Occupancy. Any subsequent reinspection will require a reinspection fee of \$50.00 per rental unit.

### **1369.05 MAINTENANCE RESPONSIBILITIES.**

(a) The code used in determining whether the conditions of property and premises are maintained in an approved manner shall be the Property Maintenance Code as adopted or may be amended by the City of Huron, and the Residential Building Code of Ohio.

(b) The owner(s), agent(s) or person(s) in charge of every residential rental unit or structure shall be responsible for the maintenance thereof in good repair and safe condition in compliance with the requirements of this chapter and the requirements established by the City administratively. The owner shall also be responsible for maintain in a safe and sanitary condition the shared or common areas of the premises.

(c) The occupant(s) of a residential rental unit or premises shall be responsible for maintaining in a safe and sanitary condition that part of the unit and premises which he or she occupies and controls. In addition, such occupant shall be responsible for maintain in a safe condition all equipment and appliances which he or she owns.

### **1369.06 ENTRY AND INSPECTION.**

(a) The Building Official is authorized and directed to cause exterior inspections to be made of all dwellings, and the grounds surrounding such dwellings located within the City of Huron, with the inspection to include only those items which can be inspected by lawful means. In the event the Building Official has reason to believe that a code violation may have occurred within a dwelling unit, he is authorized and directed to inspect the remainder of the premises. The owner, operator or occupant of every rental unit may, upon the request of the Building Official, give the Building Official free access to the property, at reasonable times, for the purpose of inspection. In the event access to the premises is refused, the Building Official with the assistance of the Law Director may obtain an administrative warrant from a court of competent jurisdiction in order to gain access to the premises. In the event an administrative warrant cannot be obtained, then the inspection shall include only those items which can be inspected by lawful means. This chapter shall not be construed to require an owner, operator or occupant to consent to a warrantless inspection of property except as provided by law.

(b) All owners/operators of rental units within the City of Huron shall cause to have each rental unit inspected by the Building Official on an annual basis to determine compliance with this Chapter. A failure to permit the inspection shall be cause for revocation of the Rental License/Certificate of Occupancy.

### **1369.07 REPORTS AND REINSPECTION.**

(a) Upon completion of an inspection, an inspection report will be issued to the agent/owner of the rental unit within fourteen (14) days.

(b) Violations enumerated in the inspection report shall be abated by the



owner/operator of the rental unit within thirty (3) days from the date of the inspection report. A reinspection shall be required to verify that the violations have been corrected. The owner/operator of the rental unit shall contact the Building Official to schedule the required reinspection.

(c) Failure to correct the violations within thirty (30) days from the inspection report date shall constitute a violation of this chapter and may result in the revocation of the Rental License.

#### **1369.08 CHANGE OF OWNERSHIP.**

Any person selling or otherwise relinquishing ownership control of a rental unit shall notify the Building Official of said change in ownership within fourteen (14) calendar days of the effective date of the transfer. Such notice shall be in writing and shall include: the name, address and telephone number of the new owner, and the name, address and telephone number of the previous owner. Rental registration shall not be transferred or assigned to any property owner, or to any dwelling rooming unit, other than to who and for which it was issued. New owners must register rental units in accordance with the provisions of this code.

#### **1269.09 SEVERABILITY.**

The provisions of these regulations shall be severable and should any section or provision of these regulations be declared by a court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the validity of the regulations as a whole, or any part thereof other than the part so declared to be unconstitutional or invalid.

#### **1369.99 PENALTY; LEGAL ACTION**

(a) Whoever violates any provision of this chapter or any rule or regulation promulgated thereunder or fails to comply therewith or with any written notice or written order issued thereunder shall be guilty of a first degree misdemeanor and subject to a maximum fine of one thousand dollars (\$1,000.00) or a maximum imprisonment term of six (6) months or both, with the special restriction that each violation shall result in at least a minimum fine of two hundred fifty dollars (\$250.00).

(b) The imposition of any penalty as provided for in this chapter shall not preclude the Director of Law from instituting an appropriate action or proceeding in a court of proper jurisdiction to prevent an unlawful repair or maintenance, to restrain, correct or abate a violation, to prevent the occupancy of a building, or premises, or to require compliance with the provisions of this chapter or other applicable laws, ordinances, rules or regulations.



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Ordinance No. 2018-34  
**DATE:** December 3, 2018

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**Subject Matter/Background**

Ordinance No. 2018-34 will be on the December 11<sup>th</sup> for its second of the recommended three readings. Should Council have any recommend changes to the proposed amendment, Administration would advise to entertain discussion at the meeting of December 11<sup>th</sup> in order for Administration to revise the legislation in advance of the third/final reading.

**Summary**

Ordinance No. 2018-34 will amend Chapter 905 -Culverts, Drains, and Ditches of the Streets, Utilities and Public Services Code incorporating language to revise and address matters associated with proactive ditch maintenance.

The amendments to this Chapter were a result of inquiries and recommendations presented by resident, Jerry Weyer to City Council in various meetings over the last few years. Additionally, Mayor Hartung and Councilman Ginesi performed an on-site walk of the creek/ditch areas with Mr. Weyer to better understand his concerns for floatable objects and routine ditch maintenance. Late summer, Doug Green performed a visual inspection of drainage ways throughout the city to determine what obstructions existed. Following that inspection, Mr. Green notified affected property owners of obstructions and directed the property owners to remediate obstructions which were effecting the efficient drainage of water.

Mayor Hartung met with staff to review the recommendations presented by Mr. Weyer and reviewed ordinances from several different jurisdictions. As a result of this review, staff has prepared the amendments to Chapter 905 for your consideration.

905.01 is a proposed amendment to the existing language incorporating the designation of the Zoning Official or his designee as the enforcement authority. Additionally, language was incorporated from Ohio Revised Code §715.47 which specifically affords the municipal corporation the authority to maintain, repair, deepen, widen or clean ditches, watercourses or drainage improvements. Additional definitions of Floodway Obstructions and storage of specific floatable objects have been added.

905.02 is a proposed amendment incorporating the designation of the Zoning Official or his designee as the enforcement agency. Section 905.02 allows the discretion to rest with the city as to the determination of whether a perceived condition of obstruction exists.

905.07 is a proposed addition to the existing ordinance requiring designated funds for remediation to be appropriated by city council. This addition establishes the annual maintenance effort to be directed by council through your budgetary process.

905.08 is a proposed addition to the existing ordinance restating the collection through the imposition of a real property lien as stated by Ohio Revised Code §715.47. Additionally, 905.08

allows for the declaration of a public nuisance through a citation in municipal court without causing the lengthier process of written notice to abate the nuisance to occur.

**Financial Review**

There are no immediate financial implications to the adoption of the proposed legislation. If approved, a future appropriation would be necessary to designate the funds available for remediation of various obstructions.

**Legal Review**

This matter has been reviewed and is properly before you.

**Recommendation**

The legislation is placed before you for its second reading. The administration is recommending the legislation be heard for three readings.

**ORDINANCE NO. 2018-34**

**AN ORDINANCE AMENDING SECTIONS 905.1-INSPECTIONS FOR DEFECTIVE CONDITIONS, 905.2-NOTICE TO CORRECT DEFECTS, AND ADOPTING SECTIONS 905.7-APPROPRIATION OF FUNDS BY COUNCIL, AND 905.8 ENFORCEMENT; ALL OF CHAPTER 905 CULVERTS, DRAINS AND DITCHES OF THE CITY OF HURON CODIFIED ORDINANCES.**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HURON, OHIO:**

**SECTION 1.** That Sections 905.1- Inspections for Defective Conditions and 905.02 – Notice to Correct Defects both of Chapter 905 – Culverts, Drains and Ditches of the Codified Ordinances of the City of Huron which currently reads as follows: (refer to Exhibit “A” attached), shall be and hereby are amended: (refer to Exhibit “B” attached).

**SECTION 2.** That Sections 905.7 – Appropriation of Funds by Council and 905.8 – Enforcement both of Chapter 905 – Culverts, Drains and Ditches of the Codified Ordinances of the City of Huron are hereby adopted to read as follows: (refer to Exhibit “B” attached).

**SECTION 3.** That Sections 905.1- Inspections for Defective Conditions and 905.02 – Notice to Correct Defects both of Chapter 905 – Culverts, Drains and Ditches of the Codified Ordinances of the City of Huron, as existing prior to the adoption of this Ordinance shall be, and the same hereby are, repealed.

**SECTION 4.** It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including O.R.C. §121.22.

**SECTION 5.** This ordinance will take effect thirty (30) days following adoption.

\_\_\_\_\_  
Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_

**CHAPTER 905**  
**Culverts, Drains and Ditches**

- |              |   |               |  |
|--------------|---|---------------|--|
| <b>905.1</b> | <b>Inspections for defective conditions.</b>  | <b>905.5</b>  | <b>Failure to comply; City action.</b> |
| <b>905.2</b> | <b>Notice to correct defects.</b>             | <b>905.6</b>  | <b>Building permit requirements.</b>   |
| <b>905.3</b> | <b>New installation materials.</b>            | <b>905.99</b> | <b>Penalty.</b>                        |
| <b>905.4</b> | <b>New installation; cost borne by owner.</b> |               |  |

**CROSS REFERENCES**

- Notice to remove obstructions from culverts or covered drains, fill or drain lots- see Ohio R.C. 715.47
- Notice to construct or repair curbs or gutters - see Ohio R.C. 729.03 et seq. Division of Streets and Parks - see ADM. Ch. 149
- Removal of obstructions from culverts, etc. - see GEN. OFF. 521.05
- Pavements and curbs in subdivisions - see P. & Z. 1119.04
- Rain carriers - see BLDG. 1363.10

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**905.1 INSPECTIONS FOR DEFECTIVE CONDITIONS.**

The Service Director is directed and instructed to make periodic inspections and examinations of the position and condition of all culverts, drains or drainage ditches to determine the need, if any, for them to be reset, cleaned or replaced.  
(Ord. 1962-20. Passed 7-23-62.)

**905.2 NOTICE TO CORRECT DEFECTS.**

In the event that the Service Director finds and determines a drain, culvert or drainage ditch defective in construction, obstructed or inadequate in size so as to hinder, stop or interfere with the disposal of excess surface water, he is authorized and directed to inform the owner or the occupant of the property, on which the defect or inadequacy is found, of the unsatisfactory conditions and make recommendations in writing for replacement, resetting or cleaning as he deems necessary.  
(Ord. 1962-20. Passed 7-23-62.)

**905.3 NEW INSTALLATION MATERIALS.**

In all new construction of driveways drains or culverts and in all cases requiring replacement of existing culverts or drains, the drains or culverts shall be of corrugated steel or reinforced concrete tube and shall be not less than eight inches in diameter.  
(Ord. 1962-20. Passed 7-23-62.)

**905.4 NEW INSTALLATION; COST BORNE BY OWNER.**

In the event that new culverts or drains must be installed in the opinion of the Service Director, the owner or occupant of the property to be benefited shall, upon notice, have the duty of providing and installing the necessary drain pipe at his own cost and expense. All work shall be in accordance with the recommendations of the Service Director.  
(Ord. 1962-20. Passed 7-23-62.)

**905.5 FAILURE TO COMPLY; CITY ACTION.**

In the event any owner or occupant fails to provide and install the drain pipe, as required in Section 905.04, the Service Director is authorized to cause within fifteen days after notice, grading of the street so as to provide proper drainage and to prevent the obstruction thereof. Any expense incurred by the City shall be paid by the owner or occupant benefited by such improvement. (Ord. 1962-20. Passed 7-23-62.)

**905.6 BUILDING PERMIT REQUIREMENTS.**

No building permit shall be issued by the Building Official unless and until the Service Director has examined the proposed building site and the proposed plans to determine if the applicant proposes to provide a satisfactory culvert or drain under the driveway of the premises and adequate lot drainage.

Upon completion of such examination the Service Director shall notify immediately the Building Official and the builder of his findings and recommendations.

No building permit shall be issued to any applicant until the recommendations of the Service Director are complied with.

No trucks or materials of any builder shall be permitted to have access to a proposed building site until all the provisions of this section have been complied with.  
(Ord. 1962-20. Passed 7-23-62.)

**905.7 ENFORCEMENT.**

The City, by and through its Zoning Official or his designee may fill or drain any lot or land within its limits on which water at any time becomes stagnant, remove all putrid substances from any lot, and remove all obstructions from culverts, covered drains, or private property, laid in any natural watercourse, creek, brook, or branch, which obstruct the water naturally flowing therein, causing it to flow back or become stagnant, in a way prejudicial to the health, comfort, or convenience of any of the citizens of the neighborhood as provided in Ohio Revised Code 715.47. If such culverts or drains are of insufficient capacity, the City may make them of such capacity as reasonably to accommodate the flow of such water at all times. The City Council may, by resolution, direct the owner to fill or drain such lot, remove such putrid substance or such obstructions, and if necessary, enlarge such culverts or covered drains to meet the requirements thereof.

After service of a copy of such resolution, or after a publication thereof, in a newspaper of general circulation in such municipal corporation or as provided in section [7.16](#) of the Revised Code, for two consecutive weeks, such owner, or such owner's agent or attorney, shall comply with the directions of the resolution within the time therein specified.

In case of the failure or refusal of such owner to comply with the resolution, the work required thereby may be done at the expense of the municipal corporation, and the amount of money so expended shall be recovered from the owner before any court of competent jurisdiction. Such expense from the time of the adoption of the resolution shall be a lien on such lot, which may be enforced by suit in the court of common pleas, and like proceedings may be had as directed in

**905.99 PENALTY.**

Whoever violates any provision of this chapter is guilty of a minor misdemeanor. A separate offense shall be deemed committed each day during or on which a violation occurs or continues.

**CHAPTER 905**  
**Culverts, Drains and Ditches**

- |   |  |
|---|--|
| <b>905.1</b> Inspections for defective conditions.  | <b>905.5</b> Failure to comply; City action. |
| <b>905.2</b> Notice to correct defects.             | <b>905.6</b> Building permit requirements.   |
| <b>905.3</b> New installation materials.            | <b>905.99</b> Penalty.                       |
| <b>905.4</b> New installation; cost borne by owner. |  |

**CROSS REFERENCES**

- Notice to remove obstructions from culverts or covered drains, fill or drain lots- see Ohio R.C. 715.47
- Notice to construct or repair curbs or gutters - see Ohio R.C. 729.03 et seq.
- Division of Streets and Parks - see ADM. Ch. 149
- Removal of obstructions from culverts, etc. - see GEN. OFF. 521.05
- Pavements and curbs in subdivisions - see P. & Z. 1119.04
- Rain carriers - see BLDG. 1363.10
- 

**905.1 INSPECTIONS FOR DEFECTIVE CONDITIONS.**

(a) The Service Director, **by and through the Zoning Official or his designee** is directed and instructed to make periodic inspections and examinations of the position and condition of all culverts, drains or drainage ditches to determine the need, if any, for them to be reset, cleaned or replaced.

(b) **The City shall have the authority to maintain, repair, deepen, widen or clean any and all ditches, watercourses or drainage improvements within the City and such authority includes the right of ingress to and egress from the ditch, watercourse or drainage improvement. No person, firm or corporation shall interfere with, prohibit or obstruct the City or its agents in the exercise of this right.**

(c) **Storage or processing of materials which are buoyant, pollutant, flammable, explosive, or could be injurious to human, animal or plant life in time of flooding shall be stored one and one half feet above the Base Flood Elevation, or suitably flood-proofed and protected.**

(d) **A Floodway Obstruction means any object in, along, across, or projecting into a portion of the floodway which may impede, retard, or change the direction of the flow of water either in and of itself or by catching or collecting waterborne debris, or that is placed where the flow of water would carry the same downstream to the damage or detriment of life or property.**

**905.2 NOTICE TO CORRECT DEFECTS.**

In the event that the Service Director, **by and through the Zoning Official or his designee** finds and determines a drain, culvert or drainage ditch defective in construction, obstructed or inadequate in size so as to hinder, stop or interfere with the disposal of excess surface water, he is authorized and directed to inform the owner or the occupant of the property, on which the defect or inadequacy is found, of the unsatisfactory conditions and make recommendations in writing for replacement, resetting or cleaning as he deems necessary. (Ord. 1962-20. Passed 7-23-62.)



### **905.3 NEW INSTALLATION MATERIALS.**

In all new construction of driveways drains or culverts and in all cases requiring replacement of existing culverts or drains, the drains or culverts shall be of corrugated steel or reinforced concrete tube and shall be not less than eight inches in diameter.  
(Ord. 1962-20. Passed 7-23-62.)

### **905.4 NEW INSTALLATION; COST BORNE BY OWNER.**

In the event that new culverts or drains must be installed in the opinion of the Service Director, the owner or occupant of the property to be benefited shall, upon notice, have the duty of providing and installing the necessary drain pipe at his own cost and expense. All work shall be in accordance with the recommendations of the Service Director.  
(Ord. 1962-20. Passed 7-23-62.)

### **905.5 FAILURE TO COMPLY; CITY ACTION.**

In the event any owner or occupant fails to provide and install the drain pipe, as required in Section 905.04, the Service Director is authorized to cause within fifteen days after notice, grading of the street so as to provide proper drainage and to prevent the obstruction thereof. Any expense incurred by the City shall be paid by the owner or occupant benefited by such improvement. (Ord. 1962-20. Passed 7-23-62.)

### **905.6 BUILDING PERMIT REQUIREMENTS.**

No building permit shall be issued by the Building Official unless and until the Service Director has examined the proposed building site and the proposed plans to determine if the applicant proposes to provide a satisfactory culvert or drain under the driveway of the premises and adequate lot drainage.

Upon completion of such examination the Service Director shall notify immediately the Building Official and the builder of his findings and recommendations.

No building permit shall be issued to any applicant until the recommendations of the Service Director are complied with.

No trucks or materials of any builder shall be permitted to have access to a proposed building site until all the provisions of this section have been complied with.  
(Ord. 1962-20. Passed 7-23-62.)

### **905.7 APPROPRIATION OF FUNDS BY COUNCIL.**

The City's right and responsibility in the cleaning, deepening, widening and maintaining of all ditches, watercourses and drainage improvements shall be dependent on the appropriation and availability of funds for this purpose.

### **905.8 ENFORCEMENT.**

(a) The City, by and through its Zoning Official or his designee shall have all authority conveyed to it by Ohio Revised Code 715.47 and may fill or drain any lot or land within its limits on which water at any time becomes stagnant, remove all putrid substances from any lot, and remove all obstructions from culverts, covered drains, or private property, laid in any natural watercourse, creek, brook, or branch, which obstruct the water naturally flowing therein, causing it to flow back or become stagnant, in a way prejudicial to the health, comfort, or convenience of any of the citizens of the neighborhood.

If such culverts or drains are of insufficient capacity, the City may make them of such capacity as reasonably to accommodate the flow of such water at all times. The City Council may, by resolution, direct the owner to fill or drain such lot, remove such putrid substance or such obstructions, and if necessary, enlarge such culverts or covered drains to meet the requirements thereof. After service of a copy of such resolution, or after a publication thereof, in a newspaper of general circulation in such municipal corporation or as provided in section 7.16 of the Revised Code, for two consecutive weeks, such owner, or such owner's agent or attorney, shall comply with

the directions of the resolution within the time therein specified.

In case of the failure or refusal of such owner to comply with the resolution, the work required thereby may be done at the expense of the municipal corporation, and the amount of money so expended shall be recovered from the owner before any court of competent jurisdiction. Such expense from the time of the adoption of the resolution shall be a lien on such lot, which may be enforced by suit in the court of common pleas, and like proceedings may be had as directed in relation to the improvement of streets as provided in Ohio Revised Code §715.47.

(b) Notwithstanding the foregoing, in the event that the Service Director by and through the Zoning Official or his designee determines that a citation shall be issued without causing written notice to abate said nuisance the Service Director by and through the Zoning Official or his designee may direct the appropriate law enforcement agency to cause a citation to be issued to the landowner, or person in charge of the premises upon which a nuisance does exist as defined by Section 521.05.

**905.99 PENALTY.**

Whoever violates any provision of this chapter is guilty of a minor misdemeanor. A separate offense shall be deemed committed each day during or on which a violation occurs or continues.



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Resolution 2018-94  
**DATE:** December 7, 2018

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### **Subject Matter/Background**

Resolution 2018-94 authorizes a successor collective bargaining agreement between the city and AFSCME Ohio Council 8, Local 2024 for the period January 1, 2019 through December 31, 2021. The current collective bargaining agreement expires December 31, 2018.

The administration and union met over a series of negotiating sessions to discuss managerial, administrative, and financial modifications to the current contract. A summary of these modifications are as follows:

- Article 8 – Union security. Per the United States Supreme Court ruling in **Janus v. AFSCME Council 31**, 138 S.Ct. 2448, modifications were necessary eliminating reference to a fair share dues deduction.
- Article 14 – Bid Procedure. Modifications include a notification of open positions to be made to the Union President in addition to the current practice of posting a bid opening; and an employer written notice to the Union President if a position will not be filled within 120 days.
- Article 17 – Holidays. Memorializes the current practice of holiday calculation within the water filtration plant.
- Article 28 – Health Coverage. Memorializes the current practice of health insurance opt-out provisions
- Article 30 – License Premiums. Modifies the current license premiums to acknowledge the differences between supply and distribution licenses and to disincentivize lateral transfers out of the filtration plant. Historically members of the services division will transfer from the filtration plant to distribution or streets when a position becomes open. The positions within the Distribution and Street divisions provide Monday-Friday day shifts as opposed to the Filtration Division that is a seven day operation. Under previous practice, the license premium of \$600.00 per license held was permitted to transfer with the employee. Under the proposed language, filtration premiums are raised to \$800.00 and distribution premiums remain at \$600.00. Lateral transfers out of the filtration division to distribution will result in the loss of premium for laboratory certification and a calculation based on the reduced rate of \$600.00. Transfers to the street department will result in a complete loss of premiums.
- Article 30 – Longevity/Merit Compensation. Adopts the language of a Memorandum of Understanding entered into in 2015 and incorporates the current practice into the contract.
- Article 37 – Safety Training. Previously titled Continuing Education, the only modification in this article is the incorporation of safety training.
- Exhibit D – Wage Information. Incorporates a 3% increase (2019), 3% increase (2020) and 3% (2021).

### **Financial Review**

The 2019 proposed Municipal Budget includes expense based on the terms of the collective bargaining agreement with AFSCME.

**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, a motion to adopt Resolution No. 2018-94 is in order.

**RESOLUTION NO. 2018-94**

**A RESOLUTION APPROVING, AS LEGISLATIVE BODY, THE SUCCESSOR COLLECTIVELY BARGAINED AGREEMENT BETWEEN THE CITY OF HURON AND THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO OC 8/LOCAL 2024; AND FURTHER, AUTHORIZING THE CITY MANAGER TO EXECUTE THE SUCCESSOR COLLECTIVELY BARGAINED AGREEMENT ON BEHALF OF THE CITY OF HURON, OHIO WITH THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO OC 8/LOCAL 2024 FOR THE PERIOD OF JANUARY 1, 2019 THROUGH DECEMBER 31, 2021.**

**WHEREAS** the American Federation of State, County and Municipal Employees, AFL-CIO, OC 8/Local 2024 and the City of Huron have collectively bargained a successor collectively bargained agreement for the period of January 1, 2019 through December 31, 2021; and,

**WHEREAS** American Federation of State, County and Municipal Employees, AFL-CIO, OC 8/Local 2024 has ratified the successor agreement on November 28, 2018; and

**WHEREAS** the Council of the City of Huron is the legislative body charged with accepting or rejecting the successor agreement; **NOW THEREFORE,**

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

**Section 1.** This Council, as legislative body, ratifies and adopts the collectively bargained agreement between American Federation of State, County and Municipal Employees, AFL-CIO, OC 8/Local 2024 and the City of Huron and further authorizes and directs the City Manager to execute the collectively bargained agreement for the period of January 1, 2019 through December 31, 2021; said agreement to be substantially in the form of "Exhibit A" attached hereto and made a part hereof; and,

**Section 2.** The City Law Director is requested to send an executed copy of the successor collectively bargained agreement, together with a certified copy of this Resolution, to the State Employment Relations Board 65 E. State St., 12<sup>th</sup> Floor, Columbus OH 43215 and the American Federation of State, County and Municipal Employees, AFL-CIO, OC 8/Local 2024, 420 S. Reynolds Road, Toledo OH 43615-5980

**Section 3.** That this Council hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this 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.

**Section 4.** That this Resolution shall go into effect and be in full force and effect from and after the earliest date allowed by law.

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Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_

**CONTRACT**

**BETWEEN**

**CITY OF HURON**

**AND**

**THE AMERICAN FEDERATION OF  
STATE, COUNTY AND MUNICIPAL  
EMPLOYEES, OHIO COUNCIL 8, CITY  
OF HURON LOCAL 2024**

**JANUARY 1, 2019  
to DECEMBER 31, 2021**

**ARTICLE 1**  
**PURPOSE**

- 1.01 This Agreement sets forth a complete agreement between the City of Huron [City] and The American Federation of State, County and Municipal Employees, Local 2024, and Ohio Council 8 [Union], which represents employees as specified herein. Specifically, the Agreement addresses all matters pertaining to wages, hours, or terms and other conditions of employment mutually expressed between the parties.
- 1.02 The term "employee" or "employees" where used herein refers to all employees in the bargaining unit. The purpose of this Agreement is to provide a fair and reasonable method of enabling employees covered to participate, through Union representation, in the establishment of the terms and conditions of their employment and to establish a peaceful procedure for the resolution of contract differences between the parties. This Agreement shall comply with the Laws of the United States, the State of Ohio, and all applicable governmental administrative rules and regulations which have the effect of Law.
- 1.03 Attached hereto and made a part hereof as "Exhibit A" is the present version of the City's organizational chart relating to the Department of Service. Presently, within the Department of Service there exist the following Divisions: Water Filtration, Water Distribution and Streets and Highways. This Agreement shall pertain to and govern the terms and conditions of employment (to the extent set forth in this Agreement) of employees within the Department of Service and the, but there shall be excluded from this Agreement the Superintendents of the Divisions within the Department of Service. Employees in the position of Finance Clerk as of January 1, 2013, shall remain party to this collective bargaining agreement. All employees hired in the Finance Department after January 1, 2013 shall not be subject to this collective bargaining agreement.

**ARTICLE 2**  
**MANAGEMENT RIGHTS**

- 2.01 The Union shall, and hereby does, recognize the right and authority of the City to administer the business of the City and in addition to other functions and responsibilities which are required by the law, the Union shall, and hereby does, recognize that the City has and will retain the right and responsibility to direct the operations of the City, to promulgate rules and regulations, except as may specifically be limited within this Agreement, and more particularly, including but not limited to, the following:
- A) Determine matters of inherent managerial policy which include, but are not limited to, areas of discretion or policy such as the functions and programs of the public employer, standards of services, its overall budget, utilization of technology and organizational structure;
- B) Direct, supervise, evaluate, or hire employees;



- C) Maintain and improve the efficiency and effectiveness of government operations;
- D) Determine the overall methods, process, means, or personnel by which governmental operations are to be conducted;
- E) Suspend, discipline, demote, or discharge for just cause, or lay off, transfer, assign, schedule, promote, or retain employees;
- F) Determine the adequacy of the work force;
- G) Determine the overall mission of the City as a unit of government;
- H) Effectively manage the work force;
- I) Take actions to carry out the mission of the public employer as a governmental unit;
- J) Subcontract various works or other projects.

**ARTICLE 3**  
**UNION REPRESENTATION**

- 3.01 The Union shall designate two (2) employee members who are authorized to process grievances and/or provide representation for discipline. One (1) member shall be the primary employee representative, and the other shall be designated as alternate. The appropriate member representatives shall be granted reasonable time during normal work hours to perform Union functions including attendance at Labor/Management meetings, grievance hearings, disciplinary hearings, as well as investigation and preparation for the same, without loss of any pay. The time granted by this section shall be scheduled at such times so as not to interfere with the normal operations of the City and shall be subject to temporary revocation in the event of an emergency as determined by the authorized City representative. In addition, one (1) non-employee Union Staff Representative shall be permitted to attend Labor/Management meetings, grievance hearings and disciplinary hearings. The designated non-employee Union Staff Representative shall have access to the City's work area to investigate and prepare for the above, provided such access does not interfere with the normal operations of the City.

**ARTICLE 4**  
**LABOR MANAGEMENT MEETINGS**

- 4.01 The parties agree to schedule Labor/Management meetings to discuss problems and administration of the Agreement. The time and date of such meetings shall be by mutual agreement. Meetings shall start during normal working hours; however, in the event a meeting goes beyond normal work hours, such time shall not be compensated as work hours for Union employee representatives.

- 4.02 The parties agree that each side shall attempt to provide the other with an agenda of meeting topics as soon as possible prior to the start of the meeting.
- 4.03 The Employer shall provide quarterly data income and expense reports used to conduct the regular business of the City. Such reports shall be hand delivered or sent email in the format in which they are stored. A review of such reports shall be conducted at the Labor Management Meeting as a regular agenda item.

**ARTICLE 5**  
**SUBCONTRACTING/BARGAINING UNIT WORK**

- 5.01 During the life of this contract, the City shall not subcontract work that results in the layoff or reduction of regular hours of any employee in the bargaining unit. This shall not prohibit the City from contracting out work or services of a nature and size that could not be economically performed by employees in the bargaining unit. Grievances over whether the subcontracting violates this provision of the Agreement shall be filed at the City Manager level of the grievance procedure.
- 5.02 The current practice of non-bargaining unit City employees performing work traditionally performed by bargaining unit City employees shall continue, unless otherwise mutually agreed to by the City and the Union.

**ARTICLE 6**  
**RECOGNITION**

- 6.01 Under State Employment Relations Board Case # 1997-REP-04-0085, Local 2024 and the Ohio Council 8, American Federation of State, County and Municipal Employees, AFL-CIO shall be recognized as the sole and exclusive representatives for all employees in the bargaining unit in §6.02 within the City of Huron for the purpose of establishing rates of pay, wages, hours and other terms and conditions of employment.
- 6.02 The Union's exclusive bargaining unit includes the following job classifications, and the City will not recognize any other Union as the representative for any employees within such classifications:

Included: All service, maintenance and clerical employees of the City of Huron as described in 1.03 above and excluding employees of the Huron Municipal Court. Name the positions according to the SERB order

Excluded: All management level employees, confidential employees, and supervisors, as defined in the Act, and all employees currently represented by another employee organization.

- 6.03 In the event there is a title change of any job in the Unit; or if a position in the Unit is reallocated bringing about a new job class; or in the event a new job class is otherwise established, the Parties will meet to negotiate whether or not the new position shall be included in the Unit. If agreement cannot be reached between the Parties, the Union or City may file a Petition for Clarification or Amendment to the Unit with the State Employment Relations Board.

**ARTICLE 7**  
**NON-DISCRIMINATION SECTION**

- 7.01 The City and the Union agree not to unlawfully discriminate against any individual with respect to hiring, compensation, terms or conditions of employment on the basis of such individual's race, color, religion, sex, national origin or age, nor will they limit, segregate or classify employees in any way to deprive any individual employee of employment opportunities on the basis of protected class status.
- 7.02 The City and the Union agree there will be no discrimination by the City or the Union against any employee because of any employee's lawful activities and/or support of the Union, or because the employee does not support the Union or participate in Union activities.
- 7.03 The use of the male or female gender of nouns or pronouns is not intended to describe any specific employee or group of employees but is intended to refer to all employees in job classifications, regardless of sex.

**ARTICLE 8**  
**DUES DEDUCTION**

- 8.01 The City will deduct Union dues monthly from the paychecks of employees who have written dues deduction authorizations on file with the Finance Department. Dues or fees deducted shall be sent to the Union forthwith, along with a statement listing the amount deducted for each employee. Written dues deduction authorizations shall be revocable by the employee pursuant to the terms of the signed authorization attached hereto as Exhibit B. Deductions shall be made during the first two pay periods of each month and shall be transmitted to the Union no later than the tenth day following the end of the second pay period in which the deduction is made. An alphabetical list of employees for whom deductions have been made indicating the amount of the deduction shall be transmitted to the Union with the deductions. Upon receipt of the deductions, the Union shall accept full responsibility for the funds. In event an employee's first month's pay is insufficient for deduction, the City will make a double deduction from the pay earned in the first pay period of the following month, or if this is insufficient, in a subsequent period. The Union will indemnify and hold the City harmless from any action growing out of the deductions made by the City hereunder. The Union will provide a written annual letter to the City enumerating the dues and Fair Share Fees owed by its members on a month basis, no later than December 15<sup>th</sup> of each calendar year.

8.02 The Union shall hold the City harmless from any liability arising or claimed to arise out of any action by it or omitted by it in compliance with or in an attempt to comply with the provisions of this Article. The City shall not be obligated to make dues deduction for any employee who fails to receive sufficient wages during a month to equal dues deduction.

**ARTICLE 9**  
**NO STRIKE / NO LOCKOUT**

- 9.01 The Union shall not directly or indirectly call, sanction, instigate, finance and/or assist in any way, nor shall any employee instigate or participate, directly or indirectly, in any strike, work stoppage or slowdown at any operation or operations of the City for the duration of this Agreement.
- 9.02 The Union shall cooperate with the City in continuing operations in a normal manner and shall actively discourage and endeavor to terminate any violations of this Article.
- 9.03 Upon notice from the City that any violation of this Article occurs, the Union will immediately make all reasonable efforts to notify all employees that the strike, walkout, work stoppage or slowdown at any operation or operations of the City is prohibited and is not in any way sanctioned or approved by the Union. The Union shall also immediately make all reasonable efforts to advise all employees to return to work at once.
- 9.03 The City agrees that neither it nor its officers, agents, or representatives, individually or collectively, will authorize, instigate, cause, aid or condone any lockout of members of the Union.
- 9.05 Violation of this Article may result in discipline.

**ARTICLE 10**  
**PROBATIONARY PERIOD**

- 10.01 New full- and part-time employees shall be considered to be on probation for a period of one year. The City shall have sole discretion to discipline or discharge such probationary employees, and such actions during this period cannot be reviewed through the Grievance Procedure or otherwise.
- 10.02 In those job classifications for which the City requires a professional license (other than a CDL) within thirty (30) months of hire, the City's right to terminate an Employee for failure to obtain such license shall be absolute, and any such termination shall not be subject to the Grievance Procedure set forth in this Agreement. Failure to obtain and maintain all required licenses, inclusive of CDL license shall be grounds for immediate termination of employment or layoff in accordance with Article 13.

**ARTICLE 11**  
**SENIORITY**

- 11.01 "Job Classification Seniority" shall be defined as an employee's continuous length of service while holding the same classification. Job Classification Seniority would be applied for purpose of determining layoffs as provided in 12.01. The employee shall receive credit for all time spent on the City's payroll in that classification. Job Classification Seniority shall be terminated as set forth in 11.02.
- 11.02 "City Employment Seniority" shall be defined as an employee's continuous length of service, effective from his most recent date of hire as a regular full-time employee. City Employment Seniority shall be terminated when an employee:
- A) Quits or resigns;
  - B) Is discharged for just cause;
  - C) Is laid off for a period of more than twenty-four (24) consecutive months;
  - D) Is absent without leave for fourteen (14) consecutive working days;
  - E) Fails to report for work when recalled from layoff within three (3) consecutive working days from the date on which the City sends the employee notice, by certified mail that he has been recalled from layoff unless satisfactory excuse is shown;
  - F) Fails to return to work on expiration of a leave of absence;
  - G) Fails to obtain a City required professional license within the thirty (30) month period provided for 10.02.
- 11.03 For purposes of vacations and longevity pay, accrual, length of service shall be determined in accordance with Huron City Ordinance 163.05 and 163.15, respectively.
- 11.04 The City will provide the Union with a list of all employees in the bargaining unit listing the employee's name, job classification, date of hire, date of classification, home address and phone number, if listed, not more than twice per year upon request of the Union.
- 11.05 The City shall notify the Local Union President of personnel changes as they occur which directly affect the Unit.

## **ARTICLE 12**

### **LAYOFFS AND RECALL**

- 12.01 Whenever the work force of the City, or within any classification of employees within the City, is reduced either for lack of work, lack of funds, changes in operating methods, to increase efficiency or to reduce costs, employees shall be laid off based upon Job Classification Seniority within their division in the following order.
- A) Seasonal/Temporary employees;
  - B) Part time employees;
  - C) Regular full time employees.

- 12.02 Employees shall be given a minimum of forty five (45) calendar days advance written notice of layoff indicating the circumstances which make the layoff necessary.
- 12.03 In the event a regular full-time employee is laid off, he shall receive payment for earned but unused vacation as quickly as possible, but no later than fourteen (14) days after layoff.
- 12.04 When any bargaining unit employee is given notice of layoff under the above paragraph, the City and the affected employee will meet for the purpose of attempting to find an available job which the affected employee may be qualified to perform. If any such job is available, the employee will be given consideration for the open position. The Union shall receive a copy of all such layoff notices. Also, a laid off full-time employee may bump into a same or lower paid classification for which he is qualified if there are less senior full-time employees in the classification. Similarly, a laid off part-time employee may bump into a same or lower-paid classification for which he is qualified if there are less senior part-time employees in the classification.
- 12.05 Employees shall be recalled in the reverse order of layoff. An employee on layoff will be given three (3) working day's notice of recall, measured from the date on which the City sends the recall notice to the employee by certified mail to his last known address as shown on the City's records. A laid off employee will be recalled to his former position with full rights in the event such position becomes available within twenty four (24) months after his layoff date.

**ARTICLE 13**  
**LOSS OF CDL/INSURABILITY**

- 13.01 If a core job duty of an employee is to operate a vehicle and the employee becomes uninsurable or insuring the employee would require an increase in the cost of insurance, or the employees loses his CDL, the employee:
- A) Will not be permitted to drive City vehicles;
  - B) Will not be permitted to bump into another position but may bid into a vacant position for which the employee is qualified in this bargaining unit according to the provisions of this Agreement;
  - C) If no position is available under paragraph (2) above, the employee will be laid off. During the layoff under this Agreement, the employee must submit a driving record (BMV report) when requested to the City and its insurer to determine insurability. If the layoff resulted from the loss of the employee's CDL, the employee shall notify the City and its insurer upon restoration of the CDL if it is restored during the period of the employee's layoff. Upon becoming insurable or regaining the CDL, the employee may, in accordance with Article 12, return to an

available vacancy, or if none is available, to a subsequent vacancy for which the employee is qualified.

**ARTICLE 14**  
**BID PROCEDURE**

14.01 Whenever the City decides to fill a vacancy in a classification within the bargaining unit, the City shall post notice where the vacancy exists. **The City will notify the Local Union president of any job postings.** The bid notice shall contain the classification, job description, minimum qualifications as determined by the City and salary. The classification, not the specific assignment in the classification, will be posted. The bid notice shall be posted for a minimum of five (5) consecutive working days. Where applicable, minimum qualifications may include licensing, bonding and/or testing requirements. Official notification will be made after approval by the City, but no later than five (5) days after approval.

14.02 Any employee wishing to apply for a posted vacancy must submit an application in writing to the City Manager by the end of the posting period in order to be considered for the position. City Employment Seniority, skill, and ability shall be the determining factors in filling all vacancies. City Employment Seniority shall be the determining factor only when, in the judgment of the City, skill and ability are of equal measure. If no full-time bargaining unit employee meets the minimum qualification, the posted vacancy may be filled by a qualified part-time bargaining unit employee. If no bargaining unit employee meets the minimum qualification, the posted vacancy may be filled by the City from outside the bargaining unit.

The positions of Chief Operator, Street Foreman, and Distribution Foreman are considered mid-level management and were created with the cooperation of the union. In the event of a vacancy of either of these positions, the City will comply with internal posting pursuant to this section, however, the City reserves the right to conduct an external competitive search following the five day internal posting. Existing employees will be afforded preference and will be afforded an interview. Selection will be based on qualification in accordance with this Section.

14.03 After the appointment to a new job category, the first 120 worked days of service shall be considered the probationary period for the new position. Nothing contained in this Section shall be construed to shorten an employee's original one (1) year probationary period. Any employee who bids for and receives a new job category within his original one (1) year probationary period shall have that original probationary period run concurrent with the probationary period for the new position. The original one (1) year probationary period may be extended by the number of days, if any, needed to fulfill the new position's thirty (30) day probationary period. An employee may not bid or be appointed to a position if he has had any discipline issued to him within 2 calendar years.

14.04 Unless otherwise agreed to by the Union and the City after initial appointment to a new job category, if said employee does not satisfactorily complete the 120 worked days

probationary period as determined by the City or at the election of the employee, he will be reassigned to his previous job.

14.05 An employee appointed to a new position pursuant to this Article shall be placed within the appropriate pay grid according to the employee's City Employment Seniority.

14.06 The City will provide written notice to the Local Union President if it does not intend to fill a vacancy within one hundred (120) days. Upon request by the Union President, the City will meet with the Union to discuss the reasons vacancies will not be filled.

## **ARTICLE 15**

### **HOURS OF WORK AND OVERTIME**

15.01 A. The City shall devise a regular schedule of work for the Water Filtration Division that meets the following criteria:

- 1) A regular recurring shift on no more than a two (2) week rotation, except as may be affected by holiday rotation;
- 2) Employees shall have every other weekend (Saturday and Sunday) off;
- 3) Regular starting and ending times on no more than a two (2) week rotation;
- 4) No more than five (5) days on duty in a row;
- 5) At least eight (8) hours between shifts; and
- 6) Adjustments to (1) through (5) above are available through mutual agreement and/or through the payment of overtime.

Employees may trade shifts with approval of the Superintendent of Water Filtration and so long as such trading does not generate overtime.

B. For all other Departments or Divisions, the normal work week shall be established consecutive work days with specified starting and ending times. The work day shall include two (2) fifteen minute paid break times and a lunch opportunity. The lunch opportunity shall be established by the City on a Department or Division basis with input from the affected employees.

15.02 All employees in the job classifications covered by this Contract shall receive time and one half (1 1/2) their regular rate of pay for all hours worked in excess of forty (40) in one (1) work week. All paid hours shall be considered hours worked for purposes of this section, except as provided in Article 17, Holidays, §17.04 There shall be no pyramiding of overtime; overtime and other premium pay provisions are not cumulative. The supervisor will assign overtime to qualified employees.

15.03 Unless otherwise provided below, the City shall distribute overtime as equally as possible among the qualified employees by Department/ Division. On January 1 each year the City shall create a list by Department/Division of qualified employees. Overtime shall be offered in order of the list with a record of any hours worked or refused added to the list in order of City Employment Seniority within a Department/Division. During the



calendar year, the employee with the least accumulated overtime worked or refused shall be offered the next overtime opportunity.

- 15.04 Section 3 above shall not have an impact on employees who continue a job beyond the regular work day; provided, however, the hours worked shall be added to the list for purposes of future equalization.
- 15.05 In the event a sufficient number of employees in a Department/Division are not available for overtime, the City shall call bargaining unit members in other Departments/Divisions qualified to perform the work assignment; however, such "out of Department/Division" overtime worked or refused shall not be added to the Department/Division overtime equalization list. The City shall maintain a list in each Department/Division of qualified individuals outside the department. Out of Department/Division overtime opportunities shall be distributed as equally as possible.
- 15.06 ON CALL DUTY. Employees in Water Distribution, Street Maintenance, and Water Filtration Divisions shall be assigned on call duty. The City reserves the right to add any newly created Department/Division (including the Building and Grounds Division) to the on call list. Each Department/Division shall create a separate rotating on call list. On call duty shall be seven (7) calendar days in duration. At no time shall an employee receive compensation for on call duty when the employee has utilized sick leave to cover any portion of his shift due to his own illness or extended leave as recognized by FMLA standards. In the event a supervisor determines that an emergency condition may be pending, he may determine additional on call duty is needed. Additional on call duty shall be filled on a voluntary basis utilizing the Department/Division overtime equalization list. Only overtime hours incurred within an employee's Department/Division shall be added to the overtime list for the purposes of equalization. Refusal of voluntary on call shall not incur any overtime charges.
- 15.07 Each employee on call shall be paid the equivalent of one (1) hour at their pay rate Mondays through Fridays and two (2) hours at their rate of pay for Saturdays, Sundays and Holidays as on call pay for each twenty-four (24) hour period on call. Such on call pay shall be in addition to pay for actual hours worked on call. Each employee on voluntary on call shall also be paid as set forth above.

Any employee earning on call compensation for hours accumulated as a result of a call out benefit may choose to convert their pay into compensatory time. An employee may convert up to fifty percent (50%) of call out hours accumulated or worked into compensatory time. Requests to use compensatory time shall be made in compliance with Section 15.09.

- 15.08 Calls outside the normal work day/week shall go first to the employee on call in the affected Department/Division and then to the equalization list. Hours actually worked on call shall be added to the equalization list, but not hours paid as on call pay.

- 15.09 COMPENSATORY TIME. In lieu of overtime pay as provided in this Article, the City shall, upon written request of the Employee, grant an employee compensatory time off. Compensatory time shall be granted at the rate of one and one half (1 ½) hours of compensatory time off for each hour of overtime worked. The maximum amount of compensatory time an employee may accrue and carry forward is forty (40) hours. Any overtime worked which would increase the employee's accumulated compensatory time off beyond the forty (40) hours shall be paid out to the employee. Requests to use compensatory time off must be made as soon as possible but no less than one (1) day in advance. The City reserves the right to limit the number of employees off on compensatory time. Compensatory time must be used prior to retirement and is not subject to payment upon retirement. The employee must receive approval from the City prior to taking compensatory time off.
- 15.10 Employees called in to work outside the normal work schedule will be paid a minimum of two (2) hours at the appropriate overtime rate.

## **ARTICLE 16** **VACATIONS**

- 16.01 All regular full time employees shall be granted vacation leave with full pay each year based upon their length of service with the City in accordance with Huron Codified Ordinance §163.05 as it applies to the safety forces.
- Personal days do not accrue and must be used within the year they are earned. Unused personal time will be lost.
- 16.02 A regular full-time employee becomes eligible for vacation leave on his employment anniversary date, and vacation leave shall be taken by the employee within twelve (12) months after it is earned. Beginning with the first month of the employee's second employment year and thereafter, the annual vacation eligibility shall accrue at the rate of one twelfth (1/12) for each month of completed service in the employment of the City during each employment year.
- 16.03 When a regular full-time employee resigns or retires, he shall be paid his daily rate of pay times the number of accrued vacation days.
- 16.04 If a recognized holiday falls within an employee's vacation leave, the employee shall receive an additional paid vacation day in lieu of the holiday.
- 16.05 Vacation scheduling shall be subject to approval of the Department/ Division Head. Requests may be disapproved and vacation may be canceled for good cause to insure adequate staffing levels. The City shall have the right to cancel an employee's scheduled time off in the event of a real and present emergency; provided, however, the inability of the City to cover the employee's scheduled time off by other employees shall not be considered an official emergency enabling the City to cancel an employee's approved

vacation. In the event the City cancels a previously approved scheduled time off of three (3) consecutive days or more, the City will reimburse the employee for documented amounts of deposits or prepaid, nonrefundable expenses lost due to cancellation.

- 16.06 All requests for vacation shall be in writing and shall be acted upon as soon as possible, but in no event more than seven (7) working days.
- 16.07 Each employee entitled to vacation time under this Article shall be entitled to carry over unused vacation from one calendar year to the next, but such carryover shall be limited to a maximum of one hundred sixty (160) hours plus the number of vacation hours earned in excess of one hundred sixty (160) as appears on such employee's records as of December 31st of the year immediately preceding the carryover year.

**ARTICLE 17**  
**HOLIDAYS**

17.01 A. All regular full time employees shall be entitled to the following holidays:

New Year's Day	Veterans' Day
Martin Luther King Day	Thanksgiving Day
President's Day	Day after Thanksgiving
Good Friday (half day)	Christmas Eve (half-day)
Memorial Day	Christmas Day
Independence Day	New Year's Eve (half day)
Labor Day	Personal Days (two)

B. A part time employee assigned to work on a holiday shall be entitled to 1 ½ times the employee's regular hourly rate for the holiday shift.

- 17.02 Should any of the recognized holidays fall on Sunday, the following Monday shall be observed as the holiday. Should any of the recognized holidays fall on a Saturday, the preceding Friday shall be observed as the holiday.
- 17.03 To be entitled to holiday pay, an employee must be on the active payroll (i.e., actually receives pay) during the pay period in which the holiday falls.
- 17.04 For those employees on a seven (7) day operation, an employee assigned to work on a holiday, or whose regularly scheduled day off falls on a holiday will be paid one and one-half (1 1/2) times their rate of pay for each hour worked in addition to eight (8) hours at their straight time hourly rate for each of the holidays listed above. Employees may substitute another working day for the holiday or may take holiday pay calculated at his regular rate. Any banked holiday time must be used within three (3) months of the date earned or the unused banked time will be paid at the employee's appropriate straight time rate no later than December 31st of the year earned, unless such holiday is subject to carry-over rules as set forth in City Ordinance 163.04(c).

**ARTICLE 18**  
**APPLICATION FOR LEAVE OF ABSENCE**

- 18.01 All leaves of absence without pay and any extension thereof must be applied for in writing with appropriate supporting documentation to the City Manager on forms supplied by the City at least fourteen (14) working days prior to the proposed commencement of the leave, except in serious and unusual circumstances. Notification of the approval or denial of their requested leave shall be given to the employee in writing within five (5) working days after the submission of the request. Any denial of the requested leave of absence will include the reason for the denial.
- 18.02 An employee may, upon request, return to work prior to the expiration of any leave of absence if such early return is agreed to by the City.
- 18.03 If it is found that a leave of absence is not actually being used for the purpose of which it was granted, the City shall cancel the leave and direct the employee to return to work. Appropriate disciplinary action may be taken after a review of the circumstances.
- 18.04 An employee who fails to return to work at the expiration or cancellation of a leave of absence, or who fails to secure an extension thereof, shall be deemed to be absent without leave.

**ARTICLE 19**  
**SICK LEAVE**

- 19.01 All full-time regular employees shall be credited with paid sick leave at the rate of one and one-quarter (1-1/4) work days per month. Unless otherwise amended by this Article, sick leave shall be governed by Section 163.02 (Ordinance 2000-13) of the City Code.
- A) Paid sick leave shall be granted for actual sickness or injury, confinement by reason of a contagious disease, or visit to a doctor or dentist for medical care of the employee or his immediate family, and pregnancy (including postpartum periods). "Immediate family" shall include mother, father, sister, brother, spouse, child, stepson, stepdaughter, stepbrother, stepsister, halfbrother, halvesister, grandparents, mother in law, and father in law.
- B) Abuse of sick leave, including falsification of information provided in connection with sick leave, shall be grounds for discipline up to and including discharge.
- C) No paid sick leave shall be granted unless the Department/Division authority designated by the City is notified of the illness no later than the scheduled starting time on the first day of the absence due to such illness, unless the nature of such illness precludes the required notice. An employee is required to call in on each day off or notify the City of the duration of his absence.

- D) The City may, in its discretion, require appropriate medical documentation for an absence and may require certification of fitness to return to work from a licensed physician.
- E) Compensation shall be allowed for such days of sick leave actually taken by an employee of the City to be paid at an hourly rate on the same basis to which the employee would have been entitled as compensation for his usual service if it had been performed on such days. The daily sick leave pay of a salaried employee shall be computed by dividing the annual salary of such employee by the number of work days in a calendar year.
- F) Sick leave shall be taken in no less than a quarter (1/4) hour increments.
- G) Employees must call in sick before the start of their shift. Forty eight (48) hour notice is required for anticipated absences such as medical appointments.
- H) A regular full-time employee who has a minimum of 1,000 hours accumulated sick leave may request, by the last working day of January of any calendar year on the form provided by the City and shall be granted the right to convert thirty (30) hours sick leave to ten (10) hours personal time per three month period. An employee shall not convert or accumulate in excess of forty (40) hours personal time on any calendar year.
- I) As of December 31st, 2002, a regular full-time employee who has a minimum of 1,000 hours accumulated sick leave may request, by the last working day of October of any calendar year on the form provided by the City and shall be granted the right to convert a maximum of eighty (80) hours sick leave to a cash payment. Forty (40) hours shall be paid to the employee with the first pay of February and forty (40) hours shall be paid with the first pay of July. These payments shall be made by separate check.

19.02 SICK LEAVE PAYOUT Effective January 1, 2009, all sick leave hours shall be frozen, for those employees employed on December 31, 2009 at the hourly rate in effect on December 31, 2009. The frozen hours shall be multiplied by the 12/31/09 hourly rate to arrive at the amount of payout to which the employee is eligible for accumulated sick leave. The employees will continue to accrue sick leave without maximum accrual for the remainder of their tenure with the city. Upon retirement, the employee has the option of being paid out sick leave on the basis of one (1) day for each accrued three (3) days up to a maximum of 480 hours at the employee's current hourly rate or the frozen amount determined on December 31, 2008, whichever is greater. These two plans are mutually exclusive and any employee employed as of December 31, 2009 may accept one of the two alternatives upon retirement or his beneficiary upon death in office. Employees hired after January 1, 2010 shall be paid sick leave payout upon retirement on the basis of one (1) day for each accrued three (3) days up to a maximum of 480 hours at the employees current hourly rate. . In the event of the death of a regular full-time employee, the City shall pay to the named survivor (provided, however, if none is named then to the surviving spouse or next of kin) the above listed benefit as if the employee had retired.

19.03 MEDICAL EXAMINATION Where the City believes an employee may be unable to perform the essential functions of their position, the City may require a physical or

mental fitness for duty examination by a licensed physician, psychologist or psychiatrist of its selection at its expense. In the event the results of the City's physical or mental examination is in dispute with a similar examination by the employee's medical professional, the two (2) medical professionals shall designate a third, neutral medical professional, and an examination shall be scheduled with that professional. The results of the third examination shall be binding on the City and the employee. The cost of the third examination shall be divided equally between the City and the employee.

## **ARTICLE 20**

### **BEREAVEMENT LEAVE**

- 20.01 A regular full-time employee shall be granted up to four (4) days leave in the event of the death of a member of his immediate family. When in the opinion of the responsible Department/Division Head, additional leave of absence for family death is in the best interest of both parties; such additional leave may be granted and deducted from accumulated sick leave. The granted leave shall include the day of the funeral.
- 20.02 In the event of the death of a relative other than a member of his immediate family, a regular full-time employee shall be granted a leave of absence with pay, to be charged to his accumulated sick leave, for one (1) day to attend the funeral if within the State of Ohio, or three (3) days when the funeral is outside the State of Ohio.
- 20.03 For the purpose of Funeral Leave, an employee's "immediate family" shall include his mother, father, sister, brother, spouse, child, stepson, stepdaughter, stepbrother, stepsister, halfbrother, halvesister, grandparents, mother in law, and father in law.

## **ARTICLE 21**

### **FAMILY AND MEDICAL LEAVE POLICY**

This provision is intended to comply with the Family and Medical Leave Act ("FMLA").

- 21.01 Eligible Employees: Employees are eligible for Family and Medical Leave if they have worked for the City for at least twelve (12) months and have worked at least one thousand two hundred fifty (1250) hours during the twelve (12) month period preceding the start of the leave.
- 21.02 Entitlement to Leave: An eligible employee who requests leave for a qualifying purpose will be entitled to up to twelve (12) weeks of family and medical leave in each twelve (12) month period. The leave shall be unpaid, except that health and medical benefits shall continue to be provided on the same terms as if the employee were working. The City shall choose the method for determining the 12 month period.
- 21.03 Notice: The City will post the FMLA notice provided by the U.S. Department of Labor.
- 21.04 Reasons for Granting Leave:
- A) Birth of a child (and care of a newborn).

- B) Placement of a child with the employee for adoption or foster care.
- C) Need for the employee to care for a spouse, son, daughter or parent, who resides in the home of the employee, with a serious health condition.
- D) The employee's own serious health condition which makes the employee unable to work.

21.05 Serious Health Condition: A “serious health condition” is a condition which requires inpatient care (e.g. overnight hospital stay) or continuing treatment by a health care provider for:

- A) A period of incapacity (inability to work or perform daily activities) for more than three (3) consecutive calendar days and which requires two (2) or more visits to a health care provider or one (1) visit to a health care provider that results in a regimen of continuing treatment by the provider.
- B) Any period of incapacity for pregnancy or prenatal care.
- C) Any period of incapacity for a chronic serious health condition (e.g. asthma, diabetes, epilepsy) which may be episodic in nature.
- D) A period of incapacity for a long term condition for which treatment may not be effective (e.g., Alzheimer's disease, severe stroke, terminal stage of cancer).
- E) Any period of incapacity to receive multiple treatments by a health care provider for a condition that would likely result in a period of incapacity of more than three (3) consecutive calendar days absent treatment (e.g., chemotherapy, physical therapy).

21.06. Designation of Leave as Family Leave: If an employee requests leave for a reason which qualifies for FMLA leave, the City will designate the leave as Family and Medical Leave and so notify employee within two (2) business days.

21.07 Inability to Work: An employee is unable to work when a health care provider finds that he is unable to perform any one of the essential functions of the job.

21.08 Health Insurance FMLA: If the employee is covered by group health/medical insurance, the insurance coverage will be maintained for the duration of the Family and Medical Leave. The employee remains responsible for any co-payment of premium. Insurance may be terminated if:

- A) The employee notifies the City that he does not intend to return from leave.
- B) The employee fails to return from leave.
- C) The employee exhausts the leave entitlement.
- D) The employee's co-payment is more than thirty (30) days late, and the City then gives the employee fifteen (15) day’s notice of termination of benefits.

21.09 Reinstatement to Job from FMLA: On return from leave, an employee is entitled to be returned to his old job or an equivalent position with equivalent pay, benefits and other terms and conditions of employment. This right to reinstatement may not extend to employees who qualify as "key employees" under the statute.

- 21.10 Substitution of Paid Leave: Any accrued, eligible leave shall run concurrently with the FMLA. The employee may request an exemption from this requirement under exigent circumstances approved in writing by the City Manager.
- 21.11 Employee Notice:
- A) The employee must give the City thirty (30) day's notice of Family and Medical Leave if the leave is foreseeable.
  - B) If the leave is unforeseeable, notice must be given as soon as practicable.
- 21.12 Proof of Serious Health Condition:
- A) At the City's request, employees must obtain certification of a serious health condition on a form supplied by the City from a physician in advance of the leave.
  - B) The City may, when appropriate in its judgment, require recertification of the leave.
  - C) If the City disagrees with the certification, it may require a second opinion from a different physician (not affiliated with the City).
- 21.13. Intermittent Leave, Reduced Schedule: Intermittent leave or a reduced schedule may be taken for serious health conditions under this policy when medically necessary. However, the employee must attempt to avoid conflicts with his work schedule, and the City may assign the employee to a different, equivalent job to facilitate the intermittent or reduced schedule leave.

**ARTICLE 22**  
**MILITARY TRAINING LEAVE**

- 22.01 The City shall continue to grant a leave of absence for military training in accordance with codified ordinance 163.09 as in effect on January 1, 1988.

**ARTICLE 23**  
**CIVIL SERVICE LAW**

- 23.01 No section of the Civil Service Laws contained in Ohio Revised Code Chapter 124, shall apply to the employees in the bargaining unit, and it is expressly understood that the Ohio Department of Administrative Services and the State Personnel Board of Review shall have no authority or jurisdiction as it relates to employees in the bargaining unit.

**ARTICLE 24**  
**SAFETY, HEALTH and UNIFORMS**

- 24.01 As provided in Ohio Revised Code §Section 4167.04, the City will furnish employees with a place of employment free from recognized hazards that are causing, or are likely to cause, death or serious physical harm to the employees, provided that the City need not



take any action which would cause it undue hardship unless required to prevent imminent danger of death or serious harm to the employee.

- 24.02 As provided by Ohio Revised Code §Section 4167.05, each employee will comply with safety rules and safe practices established by the City.
- 24.03 The City and employees shall comply with Ohio employment risk reduction standards, rules, and orders adopted pursuant to Ohio Revised Code Chapter 4167.
- 24.04 As provided in Ohio Revised Code Section §4167.06, an employee acting in good faith has the right to refuse to work under conditions he reasonably believes present an imminent danger of death or serious harm to him, provided that such conditions are not such as normally exist for, or reasonably might be expected to, occur in his occupation. The City shall not discriminate against an employee for a good faith refusal to perform assigned tasks if the employee has requested the City to correct the hazardous conditions, but the conditions remain uncorrected, there was insufficient time to correct the conditions by enforcement methods available under Ohio Revised Code Chapter 4167, and/or a reasonable person under the circumstances would conclude that the conditions caused an imminent danger of death or serious harm to the employee. The City may discipline an employee who refuses to perform assigned tasks but fails to meet these conditions for refusing to work.
- 24.05 The grievance arbitration procedure of this contract is the exclusive method of asserting a violation of the City's obligations under this Article, and grievance arbitration shall be in lieu of any other available remedy. Nothing in this 24.05 shall be interpreted as taking away or limiting any rights granted to employees by any statute.
- 24.06 The City will provide any protective devices and other equipment which it determines are necessary to properly protect employees from injury while performing required job functions.
- 24.07 The City may require employees to attend general wellness programs.
- 24.08 Where the City believes an employee may be unable to perform the essential functions of their position, the City may require a physical or mental fitness for duty examination by a licensed physician, psychologist or psychiatrist of its selection at its expense. In the event the results of the Employer's physical or mental examination is in dispute with a similar examination by the employee's medical professional, the two (2) medical professionals shall designate a third, neutral medical professional, and an examination shall be scheduled with that professional. The results of the third examination shall be binding on the City and the employee. The cost of the third examination shall be divided equally between the City and the employee.
- 24.09 The City may require employees to wear uniforms. The City will provide, at its cost, a uniform service for the employees whom it requires to wear uniforms. The City will provide two [2] sweatshirts during the first year of this Contract and one [1] sweatshirt

each of the remaining years of the Contract. Only on an “as needed basis,” and subject to verification by management, the City will pay for the purchase of safety shoes based on job function. The maximum amount the City will pay for such shoes is two hundred dollars (\$200.00) per pair.

“Safety shoes,” at a minimum, must have adequate toe protection. Employees whose safety shoes are paid for by the City are required to wear said safety shoes.

**Other Items**

The City will provide and pay for clothing to be worn during inclement weather. That clothing shall include, but is not limited to: sweatshirts, Carharts, raingear, water proof gloves, leather work gloves, rubber boots, etc. The City will provide prescription safety glasses on an “as needed basis,” but not to exceed one pair per year. Employees whose clothing is paid for by the city are required to wear same.

24.10 The Union agrees to provide a representative to the City Health and Safety Committee.

**ARTICLE 25**  
**DISCIPLINE**

25.01 An employee may be disciplined for just cause.

25.02 The City agrees to apply a policy of progressive and corrective discipline, with progressive steps as follows:

Oral Reprimand;  
Written Reprimand;  
Suspension;  
Dismissal;

The City, solely in its discretion, may repeat a given level of discipline. Disciplinary action may be initiated at any level of the forgoing schedule, including dismissal, depending upon the severity of the infraction.

25.03 No employee shall be suspended or dismissed without first having a disciplinary hearing before the City Manager or his designee. The hearing shall be held within five (5) working days of the date the City issues written disciplinary charges against the employee. The written disciplinary charges shall include a recitation of the general nature of the alleged offense. A copy of the written charges shall be provided to the designated employee Union Representative.

25.04 Oral and Written Reprimands shall be done with discretion in a manner so as not to cause public embarrassment to an employee. No reprimand will be given until the employee has had the opportunity to have the employee Union Representative present.

25.05 All disciplines may be appealed through the grievance procedure. Oral Reprimands and Written Reprimands may be appealed through Step 2; suspension in excess of five (5) days and dismissal may be appealed beginning at Step 3.

25.06 Records of discipline will no longer have effect pursuant to the following schedule, except as otherwise set forth in Article 26, Section 9:

- Oral and Written Reprimand            12 months after date\* of occurrence
- Suspension                                    18 months after date\* of occurrence
- Suspensions under Article 26            5 years\*

\*provided there is no intervening discipline

Disciplinary records shall be placed in a separate file within the main personnel file after the discipline no longer has effect. Such records shall not be used in Personnel Appeals Board or arbitral hearings if they no longer have force and effect.

25.07 INVESTIGATION OF INFRACTIONS. The City has fifteen [15] work days to investigate alleged infractions of City Ordinances, policies or job performance. The City has an additional fifteen [15] work days, if necessary, to hold a disciplinary hearing on the matter under investigation. If discipline is imposed, it will be served within fifteen [15] work days of the date of the hearing. Any of these deadlines may be extended by mutual consent of the Parties.

**ARTICLE 26**  
**DRUG-FREE WORKPLACE**

26.01 Employees with a Commercial Driver's License (CDL) shall be subject to the City's Alcohol and Controlled Substances Testing Policy which conforms to Department of Transportation regulations. In addition, all employees are subject to the provisions of this Article.

26.02 The parties to this Agreement oppose the illegal use of drugs by any employee. The parties agree that it is in the best interests of this City, the Union, and all residents/citizens/visitors served for the City to maintain a drug free workplace. Each will wholeheartedly support reasonable efforts by the other to obtain and maintain this result.

26.03 The Union further recognizes the right and duty of the City to make, publish, and enforce rules and policies to assure this result.

26.04 The term "drug" includes cannabis, as well as other controlled substances including alcohol, as defined in the Ohio Revised Code. The term "illegal drug usage" includes the use of cannabis or any controlled substance which has not been legally prescribed and/or dispensed, or the abusive use of a legally prescribed drug.

26.05 No employee shall possess or use any controlled substances including prescription drugs, narcotics, or hallucinogens except when prescribed in the treatment of the employee by a

physician or dentist. When a controlled substance, including prescription drugs, narcotics, or hallucinogens is prescribed, employees shall notify their immediate supervisor and show written confirmation from the attending physician. No employee shall store or bring into any City facility or vehicle, any alcoholic beverages, controlled substances,, including prescription drugs, narcotics, or hallucinogens. No employee shall consume intoxicating beverages while in uniform or on duty.

No employee shall appear for duty, or be on duty, if any of the following apply:

- A) The employee is under the influence of a controlled substance, including prescription drugs which are mood altering, alcohol, a drug of abuse, or alcohol and any illegal drug;
- B) The employee has a concentration of two hundredths of one percent (0.02%) or more by weight of alcohol in the blood;
- C) The employee has a concentration of two-hundredths (0.02) of one gram or more by weight of alcohol per 210 liters of his breath.

Employees, while being compensated for being on call, shall refrain from consuming alcoholic beverages and/or any drugs of abuse or mood altering substances. Employees may be tested for illegal drug usage where there are reasonable grounds to believe that the employee to be tested is using, abusing, or under the influence of illegal drugs as objectively found by at least one (1) qualified City representative.

- 26.06 Provided the City has reasonable cause to believe that the employee to be tested is abusing illegal drugs, an employee refusing to submit to testing shall be subject to discipline up to and including discharge.
- 26.07 Testing shall be conducted at a laboratory that meets "Mandatory Guidelines for Federal Workplace Drug Testing Programs. Confirmation testing shall meet standards recognized by the U.S. Department of Health and Human Services. Testing may include breath or urine. Upon consent of the City and employee the test may include blood. Testing shall begin with the taking of one (1) fluid sample which will be divided into two (2) separate containers. Second samples shall be retained for a period established under the "Mandatory Guidelines for Federal Workplace," as accepted by the U.S. Department of Health and Human Services or six months, whichever is greater. If an employee tests positive, the second test shall be made from the original sampling.
- 26.08 The City shall encourage and refer the employee to participate in drug counseling, employee assistance, rehabilitation and other drug and alcohol abuse treatment programs. Employees who have tested "positive" under these procedures are required to participate in such a Program.
- 26.09 The City reserves the right to impose discipline in accordance with the following schedule:

- A) Failure to comply with the policy as it applies to the misuse of alcohol will result in disciplinary action as follows:
  - 1) First Offense: The employee will be suspended for three (3) working days without pay.
  - 2) Second Offense: The employee will be suspended for ten (10) working days without pay. An employee assistance program (EAP) will be mandatory for the involved employee to be paid for as provided for in existing health care benefits. Accrued sick leave may be used for EAP. No sick leave may be used toward the suspension.
  - 3) Third Offense: The employee will be terminated immediately.
- B) Failure to comply with the policy as it applies to misuse of drugs of abuse will result in disciplinary actions as follow:
  - 1) First Offense: The employee will be suspended for ten (10) working days without pay. An EAP will be mandatory for the involved employee to be paid for as provided for in existing health care benefits. Accrued sick leave may be used for EAP. No sick leave may be used toward the suspension.
  - 2) Second Offense: The employee will be terminated immediately.
- C) Voluntary entry into an EAP is not grounds for disciplinary action outside a violation of this policy.
- D) The failure by an employee to attend a mandatory employee assistance program will result in termination.
- E) An employee who has successfully completed the EAP as part of disciplinary action resulting from an alcohol related offense may have his records sealed in accordance with §25.06 providing there is no related offense within a five (5) year period. There is no provision for an expungement of a drug related offense.
- F) An employee who refuses to submit to the requested test or tests shall be considered to have tested positive, and disciplinary action will be administered in accordance with standards established here in.

26.10 The City shall pay for the first two (2) tests. Additional tests of the original specimen desired by the employee shall be at his or her own expense and done at the lab of his choice other than the one used by the City.

26.11 Employee confidentiality shall be maintained.

**ARTICLE 27**  
**PERSONNEL FILES**

- 27.01 The employment records of each employee shall be open to the inspection of the employee upon reasonable advance request to the City or his designee. If an employee is involved in a grievance regarding a matter relevant to information contained in the employee's personnel file, the affected employees Union Representative will be granted access to his personnel file upon written authorization from the employee and upon reasonable request made to the City.
- 27.02 Each employee shall be provided a copy of any disciplinary action prior to a record of such action being placed in the personnel file.
- 27.03 Employees shall be entitled to copy all material contained within their personnel files upon reasonable advance request to the City.

**ARTICLE 28**  
**HEALTH COVERAGE**

- 28.01 The City will provide each member and his legal dependents with the same or substantially similar health insurance coverage to that described in Exhibit C attached hereto and made a part hereof; provided, however, the City shall retain the right to make administrative or procedural changes which it determines are economically sound.
- 28.02 In the event the City proposes to change the plan as described in Exhibit C, it shall bring such proposed changes to a labor/management meeting at least forty-five (45) days prior to the proposed effective date of said changes.
- 28.03 The member's share shall be paid through payroll deduction, which deduction is hereby specifically authorized. Employee contributions for single plan coverage shall be \$55.00 per month for the term of this agreement and the employee contributions for family plan (employee plus spouse only) coverage shall be \$65.00 per month for the term of this agreement. Family Plus (family participants with dependent children) will be responsible for an additional \$10.00 per child.

For example, an employee with a spouse and two children will be charged \$85.00 per month (\$65.00 + \$10.00 + \$10.00 = \$85.00)

- 28.04 Employees that have health insurance available other than their coverage provided for the City as the primary health insurance provider, may opt out of the City's health insurance (e.g. to go on spouse's plan). Employees who waive health insurance coverage are eligible to receive an opt-out payment which shall be distributed in equal quarterly installments for each quarter of eligibility. The maximum annual amounts for eligible employees shall not exceed the following: \$2,500.00 per employee waiving single coverage; \$5,000.00 per employee waiving family coverage; or \$5,000.00 per employee waiving family coverage but electing employee only single coverage.

**ARTICLE 29**  
**LIFE INSURANCE**

29.01 The City shall provide regular full-time employees with a term life insurance policy in the amount of \$50,000.

**ARTICLE 30**  
**WAGES**

30.01 During the term of this Agreement, existing members and new hires shall be paid according to the job classification grids in Exhibit D. For the purposes of this Agreement, the City agrees to a pension pick-up in the percentage amount as set forth in Exhibit D of the member's statutory portion of pension contribution to the Ohio Public Employees Retirement System (OPERS).

30.02 LICENSE PREMIUM. The City will pay a License Premium for Water Treatment Licenses and Water Distribution Licenses in accordance with the table below. The license premiums are to be added to the qualifying employees' base rate of pay. The following premium amounts are eligible for receipt only while the employee is working in the specified division. Should an employee transfer from one division to another, the premium amount will be adjusted for the division the employee is transferring to. Laboratory Certification Premiums are not transferrable and are only recognized when an employee is working in the Water Filtration Division. Notwithstanding the foregoing, an employee in the Water Distribution or Street Division receiving a license premium on January 1, 2019 shall continue to receive the license premium in the same amount. All premiums earned and transfers between departments after January 1, 2019 shall be in accordance with this Article.

Water Filtration	Water Distribution	Streets
\$800.00 per license held	\$600.00 per license held	\$0.00 per license held

Example: Water Filtration Employee "A" holding an OEPA Water Supply 2 License and a valid Laboratory Certification shall be eligible to receive an annual license premium in the amount of \$2,400.00.

Example: Water Filtration Employee "A" holding an OEPA Water Supply 2 License and a valid Laboratory Certification transfers from Water Filtration to Water Distribution shall be eligible to receive an annual license premium in the amount of \$1,200.00.

Example: Water Filtration Employee "A" holding an OEPA Water Supply 2 License and a valid Laboratory Certification transfers from Water Filtration to Streets shall be eligible to receive an annual license premium in the amount of \$0.00.

For Water Treatment employees, “License Premium” shall include full EPA laboratory certification, provided the holder of such certificate receives all educational requirements needed to maintain such certificate and provided further he actually performs laboratory testing procedures needed to maintain the City’s Ohio EPA certification of its Water Plant. Any employee(s) holding such a license(s) and being paid the premium described above and who works other than in the Department/Division to which such license(s) pertain, shall may be required to perform work or take standby duty within the Department/Division to which such license(s) pertain on an “as needed” basis as determined by the City. Notwithstanding the preceding sentence, no employee holding a license in Filtration but working other than in Filtration on a regular basis shall be required to work in Filtration.

The City agrees to pay the cost of the licensure exam for qualifying employees, not to exceed two exams per calendar year.

**30.03 LONGEVITY/MERIT COMPENSATION** - The Employer shall establish a merit compensation system which is premised on rewarding employees for exemplary service. The total amount of funding necessary for the merit compensation program shall be determined by the Services Director, the Water Superintendent, the City Manager, and the City Council as part of the budgetary planning process. Individual award of merit compensation shall be determined by the Services Director, Water Superintendent and the City Manager and shall at all times remain consistent with the methods determined by the internal committee of employees representing all departments within the city. A Member shall be eligible for a longevity payment or a merit compensation payment, but not both. Upon making a determination of the member’s eligibility for either payment, the member shall be awarded a longevity payment or a merit compensation payment, whichever is greater.

Longevity rates previously frozen shall be established in accordance with the following table. This table shall represent the applicable longevity amount per job classification and years of service. Longevity shall only be applicable to those members employed prior to January 1, 2015. Any member not employed by the City prior to January 1, 2015 shall be eligible for merit compensation only.

Payment of longevity or merit compensation shall be paid in an annual payment as part of the **second payroll in November** of each year, provided, however, that should an employee not have reached his anniversary date by the time of the close of said pay period, the payment shall be paid as part of the payroll during which the employee reaches his anniversary date.

	MW I & II Class A;	MW I & II Class B;	MW I & II Class C;	MW I & II Class D;
Upon completion of three (3) years of service	\$439.50	\$396.86	\$375.23	\$356.09



Upon completion of eight (8) years of service	\$879.00	\$793.72	\$750.46	\$712.19
Upon completion of thirteen (13) years of service	\$1,318.51	\$1,190.59	\$1,125.69	\$1,068.28
Upon completion of eighteen (18) years of service	\$1,758.01	\$1,587.45	\$1,500.92	\$1,424.38
Upon completion of twenty-three (23) years of service	\$2,197.52	\$1,984.32	\$1,876.16	\$1,780.48

	MW II (Floater) & III A	MW II (Floater) & III B	MW II (Floater) & III C	MW II (Floater) & III D
Upon completion of three (3) years of service	\$453.44	\$423.69	\$396.86	\$378.76
Upon completion of eight (8) years of service	\$906.88	\$847.39	\$793.72	\$757.53
Upon completion of thirteen (13) years of service	\$1,360.32	\$1,271.08	\$1191.59	\$1,136.30
Upon completion of eighteen (18) years of service	\$1,813.76	\$1,694.78	\$1587.45	\$1,515.07
Upon completion of twenty-three (23) years of service	\$2,267.20	\$2,118.48	\$1984.32	\$1893.84

	Street Foreman & Distribution Foreman
Upon completion of three (3) years of service	\$502.11
Upon completion of eight (8) years of service	\$1,004.22
Upon completion of thirteen (13) years of service	\$1,506.33

Upon completion of eighteen (18) years of service	\$2,008.44
Upon completion of twenty-three (23) years of service	\$2,510.56

	Chief Operator
Upon completion of three (3) years of service	\$517.71
Upon completion of eight (8) years of service	\$1,035.42
Upon completion of thirteen (13) years of service	\$1,553.13
Upon completion of eighteen (18) years of service	\$2,070.84
Upon completion of twenty-three (23) years of service	\$2,588.56

	Finance Specialist Accounts Payable/Payroll
Upon completion of three (3) years of service	\$503.03
Upon completion of eight (8) years of service	\$1,000.06
Upon completion of thirteen (13) years of service	\$1,500.10
Upon completion of eighteen (18) years of service	\$2,000.13
Upon completion of twenty-three (23) years of service	\$2,500.16

service	
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**ARTICLE 31**  
**TRAVEL REIMBURSEMENT**

31.01 Employees may be reimbursed for reasonable travel expenses for authorized trips on approved City business. The employee must keep a complete and accurate record of expenditures and present an itemized statement with receipts to the City Manager for approval. Mileage will be reimbursed at the prevailing IRS rate.

**ARTICLE 32**  
**JURY DUTY**

32.01 Full time employees who are called for jury duty shall, upon notice to the Department/Division Head, be paid their regular wages less any amount received for jury duty service.

**ARTICLE 33**  
**GRIEVANCE PROCEDURE**

33.01 GRIEVANCE DEFINED A grievance is defined as a dispute or difference between the City and an employee, or between the City and the Union concerning and/or including, the interpretation and/or application of and/or compliance with, any provisions of this Contract.

- 33.02 A grievance must be filed in writing at Step One within ten (10) calendar days of the act or occurrence giving rise to the grievance. If a grievance is not timely filed, it shall be considered waived. Before filing, the employee shall attempt to resolve the matter with his immediate supervisor.
- 33.03 A grievance shall be processed in accordance with the following procedure on the Grievance Form Exhibit F.

Step 1: The grievance must be timely filed in writing with the employee's immediate supervisor. The grievance must state the basis for the complaint, the contract section(s) violated, and/or the relief requested. The grievance must be signed and dated by the employee(s) and/or the Union. The employee's immediate supervisor shall meet with the grievant and his union representative within five (5) calendar days of the filing of the grievance. Thereafter, within five (5) calendar days, the employee's immediate supervisor shall send his answer to the grievant and union representative utilizing the original grievance form. In the event a grievance is "time sensitive", the employee may combine Step 1 and Step 2.

Step 2: If the grievant is dissatisfied with the Step 1 answer, the grievance may be submitted to Step 2 by filing an appeal in writing to the City Manager within ten (10) calendar days of the Step 1 decision. The City Manager shall meet with the grievant and his representative within fourteen (14) calendar days of receipt of the appeal. No more than fourteen (14) calendar days thereafter, he will send them his written response.

Step 3: With mutual agreement, grievance mediation may be utilized by the parties after Step 3 of the Grievance Procedure is completed. Either party may request to mediate by forwarding a written request within fifteen (15) workdays following the Step 2 answer. If the City and the Union mutually agree to mediate, the time lines for filing a request for arbitration will be suspended subject to the mediation procedure. A party refusing mediation must give written notice of refusal to the other party within ten (10) workdays of the receipt of the request to mediate. If mediation is refused, applicable time limits for appealing a grievance to arbitration contained in this collective bargaining agreement shall commence on the day the refusal notice is received.

The parties agree to use the services of the Federal Mediation Conciliation Service (FMCS), the State Employee Relations Board (SERB) or other mutually agreed upon mediation service. Notices of mediation requests are to be signed by both parties and forwarded to the mediator by the moving party. Should the availability of a mediator unnecessarily delay the processing of a grievance, in the opinion of either party, then either party may withdraw its consent to mediation by notifying the other party in writing. The grievance may then proceed to arbitration.

The Union may be represented at the mediation by the President, the Chief Steward or a Steward designated by the President, the grievant and a representative of AFSCME Ohio Council 8. The City may in its discretion determine the number and the makeup of its representatives. Each party shall have one principal spokesperson at the mediation conference, who shall have the authority to resolve the grievance.

Any written material that is presented to the mediator shall be returned to the party presenting that material at the termination of the mediation conference. The mediator may, however, retain one copy of the written material to be used solely for the purposes of statistical analysis.

Proceedings before the mediator shall be informal in nature. The presentation of evidence is not limited to that presented at the grievance proceedings, the rules of evidence will not apply and no record of the mediation conference shall be made.

The mediator will have the authority to meet separately with any person or persons, but will not have the authority to compel the resolution of the grievance.

Step 4: If the grievance is not resolved at Step 3, the Union or City may, within fifteen (15) calendar days, appeal to arbitration by serving notice of intent on the other party. Within fifteen (15) calendar days of receipt of intent to file under arbitration, the City and the Union shall, by joint letter, solicit nominations of five (5) arbitrators to hear the case from the Federal Mediation and Conciliation Service or others as may be mutually agreed.

On receipt of the nominations, the Union and the City shall each eliminate two (2) names. Elimination shall be accomplished by each party alternately striking a name with the first strike determined by a coin flip. A date for the arbitration shall be set as soon as availability of the arbitrator is determined and both the Union and the City agree.

The parties may be represented by representatives or legal counsel, and necessary witnesses and/or documents may be subpoenaed under an arbitrator's subpoena. The arbitrator shall reduce his decision to writing and state his reasons for reaching the decision. The arbitrator shall not amend, add to, or subtract from, any provision of this Contract.

The cost of the services of the arbitrator, the cost of any proofs produced at the direction of the arbitrator, the fee of the arbitrator and rent, if any, for the hearing rooms, shall be borne equally by parties. The expenses on any non-employee witness shall be borne, if at all, by the party calling them. The cost of attorneys or other representation shall be the responsibility of the respective parties. The fees of the court reporter shall be paid by the party asking for one; such fee shall be split equally if both parties desire a reporter or request a copy of any transcript.

Any bargaining unit member whose attendance is required for such hearing shall not lose pay or benefits to the extent such hearing hours are during his normally scheduled hours on the day of the hearing.

It is expressly understood that the ruling and decision of the arbitrator, within his function described herein, shall be final and binding upon the parties, provided that such decision conforms to State and Federal law.

**ARTICLE 34**  
**SAVINGS CLAUSE**

34.01 Any provision of this Agreement which is held by the final order of a court of competent jurisdiction to be totally in violation of, or contrary to, state or federal statutes now effective, or which may become effective during the term of this Contract, shall be considered void, except where the parties have agreed to deviate from state law pursuant to Ohio Revised Code § 4117.10. Any provision of this Agreement which is thus voided shall be negotiated by the parties immediately upon their being informed of a provision thus made void.

**ARTICLE 35**  
**PREVAILING RIGHTS/WAIVER OF NEGOTIATIONS**

35.01 The City agrees that all clearly established benefits in effect and regularly provided to employees at the time of signing of this Agreement, but which are not specifically referred to in this Agreement shall remain in full force during the term of this Agreement. Nothing in this section shall prevent the City from exercising those management rights set forth in this Agreement.

35.02 The City and the Union acknowledge that during negotiations which preceded this Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining/negotiations and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement.

35.03 Therefore, for the life of this Agreement, the City and the Union each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated, to negotiate collectively with respect to any subject or matter referred to or covered in this Agreement. In addition, each party agrees that the other shall not be obligated to negotiate regarding any subject or matter not specifically referred to or covered in this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated and signed this Agreement.

**ARTICLE 36**  
**BULLETIN BOARDS**

36.01 The City shall provide space on existing bulletin boards for use by the Union. The ranking Union official may post Union notices as follows:

- A) Recreational and social events.
- B) Elections and election results.
- C) General membership and business meetings.
- D) Business of interest to employees.

Unauthorized notices may be removed by the City Manager or his designee who shall immediately notify the ranking Union official of his action. All materials posted shall be in good taste and shall in no way discredit another individual or agency or be of an obscene nature.

### **ARTICLE 37**

#### **SAFETY TRAINING/CONTINUING EDUCATION**

37.01 The City shall pay the cost of any courses required by the licensing authority for an employee to maintain a mandatory license. In addition, where such courses occur during an employee's regular work shift, the employee shall be released to attend such courses(s) without loss of pay.

37.02 Each regular full-time employee who successfully completes at least twenty-four (24) hours of job related or required safety training in a calendar year shall receive \$ 275.00 to be paid by separate check in the second pay of the year following the calendar year in which the training was completed. Courses required by the licensing authority for an employee to maintain a mandatory license will not accrue towards the training identified in this section. To be eligible for Safety Training pay, training must be approved in advance by the department supervisor. Employee is responsible for maintaining a separate log of training hours completed and submit the same to the department supervisor for approval prior to receiving Safety Training pay.

37.03 The Employer shall refund to the employee any and all approved expenses for any permitted educational, testing, or license expenses in a timely manner.

### **ARTICLE 38**

#### **JOB RELATED INJURY LEAVE**

38.01 A regular full-time employee suffering a physical injury on the job or job-related physical illness which leaves the employee disabled and unable to perform their regular duties shall be paid their regular base pay during the period of each disability, or fifty-two (52) consecutive weeks, whichever is less.

38.02 Physical injury or physical job-related illness leave pay shall also be contingent upon the injured employee signing or transferring in writing, any remuneration they may receive from the Bureau of Workers' Compensation on account of said injury to the City. The

City may increase the number of weeks these benefits are to be paid in increments of six (6) weeks at the option of the City.

- 38.03 During the period of disability leave, the City, in addition to paying the Employee's regular salary will make payment into any and all insurance and / or pension plans as required by this agreement, any amendment hereto, and / or otherwise as part of the employment relationship between the City and the Employee. During such period of disability leave the Employee shall continue to earn seniority, pension credit, sick leave or sick leave credit and vacation time.
- 38.03 The City has the right to insist on an examination of the Employee by a physician of the City's choice, and the City shall have the right to disapprove paid leave and / or require the Employee to return to work at any time from job related injury leave status. If the Employee's physician disagrees with the City's physician, the Employee shall be examined by a third physician selected jointly by the Employee and the City, and the opinion of this physician shall be used to determine the Employee's eligibility for medical leave under this section. This examination shall be at the City's expense.

### **ARTICLE 39**

#### **RESTRICTED DUTY ASSIGNMENT**

- 39.01 A full-time regular employee unable to full perform normal duties because of a job-related injury or illness will be placed on restricted duty assignment by the City whenever such an assignment is available. Such restricted duty shall be for no less than five (5) calendar days and no longer than one hundred twenty (120) calendar days. Such assignments shall be based upon the operational needs and requirements as determined by the City Manager or his designee and will be within the scope of the Bargaining Unit. A full-time regular employee on restricted duty assignment shall receive his regular compensation and benefits.
- 39.02 An employee placed on restricted duty assignment shall be required to present an attending physician's statement listing specific job restrictions for the employee, which shall be reviewed by the City Manager before restricted duty is assigned. If the City disagrees with the attending physician's opinion the City may require the employee to undergo an examination to be conducted by a mutually agreed upon physician to determine the physical or mental capabilities to perform the duties assigned, when reasonable cause exists. The cost of such examination shall be paid by the City. The parties agree to be bound by the decision of this examination.
- 39.03 Employees will be entitled to accrue sick leave and vacation benefits for all time spent on restricted duty provided they comply with §§39.01, 39.02.
- 39.03 Any employee while assigned to light duty shall continue to receive all compensation and fringe benefits including accumulation of seniority attached to his normally assigned position.



**ARTICLE 40**  
**COPIES OF AGREEMENT**

40.01 The City agrees that it shall furnish, at no charge, a copy of this Agreement to each member of the bargaining unit.

**ARTICLE 41**  
**DURATION**

41.01 This Agreement shall become effective upon approval of the City and the Union and shall remain in full force and effect from 12:01 a.m. January 1, 2019 until midnight December 13, 2021. This agreement shall be automatically renewed from year to year thereafter unless either party shall notify the other in writing on or before ninety (90) days prior to the anniversary date that it desires to modify this agreement. In the event that such notice is given, negotiations shall begin no later than sixty (60) days prior to the anniversary date. The provisions of this agreement shall remain in full force and effect until such time as a new agreement has been signed.

**SIGNATURE PAGE**

FOR THE CITY

FOR AFSCME, OC 8/LOCAL 2024

\_\_\_\_\_  
Andrew D. White, City Manager

\_\_\_\_\_  
Jerry Baum, Local 2024 President

\_\_\_\_\_  
Laura E. Alkire, Law Director

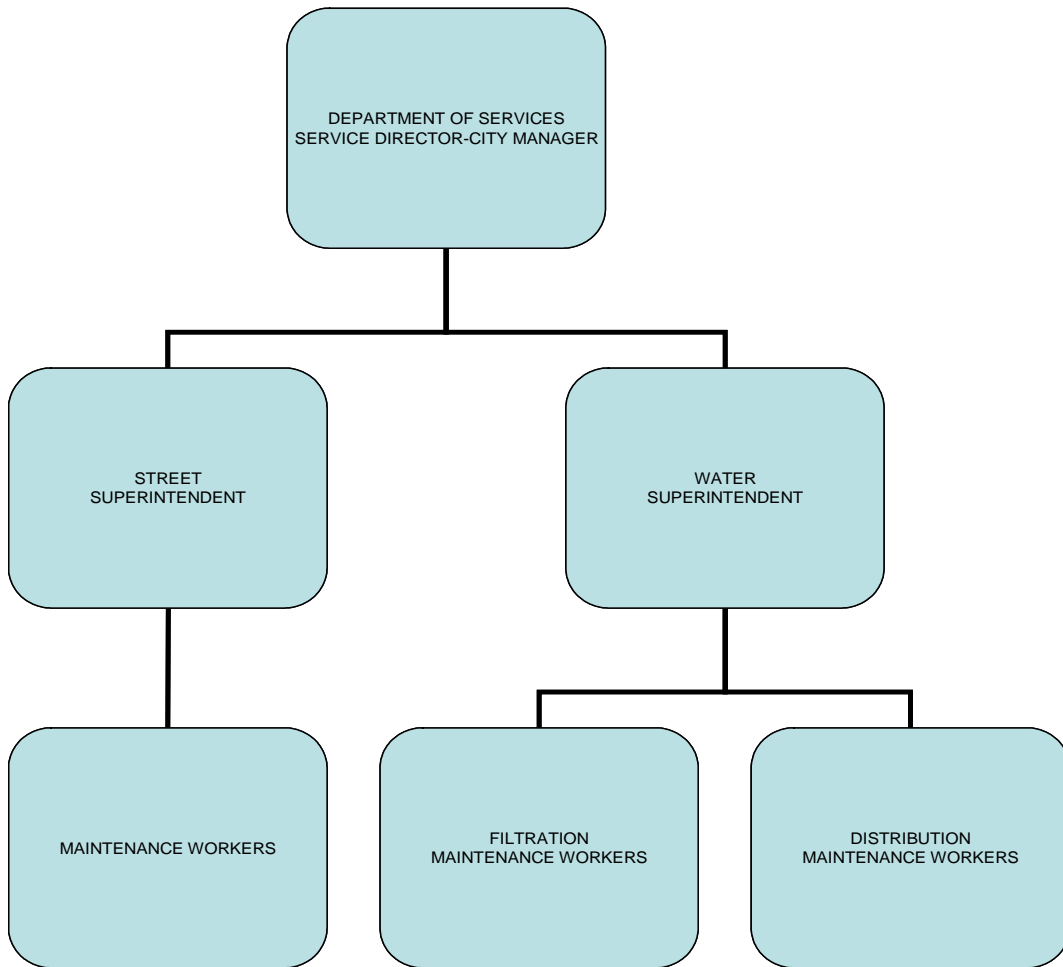
\_\_\_\_\_  
Mark Jacobs, Vice President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Adam Maguire, Staff Representative

\_\_\_\_\_  
Date

**EXHIBIT A  
ORGANIZATIONAL CHART**



**EXHIBIT B**  
**DUES DEDUCTION CARD**

**EXHIBIT C**  
**SUMMARY OF BENEFITS AND COVERAGE**

**EXHIBIT D  
WAGE INFORMATION**

The rates shown in the following grids do not include individual adjustments resulting from training, license premiums, longevity and merit compensation.

Wage Grids:

The following grid represents the wage scale for the following full-time positions.

Maintenance Worker I  
Maintenance Worker II

	2019 (3%)	2020 (3%)	2021 (3%)
A	\$ 23.32	\$ 24.02	\$ 24.74
B	\$ 21.06	\$ 21.70	\$ 22.35
C	\$ 19.91	\$ 20.51	\$ 21.12
D	\$ 19.11	\$ 19.68	\$ 20.27

The following grid represents the wage scale for the following full-time positions.

Maintenance Worker II - Floater  
Maintenance Worker III

	2019 (3%)	2020 (3%)	2021 (3%)
A	\$ 24.06	\$ 24.78	\$ 25.53
B	\$ 22.48	\$ 23.16	\$ 23.85
C	\$ 21.06	\$ 21.70	\$ 22.35
D	\$ 20.53	\$ 21.14	\$ 21.78

The following grid represents the wage scale for the following full-time positions.

Street Foreman  
Distribution Foreman

2019 (3%)	2020 (3%)	2021 (3%)
\$ 26.65	\$ 27.45	\$ 28.27

The following grid represents the wage scale for the following full-time position.

Chief Operator

2019 (3%)	2020 (3%)	2021 (3%)
\$ 27.46	\$ 28.28	\$ 29.13

The following grid represents the wage scale for the following full-time position.

Finance Specialist Accounts Payable/Payroll (As qualified in Article 1 Purpose)

2019 (3%)	2020 3%)	2021 (3%)
\$ 26.53	\$ 27.33	\$ 28.15

All Part-time employees within the bargaining unit shall be compensated in accordance with the part time rates outlined in the codified ordinances. Part time employees shall receive the same amount of percentage increase as full time employees on January 1 of each year of this Agreement.

**EXHIBIT E**  
**GRIEVANCE FORM**  
AFSCME, AFL-CIO OC 8/LOCAL 2024

PLEASE PRINT OR TYPE. Attach separate sheets if needed.  
ORIGINAL GRIEVANCE MUST BE SENT TO EACH STEP BY GRIEVANT/UNION

Name of Grievant: \_\_\_\_\_ Date: \_\_\_\_\_

Classification: \_\_\_\_\_ Assignment: \_\_\_\_\_

Date and time of Incident: \_\_\_\_\_

Description of Grievance:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Articles and Sections of Agreement Violated:  
\_\_\_\_\_  
\_\_\_\_\_

Remedy Requested:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Grievant/Union Signature Date: \_\_\_\_\_

Received by: \_\_\_\_\_ Date: \_\_\_\_\_

Step 1: Immediate Supervisor \_\_\_\_\_ Rec'd \_\_\_\_\_  
Date/Time

Answer \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

	Date	By	Accepted	Rejected
Step #1	_____	_____	_____	_____



Step #2 City Manager

\_\_\_\_\_  
Date/Time Received

Answer \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date By Accepted Rejected

Step #2

\_\_\_\_\_

\_\_\_\_\_  
Date/Time Received

Step #3 Mediation

\_\_\_\_\_  
Date/Time Received

Answer \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date By Accepted Rejected

Step #3

\_\_\_\_\_

\_\_\_\_\_  
Date/Time Received

Step #4 Appeal to Arbitration

\_\_\_\_\_  
Date/Time Received

Answer \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Step #4

Date	By	Accepted	Rejected
_____	_____	_____	_____
<hr/> <p style="text-align: center;">Date/Time Received</p>			



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Resolution 2018-95  
**DATE:** December 7, 2018

---

### **Subject Matter/Background**

Resolution 2018-95 accepts the annual renewal proposal for an extension of the contract terms for the provision of advisory services relative to economic development and real estate development marketing strategy implementation with Juniper CRE for the term of January 1, 2019 through December 31, 2019, at the current monthly fee of \$5,000/month, - a cost not to exceed \$60,000. The cost of these economic development services has remained constant throughout the period of renewals. The partnership between the city and Juniper CRE began with Resolution 2015-36 on April 14, 2015. Since inception, Juniper CRE has advised the city on economic and real estate development, land acquisition strategy and serves as a consultant to the city's economic development committee.

In 2019, Juniper CRE will continue to work with administration to help attract real estate development to the city, providing comprehensive 24/7 access, availability to meet with generated leads, perform site visits, and become the point of initial contact for economic development inquiries.

### **History**

Pursuant to the direction of the city's Master Plan and as a directive of Council identified in the 2015 Goals, the city had commissioned a marketing/development study (Resolution 2015-36, adopted April 14, 2015) to be prepared by Juniper CRE.

Following an extensive review of the Economic and Real Estate Development Strategy Report at two work session meetings of Council, administration was directed to secure a proposal from Juniper CRE to provide their professional services, acting as an extension of the City Manager's office, to guide the city through real estate marketing strategy task implementation and provide economic development advisory services; City Council accepted the proposal and authorized an agreement with Juniper CRE for these services. This agreement has annually renewed for services as directed by the administrative staff and city council.

### **Financial Review**

The matter has been reviewed and is properly before you, and the expense included within the proposed 2019 budget.

### **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, a motion to adopt Resolution No. 2018-95 is in order.

**RESOLUTION NO. 2018-95**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT THE PROPOSAL FOR CONTINUATION OF THE AGREEMENT WITH JUNIPER CRE SOLUTIONS FOR THE PROVISION OF ECONOMIC DEVELOPMENT AND REAL ESTATE DEVELOPMENT MARKETING STRATEGY ADVISORY SERVICES AT A COST NOT TO EXCEED SIXTY THOUSAND 00/100 DOLLARS (\$60,000.00) FOR THE TERM OF JANUARY 1, 2019 THROUGH DECEMBER 31, 2019.**

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

**SECTION 1.** That the City Manager is authorized and directed to accept the proposal for the continuation of the agreement with Juniper CRE Solutions for the provision of economic development and real estate marketing strategy advisory services, for a term of January 1, 2019 through December 31, 2019, at a cost not to exceed Sixty Thousand 00/100 Dollars (\$60,000.00) which agreement shall be substantially in the form of Exhibit "A" attached hereto and made a part hereof.

**SECTION 2.** That this Council hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this 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.

**SECTION 3.** That this Resolution shall be in full force and effect from and immediately after its adoption.

\_\_\_\_\_  
Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_



November 5, 2018

Andrew D. White  
City Manager  
The City of Huron  
Municipal Building  
417 Main Street  
Huron, OH 44839

Andy,

Per our discussion please accept this letter agreement to extend Juniper's continued support of Huron's real estate and economic development program.

Juniper will continue to act 'of counsel' to you and the City. We agree to maintain our involvement in matters related to the City's economic development and real advisory efforts, advocate on behalf of the City and provide whatever support possible to help Huron reach its objectives.

We are proposing a twelve (12) month extension commencing January 1, 2019 and ending December 31, 2019, at the current monthly fee of \$5000 per month. The City and Juniper may mutually agree to amend the scope and/or extend the project at any time. Finally, the either party may terminate this agreement at any time with a thirty (30) day written notice.

As always, we appreciate the opportunity to work with you and the City.

Sincerely,

Dennis R. Burnside, President  
Juniper Solutions, Inc.

Agreed and accepted this \_\_\_ day of \_\_\_, 2018

By: \_\_\_\_\_

Andrew D. White  
City Manager



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Resolution 2018-96  
**DATE:** December 5, 2018

---

**Subject Matter/Background**

This resolution authorizes the submission of a Marine Patrol Grant application to ODNR- Division of Watercraft relating to the Huron Police Harbor Patrol program.

As submitted by Chief Lippert within a legislative request to Administration:

The Huron Police Department is requesting authorization to apply to the State of Ohio Department of Natural Resources, Division of Watercraft for a Marine Patrol Assistance Grant for the calendar year of 2019. This grant allows for the operation of the Huron Police Department Marine Patrol, covering personnel, including uniforms and other fringe benefits; equipment, both for the boat and personnel; fuel, maintenance, dockage and winter storage for the boat. An amount of \$35,000.00 is being requested from ODNR, with a city match of up to \$8,750.00. The city match has been budgeted for and the amounts are in line with requests of previous years.

**Financial Review**

There is no financial impact to the municipal budget associated with the legislation as the resolution simply authorizes the submission of a grant application.

**Legal Review**

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

**Recommendation**

If Council is in support of the request, a motion to adopt Resolution No. 2018-96 is in order.

**RESOLUTION NO. 2018-96**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT A MARINE PATROL ASSISTANCE GRANT APPLICATION TO THE OHIO DEPARTMENT OF NATURAL RESOURCES, DIVISION OF WATERCRAFT RELATIVE TO THE HURON POLICE HARBOR PATROL PROGRAM**

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

**SECTION 1.** That the City Manager be, and he hereby is, authorized to submit a Marine Patrol Assistance Grant Application to the Ohio Department of Natural Resources, Division of Watercraft, for potential funding to maintain and operate the Huron Police Harbor Patrol Program.

**SECTION 2.** That this Council hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this 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

**SECTION 3.** That this Resolution shall be in full force and effect immediately upon its adoption.

\_\_\_\_\_  
Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Resolution 2018-97  
**DATE:** December 7, 2018

---

### **Subject Matter/Background**

This resolution authorizes the acceptance of a proposal and renewal agreement with Engineered Process Systems (EPS) for the provision of electrical engineering services in the amount of \$20,000 for a contract period January 1, 2019 through December 31, 2019. The contract fee has remained the same since the inception of the agreement in 2011.

Engineered Process Systems provides consultation services to the city in the form of electrical analysis relating to consumption, aggregation, public lighting assessment, and implementation of energy efficient upgrades. Additionally, EPS provides primary oversight and serves as the contact for customers of Huron Public Power and serves as the representative to AMP-Ohio on behalf of the city. Primary objectives for 2019 include the continuation of these responsibilities as well as securing proposals for the maintenance and operations of the Rye Beach Road substation, working with the administration in the negotiations for additional service to Rye Beach Road customers, and providing contractual services for 2019 capital improvements relating to municipal power.

### **Financial Review**

This expense has been included as part of the 2019 Proposed Municipal Budget under the electric fund 654. It is important to note that historically the city has not realized the total annual expense from the contract with EPS; as the billing is based on actual hour accrual.

### **Legal Review**

The matter has been reviewed, follows normal legislative procedure and is properly before you. Pursuant to the opinion of the Ohio Ethics Commission, I would advise Mr. Ginesi to abstain from discussion or vote on this matter.

### **Recommendation**

If the Council is in support of the request, a motion to adopt Resolution No. 2018-97 is in order.



**RESOLUTION NO. 2018-97**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT THE PROPOSAL AND ENTER INTO AN AGREEMENT WITH ENGINEERED PROCESS SYSTEMS, LTD FOR THE PROVISION OF ELECTRIC ENGINEERING SERVICES TO BE PROVIDED TO THE CITY OF HURON FOR THE CONTRACT TERM OF JANUARY 1, 2019 THROUGH DECEMBER 31, 2019 IN AN AMOUNT NOT TO EXCEED TWENTY THOUSAND AND 00/100 DOLLARS (\$20,000.00)**

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

**SECTION 1.** That the City Manager is authorized and directed to accept the proposal and enter into an agreement with Engineered Process Systems, Ltd., 205 Sprowl Road, P. O Box 471, Huron, OH 44839, for the provision of electrical engineering services to the City of Huron, through December 31, 2019, in an amount not to exceed Twenty Thousand and 00/100 Dollars (\$20,000.00), which agreement shall be substantially in the form of Exhibit "A" attached hereto and made a part hereof.

**SECTION 2.** That this Council hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this 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.

**SECTION 3.** That this Resolution shall be in full force and effect from and immediately after its adoption.

\_\_\_\_\_  
Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_



## **PROPOSAL**

### **Proposal Submitted To:**

City of Huron  
417 North Main Street  
Huron, OH 44839  
Attn: Mr. Andy White

### **For:**

Engineering Blanket  
Consulting and Design  
Page 1 of 3  
December 5, 2018

---

### **Narrative and Scope of Services**

The City of Huron has diverse energy requirements including a public power system, implementation of electric aggregation, antiquated street lights and energy consumption at its facilities. EPS proposes to provide professional consulting and engineering services to develop concepts, plans and specifications and other action plans as required and requested by the City.

More specifically, EPS will review options that The City of Huron may employ to accomplish the following objectives:

- Review City energy consumption
- Provide review of city-wide energy consumption
  - Includes buildings, lighting and any other facilities that have electric and or natural gas consumption billing
- Determine strategies to reduce energy consumption and cost of city facilities
  - Prioritize strategies by simple payback potential including installation, energy, maintenance and system life
- Quantify the estimated energy use and its impact on energy supply contracts
- Identify alternative rate/contract options available
- Review municipal energy opportunities including electric and natural gas
  - Includes expansion and/or elimination of Huron Public Power
  - Establish HPP protocols such as contracts, outage notification, OUPS, rates, emergencies and overall utility operation requirements
- Review aggregation
- Identify energy efficiency and alternative energy applications
- Develop preliminary budgetary costs associated with implementation including engineering, installation, maintenance, and debt service
- Savings associated with identified cost saving measures
- Provide electrical engineering for Huron Public Power service extensions
- Provide electrical engineering for street lighting applications
- Provide rate analysis and recommend revisions for an updated service offering
- Other projects as requested by The City

EPS will evaluate the options utilizing the following criteria:

- Reduce energy unit costs
- Identify commercially available technology applications
- Impact on operations of installation options
- Keep the operation, maintenance and pricing of HPP simple, transparent and is used and viewed as an economic development tool

During the course of our review, The City and EPS will develop the following:

- Understanding of energy costs at The City's facilities
- Understanding of the operational characteristics of each facility as it pertains to energy cost
- Understanding of the impact proposed technologies have on equipment and facility operation – example – automated meter reading and HPP meter reading coordination

### Items Required From the City of Huron

- Site plans and maps of the City
  - Street, water and sewer maps OK
- Copies of the past 12-months' natural gas and electric usage history
  - Including proposed contracts, etc.
  - Including HPP consumers

### Fee and Payment Schedule

- We shall perform the scope of work as outlined above through December 31, 2019 for an amount not to exceed \$20,000 (twenty thousand dollars) based on the following rates:

Principle	\$135
Project engineer	\$125
Engineer	\$110
Draftsperson	\$ 78
Administration	\$ 59
Mileage	\$0.55/mile
Other travel	At cost
Documents	Acquisition Cost

- Payment schedule as follows:
  - Monthly progress billings as incurred

### Time Schedule

EPS can staff this project and perform the work starting immediately.

### Acceptance

To serve as our agreement, you may sign and return a copy of this proposal or provide your purchase order that includes the herein described information. This document shall represent our total agreement and it supersedes any prior representations. Our understanding shall be construed under the laws of the State of Ohio.

Thank you for the opportunity to quote this work. Please call if you have questions.

---

Terms: Monthly progress payments, net 30-days

**Acceptance of Proposal** – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: \_\_\_\_\_

Co. \_\_\_\_\_

Signature \_\_\_\_\_

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from the Specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements contingent upon Strikes, accidents or delays beyond our control. Our workers are fully covered by Workmen's Compensation Insurance.

Respectfully submitted,  
**Engineered Process Systems, LTD**

Authorized

Signature Michael D. Spacek

Michael D. Spacek, PE, CEM, LEED AP  
Director of Energy Services

Note: This proposal may be withdrawn by us if not accepted within thirty days of the above date.

**RESOLUTION NO. 2018-98**

**A RESOLUTION AUTHORIZING AND DIRECTING CERTAIN TRANSFERS AMONG THE VARIOUS FUNDS OF THE CITY**

**WHEREAS**, Council has established various Funds for the financial operation of the City, and through the current fiscal year certain Funds have been determined to have insufficient funds and certain Funds have been determined to have excess funds; and

**WHEREAS**, Council has determined there should be various transfers between and among the Funds to assure all Funds of the City are in proper balance;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HURON, OHIO:**

**SECTION 1.** That, to properly balance the various Funds of the City, the Finance Director shall be, and she hereby is, authorized and directed to make the transfers between and among those certain Funds of the City, in the amounts as set forth in Exhibit "A" attached hereto and made a part hereof.

**SECTION 2.** That this Council hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this 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.

**SECTION 3.** That this Resolution shall be in full force and effect from and immediately following its adoption.

\_\_\_\_\_  
Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_

TRANSFERS FOR BUDGET YEAR 2018  
SUMMARY FORM

DATE: 12/11/2018  
RESOLUTION: 2018-98

Amount to Be Transferred	Acct. Transfer From		Acct. Transfer To		Budget	Transferred YTD	Amount Remaining
\$ 100,000.00	GENERAL FUND	110-9000-58232	GO BOND	301-0012-41958	\$ 627,283.26	\$ 527,283.26	\$ -



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Ordinance 2018-35  
**DATE:** December 4, 2018

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**Subject Matter/Background**

Ordinance No. 2018-35 requests the Council's authorization for changes to the annual budget appropriations for the current year and will reflect the year-end reconciliation of the 2018 municipal budget.

Exhibit "A", reflecting the itemized list of revenue and/or expense changes will be distributed at the meeting of December 11, 2018 to allow the Finance Director to make necessary adjustments as late as possible leading up to the meeting.

**ORDINANCE NO. 2018-35**

**AN ORDINANCE AMENDING ORDINANCE NO. 2017-45, ADOPTED DECEMBER 27, 2017, RELATING TO EXHIBIT "A" APPROPRIATIONS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2018**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HURON, OHIO:**

**SECTION 1.** Exhibit "A" of Ordinance No. 2017-45 adopted on the 27<sup>th</sup> day of December, 2017; as amended by Ordinance No. 2018-5 adopted on February 13, 2018, as amended by Ordinance 2018-8 adopted on April 10, 2018, as amended by Ordinance 2018-9 adopted April 24, 2018, as amended by Ordinance 2018-17 adopted June 12, 2018, as amended by Ordinance 2018-18 adopted July 10, 2018, as amended by Ordinance No. 2018-21 adopted July 24, 2018, as amended by Ordinance No. 2018-22 adopted on August 14, 2018, as amended by Ordinance No. 2018-24 adopted August 28, 2018, as amended by Ordinance No. 2018-30 adopted on October 9, 2018, as amended by Ordinance No. 2018-31 adopted November 27, 2018 relating to appropriations is hereby amended as to each fund as set forth in Exhibit "A" attached hereto and made a part hereof.

**SECTION 2.** The Director of Finance and the City Manager are hereby authorized to expend the funds herein appropriated for the purpose of paying the operating expenses of the City for the fiscal year ending December 31, 2018 and to make the necessary entries on the accounting records of the City to reflect the appropriations and expenditures herein authorized.

**SECTION 3.** That it is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including O.R.C. §121.22.

**SECTION 4.** In accordance with Section 3.07 of the Charter of the City of Huron, Ohio, this Ordinance shall take effect immediately upon its adoption.

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Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_.



CITY OF HURON - BUDGET APPROPRIATION ADJUSTMENTS  
SUMMARY SHEET

EXHIBIT "A"

ORDINANCE: 2018 - 35  
DATE: 12/11/2018

REVENUE

FUND	ACCOUNT #	DESCRIPTION	INCREASE / (DECREASE)	REASON FOR ADJUSTMENT
FUND 110 - GENERAL FUND	110-0002-41141	INCOME TAX SELF-PAY OPEN	\$ (130,000.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0002-41142	INCOME TAX NET PROFIT - OPEN	\$ (60,000.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0002-41143	INCOME TAX PENALTY - INTEREST	\$ 35,000.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0004-41200	LOCAL GOV'T FUND - SALES TAX	\$ 8,000.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0004-41205	STATE REVENUE ASSISTANCE	\$ (2,000.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0004-41210	PROP. TAX HOME.ACT.ROLLBACK	\$ (3,577.20)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0004-41215	MINICIPAL INC TX ELEC/PHONE	\$ 8,085.78	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0004-41250	CIGARETTE TAXES	\$ 21.33	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0006-41504	POLICE REPORTS / FINGERPRINTING	\$ 5,000.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0006-41507	WEED CUTTING	\$ (1,000.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0006-41508	GARBAGE REFUSE COLLECTION	\$ (20,000.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0007-41650	ZONING PERMITS	\$ 1,500.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0007-41651	BLDG PERMITS	\$ 17,500.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0007-41655	CATV FRANCHISE	\$ (2,557.09)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0008-41810	INTEREST EARNINGS	\$ 10,000.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0010-41600	COURT FINES	\$ (6,500.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0010-41601	COURT COSTS	\$ 6,000.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0010-41602	STATE HIGHWAY FINES	\$ 1,700.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0013-41953	MUNICIPAL COURT - COUNTY REIMB.	\$ 5,000.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-0013-41956	MISC. REIMBURSEMENT / REFUNDS	\$ 18,184.85	YEAR-END RECONCILIATION
TOTAL:			\$ (109,642.33)	
FUND 208 - PARKS FUND	208-0011-41536	FACILITY RENTAL	\$ 1,000.00	YEAR-END RECONCILIATION
TOTAL:			\$ 1,000.00	
FUND 209 - RECREATION FUND	209-0011-41921	DONATIONS	\$ 1,000.00	YEAR-END RECONCILIATION
TOTAL:			\$ 1,000.00	
FUND 216 - COURT COMPUTER	216-0010-41601	COURT COSTS	\$ 500.00	YEAR-END RECONCILIATION
TOTAL:			\$ 500.00	
FUND 217 - COURT CAPITAL	217-0010-41601	COURT COSTS	\$ 1,000.00	YEAR-END RECONCILIATION
TOTAL:			\$ 1,000.00	

FUND 218 - INDIGENT ALCOHOL	218-0010-41550	STATE FUNDS	\$	(2,500.00) YEAR-END RECONCILIATION
FUND 218 - INDIGENT ALCOHOL	218-0010-41600	COURT FINES	\$	(250.00) YEAR-END RECONCILIATION
<b>TOTAL:</b>			\$	<b>(2,750.00)</b>
FUND 222 - INDIGENT DRIVER INTERLOCK	222-0010-41550	STATE FUNDS	\$	(750.00) YEAR-END RECONCILIATION
FUND 222 - INDIGENT DRIVER INTERLOCK	222-0010-41600	COURT FINES	\$	(150.00) YEAR-END RECONCILIATION
<b>TOTAL:</b>			\$	<b>(900.00)</b>
FUND 272 - PROBATION FUND	272-0010-41600	COURT COSTS	\$	(3,000.00) YEAR-END RECONCILIATION
<b>TOTAL:</b>			\$	<b>(3,000.00)</b>
FUND 604 - WATER FUND	604-0006-41500	SALE OF SERVICE - RESIDENT	\$	(100,000.00) YEAR-END RECONCILIATION
FUND 604 - WATER FUND	604-0006-41500	SALE OF SERVICE - COUNTY	\$	96,500.00 YEAR-END RECONCILIATION
FUND 604 - WATER FUND	604-0006-41531	PIPE CONNECTIONS	\$	18,000.00 YEAR-END RECONCILIATION
<b>TOTAL:</b>			\$	<b>14,500.00</b>
FUND 605 - STORM WATER FUND	605-0006-41535	STORM WATER MANAGEMENT FEE	\$	2,900.05 YEAR-END RECONCILIATION
<b>TOTAL:</b>			\$	<b>2,900.05</b>
FUND 654 - ELECTRIC FUND	654-0006-41526	SALE OF SERVICE	\$	350,000.00 INCREASED UTILIZATION IN NOVEMBER
<b>TOTAL:</b>			\$	<b>350,000.00</b>
FUND 863 - STATE PATROL FUND	863-0010-41603	STATE PATROL FEES	\$	2,000.00 YEAR-END RECONCILIATION
<b>TOTAL:</b>			\$	<b>2,000.00</b>
FUND 876 - HURON RESCUE SQUAD FUND	876-0008-41810	INTEREST EARNINGS	\$	1,000.00 YEAR-END RECONCILIATION
<b>TOTAL:</b>			\$	<b>1,000.00</b>
FUND 899 - UNCLAIMED MONEY	899-0013-41998	UNCLAIMED - CITY	\$	100.00 YEAR-END RECONCILIATION
<b>TOTAL:</b>			\$	<b>100.00</b>
<b>TOTAL REVENUES:</b>			\$	<b>257,707.72</b>

**EXPENSE**

FUND	ACCOUNT #	DESCRIPTION	INCREASE / (DECREASE)	REASON FOR ADJUSTMENT
FUND 110 - GENERAL FUND	110-1010-53420	COMMUNICATIONS	\$	(1,000.00) YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-1010-53431	FINGERPRINTING FEES	\$	2,000.00 YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-1500-53840	COUNTY E911 CONTRACT	\$	(19,080.30) YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-4700-51210	WAGES SALARIES FULL TIME	\$	426.13 YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-4700-52125	MEDICARE	\$	125.00 YEAR-END RECONCILIATION

FUND 110 - GENERAL FUND	110-4700-52130	PERS	\$	(1,500.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-4700-52135	SOCIAL SECURITY	\$	450.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-4700-53021	CONFERENCE AND MEETINGS	\$	(2,000.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-4700-53022	IN SERVICE TRAINING	\$	(1,750.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-4700-53324	CONSULTANT SPECIAL SERVICES	\$	1,667.67	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-4700-53430	FEES AND DUES	\$	(900.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-4700-54002	SUBSCRIPTIONS	\$	(500.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-5800-59001	REFUNDS - GARBAGE	\$	1,000.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7020-52130	PERS	\$	3,000.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7020-53021	CONFERENCE AND MEETINGS	\$	(1,000.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7020-54002	SUBSCRIPTIONS AND PUBLICATIONS	\$	(500.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7030-53021	CONFERENCE AND MEETINGS	\$	(300.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7030-53324	CONSULTANT SPECIAL SERVICES	\$	(25,000.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7030-54002	SUBSCRIPTIONS AND PUBLICATIONS	\$	(100.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7030-54050	STAFF SUPPORT - MISC.	\$	(100.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7060-51210	WAGES SALARIES FULL TIME	\$	1,684.60	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7060-52130	PERS	\$	1,819.82	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7060-53021	CONFERENCE AND MEETINGS	\$	(4,500.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7060-53022	IN SERVICE TRAINING	\$	(1,000.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7060-53430	FEES AND DUES	\$	(500.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7060-53829	PRINTING AND REPRODUCTION	\$	(250.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7070-51210	WAGES SALARIES FULL TIME	\$	391.16	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7100-51210	WAGES SALARIES FULL TIME	\$	1,000.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7100-51221	WAGES SALARIES PART TIME	\$	(2,075.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7100-51230	PERS	\$	629.50	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7100-53021	CONFERENCE AND MEETINGS	\$	(523.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7200-51210	WAGES SALARIES FULL TIME	\$	1,181.74	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7200-51210	WAGES SALARIES PART TIME	\$	525.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7550-53324	CONSULTANT SPECIAL SERVICES	\$	(15,000.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7500-53419	UTILITIES	\$	(2,500.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7500-53726	PROF MAINT OF FACILITIES	\$	1,500.00	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7900-53132	AUDIT FEES	\$	(2,000.00)	YEAR-END RECONCILIATION
FUND 110 - GENERAL FUND	110-7900-53420	COMMUNICATIONS	\$	(3,000.00)	YEAR-END RECONCILIATION
TOTAL:			\$	(67,677.68)	
FUND 208 - PARKS FUND	208-3400-53419	UTILITIES	\$	500.00	YEAR-END RECONCILIATION
TOTAL:			\$	500.00	
FUND 209 - RECREATION FUND	209-3500-53324	CONSULTANT SPECIAL SERVICES	\$	(700.00)	YEAR-END RECONCILIATION
FUND 209 - RECREATION FUND	209-3500-53419	UTILITIES	\$	500.00	YEAR-END RECONCILIATION
FUND 209 - RECREATION FUND	209-3500-53430	FEES & DUES	\$	1,000.00	YEAR-END RECONCILIATION
FUND 209 - RECREATION FUND	209-3500-54071	FESTIVAL EXPENSES	\$	200.00	YEAR-END RECONCILIATION
TOTAL:			\$	1,000.00	

FUND 210 - BOAT BASIN	210-3800-52130	PERS	\$	800.00	YEAR-END RECONCILIATION
FUND 210 - BOAT BASIN	210-3800-53430	FEES AND DUE	\$	1,000.00	YEAR-END RECONCILIATION
TOTAL:			\$	1,800.00	
FUND 212 - STREET MAINTENANCE	212-6200-53324	CONSULTANT SPECIAL SERVICES	\$	(1,000.00)	YEAR-END RECONCILIATION
FUND 212 - STREET MAINTENANCE	212-6200-53726	PROF MAINT OF FACILITIES	\$	(300.00)	YEAR-END RECONCILIATION
FUND 212 - STREET MAINTENANCE	212-6900-51210	WAGES SALARIES FULL TIME	\$	750.00	YEAR-END RECONCILIATION
FUND 212 - STREET MAINTENANCE	212-6900-52125	MEDICARE	\$	50.00	YEAR-END RECONCILIATION
FUND 212 - STREET MAINTENANCE	212-6900-52130	PERS	\$	500.00	YEAR-END RECONCILIATION
TOTAL:			\$	-	
FUND 214 - FIRE LEVY	214-1310-51221	WAGES SALARIES PART TIME	\$	10,000.00	YEAR-END RECONCILIATION
TOTAL:			\$	10,000.00	
FUND 220 - POLICE RESOURCE OFFICER	220-1019-51210	WAGES SALARIES FULL TMIE	\$	2,319.31	YEAR-END RECONCILIATION
FUND 220 - POLICE RESOURCE OFFICER	220-1019-52125	MEDICARE	\$	30.94	YEAR-END RECONCILIATION
FUND 220 - POLICE RESOURCE OFFICER	220-1019-52140	HOSPITALIZATION	\$	513.80	YEAR-END RECONCILIATION
FUND 220 - POLICE RESOURCE OFFICER	220-1020-51210	WAGES SALARIES FULL TMIE	\$	1,819.31	YEAR-END RECONCILIATION
FUND 220 - POLICE RESOURCE OFFICER	220-1020-52125	MEDICARE	\$	30.94	YEAR-END RECONCILIATION
FUND 220 - POLICE RESOURCE OFFICER	220-1020-52140	HOSPITALIZATION	\$	513.80	YEAR-END RECONCILIATION
TOTAL:			\$	5,228.10	
FUND 225 - MARINE PATROL	225-1010-51222	WAGES SALARIES FULL TIME	\$	1,000.00	YEAR-END RECONCILIATION
TOTAL:			\$	1,000.00	
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-1010-51215	PERFORMANCE INCREASE	\$	3,148.29	2018 MERIT COMPENSATION PROGRAM
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-1010-52125	MEDICARE	\$	45.65	2018 MERIT COMPENSATION PROGRAM
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-3400-51215	PERFORMANCE INCREASE	\$	1,051.31	2018 MERIT COMPENSATION PROGRAM
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-3400-52125	MEDICARE	\$	14.77	2018 MERIT COMPENSATION PROGRAM
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-6210-51215	PERFORMANCE INCREASE	\$	1,428.10	2018 MERIT COMPENSATION PROGRAM
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-6210-52125	MEDICARE	\$	20.11	2018 MERIT COMPENSATION PROGRAM
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-7020-51215	PERFORMANCE INCREASE	\$	10,000.00	2018 MERIT COMPENSATION PROGRAM
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-7020-52125	MEDICARE	\$	400.00	2018 MERIT COMPENSATION PROGRAM
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-7060-51215	PERFORMANCE INCREASE	\$	1,679.56	2018 MERIT COMPENSATION PROGRAM
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-7060-52125	MEDICARE	\$	23.92	2018 MERIT COMPENSATION PROGRAM
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-7100-51210	PERFORMANCE INCREASE	\$	744.48	2018 MERIT COMPENSATION PROGRAM
FUND 298 - EMPLOYEE BENEFITS RESERVE	298-7100-52125	MEDICARE	\$	10.80	2018 MERIT COMPENSATION PROGRAM
TOTAL:			\$	18,566.99	
FUND 299 - EMPLOYEE BENEFIT RES. WATER	299-5210-51215	PERFORMANCE INCREASE	\$	3,643.00	2018 MERIT COMPENSATION PROGRAM
FUND 299 - EMPLOYEE BENEFIT RES. WATER	299-5210-52125	MEDICARE	\$	51.52	2018 MERIT COMPENSATION PROGRAM
TOTAL:			\$	3,694.52	

FUND 401 - CAPITAL IMPROVEMENT	401-7900-53324	CONSULTANT SPECIAL SERVICES	\$	1,064.40	YEAR-END RECONCILIATION
TOTAL:			\$	1,064.40	
FUND 604 - WATER FUND	604-5210-52130	PERS	\$	1,202.63	YEAR-END RECONCILIATION
FUND 604 - WATER FUND	604-5220-52130	PERS	\$	626.49	YEAR-END RECONCILIATION
FUND 604 - WATER FUND	604-5220-53324	CONSULTANT SPECIAL SERVICES	\$	2,000.00	YEAR-END RECONCILIATION
FUND 604 - WATER FUND	604-5220-53419	UTILITIES	\$	500.00	YEAR-END RECONCILIATION
TOTAL:			\$	4,329.12	
FUND 605 - STORM WATER FUND	605-5300-51222	WAGES SALARIES OVERTIME	\$	350.00	YEAR-END RECONCILIATION
FUND 605 - STORM WATER FUND	605-5300-51225	WAGES SALARIES CALL IN	\$	600.00	YEAR-END RECONCILIATION
FUND 605 - STORM WATER FUND	605-5300-59003	REFUNDS	\$	795.19	YEAR-END RECONCILIATION
TOTAL			\$	1,745.19	
FUND 654 - ELECTRIC FUND	654-5220-53324	CONSULTANT SPECIAL SERVICES	\$	366,808.00	INCREASED POWER SUPPLY FOR NOVEMBER
TOTAL:			\$	366,808.00	
FUND 701 - COMPUTER MAINTENANCE	701-7000-51210	WAGES SALARIES FULL-TIME	\$	5,310.57	YEAR-END RECONCILIATION
FUND 701 - COMPUTER MAINTENANCE	701-7000-53625	PROF MAINT OF EQUIP - PARTS	\$	20,000.00	SERVER UPGRADE CITY HALL
TOTAL:			\$	25,310.57	
FUND 863 - STATE PATROL	863-1040-53201	LAW LIBRARY	\$	2,000.00	YEAR-END RECONCILIATION
TOTAL:			\$	2,000.00	
TOTAL EXPENSES			\$	375,369.21	



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Ordinance 2018-36  
**DATE:** December 3, 2018

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**Subject Matter/Background**

In accordance with the Municipal Charter, FY 2019 City Manager's Recommended Budget was distributed for your review on Friday, November 30, 2018 in advance of the December 1, 2018 requirement. This action follows the Annual Tax Budget submission and public hearing in June, presentation to the County Budget Commission and certification by the County Auditor this fall. As required, a resolution (Resolution 2018-90) was adopted on November 27, 2018 setting a Public Hearing date/time on the 2019 Recommended Budget and subsequent legal notice has been published. The Public Hearing will be held during the meeting of December 11, 2018 as required, in advance of Council consideration of Ordinance 2018-36 which will adopt the 2019 Municipal Budget.

**Financial Review**

Please see the attached 2019 Budget Book for the all funds summary sheet as well as the supporting summarization presented to the Finance Committee as part of the 2019 Budget creation.

## 2019 Proposed Municipal Budget

		2019 Beginning Balance	2019 Estimated Revenues	2019 Estimated Expense	2019 Surplus/ (Deficit)	2019 Ending Balance
110	General Fund	650,000	5,055,850	5,050,506	5,344	655,344
111	Special Warrants	100	0	0	0	100
208	Parks Fund	75,000	291,000	290,329	671	75,671
209	Recreation Fund	50,000	293,000	289,729	3,271	53,271
210	Boat Basin Fund	45,000	178,320	177,049	1,271	46,271
211	Huron Parks Foundation	20,000	10,000	10,000	0	20,000
212	Street Maintenance Fund	125,000	492,500	492,414	86	125,086
213	State Highway Fund	35,000	26,500	26,107	393	35,393
214	Special Fire Levy Fund	500,000	2,195,000	2,094,373	100,627	600,627
215	Street Lighting Levy Fund	150,000	215,000	213,700	1,300	151,300
216	Court Computer Fund	80,000	15,000	20,000	(5,000)	75,000
217	Court Capital Projects	180,000	15,000	20,000	(5,000)	175,000
218	Indigent Alcohol Treatment	150,000	7,500	1,000	6,500	156,500
219	Enforcement/Education Fund	10,000	0	0	0	10,000
220	Police Resource Officer Fund	5,000	66,429	66,429	0	5,000
222	Indigent Drivers Interlocking	60,000	5,250	1,000	4,250	64,250
225	Marine Patrol Grant	5,000	32,000	0	32,000	37,000
270	Mandatory Fine Trust	4,500	0	0	0	4,500
271	Contraband Forfeiture Trust	19,000	0	0	0	19,000
272	Probation Fund	12,000	45,000	33,592	11,408	23,408
274	Fire Pension Fund	60,000	266,974	266,524	450	60,450
275	Police Pension Fund	5,000	186,107	185,362	745	5,745
277	Economic Development	450,000	10,000	213,955	(203,955)	246,045
290	Revolving Loans	0	0	0	0	0
298	Employee Benefit Reserve	250,000	50,000	34,708	15,292	265,292
299	Employee Benefit Reserve Water	75,000	15,000	10,669	4,331	79,331
301	G.O. Bond Retirement	150,000	750,000	750,000	0	150,000
401	Capital Improvement Fund	100,000	320,075	240,000	80,075	180,075
402	T.I.F.	0	0	0	0	0
403	Capital Reserve & Replacement Fund	350,000	0	0	0	350,000
602	Water Debt Retirement	300,000	300,000	295,000	5,000	305,000
603	Water Capital Improvement	700,000	1,029,500	1,045,000	(15,500)	684,500
604	Water Fund	475,000	2,374,000	2,372,508	1,492	476,492
605	Storm Water Fund	25,000	88,500	88,500	0	25,000
654	Electric Fund	25,000	2,527,394	2,419,562	107,832	132,832
701	Computer Repair/Maintenance	95,000	204,119	204,119	0	95,000
703	Health Care BAC	244,802	956,805	955,000	1,805	246,607
860	Huron Area Joint Rec. District	0	317,500	317,500	0	0
863	State Patrol Fund	15,000	10,000	10,000	0	15,000
865	Public Safety Technology	0	0	0	0	0
870	Fire Damaged Structure Fund	0	0	0	0	0
876	Huron Rescue Squad Fund	80,000	0	0	0	80,000
899	Unclaimed Monies Fund	22,500	0	0	0	22,500
	<b>TOTAL ALL FUNDS</b>	<b>5,597,902</b>	<b>18,349,324</b>	<b>18,194,638</b>	<b>154,686</b>	<b>5,752,588</b>



To: Chairman Norton and Members of the Finance Committee  
From: Andy White, City Manager  
RE: 2019 Budget – Administration and General Fund  
Date: Friday September 28<sup>th</sup>, 2018

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### **General Fund Revenues**

The General Fund is inclusive of many of the operational revenues the City utilizes to operate the major functions of the community. The main source of revenue is the income tax, accounting for 60% of the revenue within the General Fund. Additional revenue sources include property taxes, various Court fines/costs, collection of the utility payment for the citywide refuse and recycling program, the zoning department's permit collection (explained below), and various miscellaneous program fees.

- **Income Tax:** The City currently collects 1% of all wages earned either by City residents or employees within the City. We do not currently offer any types of credits / reciprocities. The income tax collection has been slowly increasing year over year. Staff highlights two major concerns with the income tax: (1) a significant portion is tied to one large employer. With the advent of Mucci Farms and OPC, the risk has been greatly reduced, but still something we monitor very closely, and (2) the overall population that pays the income tax is continually decreasing. In 2016, 67% of all funds were collected by wage earners that do not reside within the City. Only 58% of city residents pay the income tax. The average city resident pays a little over \$200 a year in income tax, using the above breakdowns. The City's population has stagnated, and is becoming older (meaning a decrease in income tax payers). A leveling out in the economy and the new jobs at Mucci Farms and OPC still give staff reason to forecast an increase.
- **Refuse Collection:** The City is currently in a 5-year agreement with Republic for curbside refuse collection. In 2016, the City modified the fee for a flat 5-year price of \$65 a quarter. The service fee however is on a sliding scale, increasing each year of the contract. By the end of the contract (2 years from now), the price differential will have gone from \$12 a quarter to \$4 a quarter, limiting available resources for the General Fund. That margin is used to offset the administrative oversight of the service, including billing, customer service, contractual review and oversight.
- **Property Tax:** The County completed a re-evaluation earlier this fall and we are conservatively anticipating an increase of 5% to the city's property tax collection. Even at that number, the overall city valuation has not eclipsed pre-Great Recession totals. The total valuation would be expected to come in around \$210,000,000. The City's property tax is largely doled out to the Fire Department and various pension liability funds, but a portion remains within the General Fund.



- State Shared: This category comprises of the Local Government Fund and Estate taxes. Both were considerably reduced in 2013. Staff does not anticipate any further reduction to the Local Government assistance fund. With the estate tax eliminated, we do not anticipate receiving any additional revenues going forward.

### 2019 Proposed Budget for General Fund Revenues

Description	2017 Actual	2018 Budget	YTD	2019 Budget
Proeprty Tax	\$ 250,608.68	\$ 255,043.04	97%	\$ 265,000.00
Income Tax	\$ 2,838,480.51	\$ 2,970,000.00	85%	\$ 2,920,000.00
State Shared	\$ 174,227.06	\$ 163,350.00	86%	\$ 164,850.00
Charges for Service	\$ 823,006.03	\$ 864,000.00	73%	\$ 1,049,000.00
Permits and Fees	\$ 228,164.61	\$ 222,500.00	84%	\$ 221,500.00
Interest	\$ 48,098.76	\$ 50,000.00	76%	\$ 55,000.00
Court Fines	\$ 287,184.73	\$ 312,000.00	65%	\$ 290,000.00
Misc. Reimbursement	\$ 162,752.55	\$ 81,700.00	95%	\$ 90,500.00
Total:	\$ 4,812,522.93	\$ 4,918,593.04	72%	\$ 5,055,850.00

### City Manager's Office

The budget for the City Manager's Office is comprised of a payroll distribution breakdown to mirror the projected workload of the staff within the department. The Department is comprised of the City Manager's Office and Law Director. The financial activity is housed within multiple accounts. The summary shows the aggregate budget for the entirety of the operation, but only a portion is housed within the General Fund's "City Manager" and "Law Director" categories.

The 2019 budget includes the following modifications for the City Manager's Office:

- Staff re-structure: The City Manager's Office comprised of four (4) FTE's at the end of 2017 (City Manager, Law Director, Assistant to the City Manager, Management Services Coordinator / Clerk of Council). Transition has resulted in reduction of the City Manager's Office to 2 FTE's. The 2019 budget includes an expansion to three (3) FTE's. The positions included within 2019 budget include the City Manager, Law Department, and a dedicated executive secretary.
- Human Resources: Staff is working towards finalizing a solution of delivery of human resource services. A stipend is included within the 2019 budget.
- Payroll Distribution: The cost of the administration is charged to various accounts to match the anticipated resources to be dedicated towards each of those services. 2019's

budget includes an increase to Electric Fund from past years. This increase is due to the anticipated oversight with the expansion of Huron Public Power. 2019’s administrative breakdown is as follows:

- General Fund: 20%
- Fire Department: 10%
- Economic Development: 5%
- Water Department: 30%
- Electric Department: 35%

**Proposed 2019 Budget for the City Manager’s Office / Law Department**

EXPENSE				
DESCRIPTION	2017 ACTUAL	2018 BUDGET	2018 YTD	2019 PROPOSED
PERSONAL SERVICES	\$ 309,414.45	\$ 322,207.69	70.00%	\$ 257,236.17
FRINGE BENEFITS	\$ 97,534.00	\$ 127,118.00	70.00%	\$ 101,318.82
CONTRACTUAL SERVICES	\$ 8,150.81	\$ 31,304.37	35.00%	\$ 17,450.00
MATERIALS AND SUPPLIES	\$ 1,093.63	\$ 1,825.00	68.00%	\$ 1,850.00
<b>TOTAL:</b>	<b>\$ 416,192.89</b>	<b>\$ 482,455.06</b>	<b>67.72%</b>	<b>\$ 377,854.99</b>

**Finance Department**

The Finance Department utilizes a similar cost accounting methodology as the City Manager’s Office. The Department is responsible for the general financial management of the City, all utility billing operations, and handles most of the general customer service functions of the City. The Department is inclusive of three (3) FTE’s: (1) Finance Director, (2) Finance Specialist – Payroll, (3) Finance Specialist – Customer Service.

The 2019 budget includes the following modifications for the Finance Department:

- Expansion of staff by way of modifications to existing employee’s responsibilities:
  - Increase of the Finance Director from 75% to full-time
  - Modification of the responsibilities of the Customer Service Position to be more centralized to the Finance Department. This position has been serving as the Planning and Zoning Department Clerk for the last 2 years.
- Payroll Distribution: The cost of the administration is charged to various accounts to match the resource allocation to the function. The major modification in 2019’s budget is an increased portion charged to the Electric Fund due to the anticipated management oversight with the expansion of Huron Public Power. 2019’s budget assumes the following breakdown:

- General Fund: 20%
- Fire Department: 10%
- Water Department: 40%
- Electric Department: 30%

**Proposed 2019 Budget for the Finance Department:**

EXPENSE				
DESCRIPTION	2017 ACTUAL	2018 BUDGET	2018 YTD	2019 PROPOSED
PERSONAL SERVICES	\$ 156,825.91	\$ 158,991.67	61.00%	\$ 178,597.21
FRINGE BENEFITS	\$ 64,938.04	\$ 67,325.71	61.00%	\$ 82,949.21
CONTRACTUAL SERVICES	\$ 90,043.25	\$ 117,308.00	58.99%	\$ 110,500.00
<b>TOTAL:</b>	<b>\$ 311,807.20</b>	<b>\$ 343,625.38</b>	<b>60.31%</b>	<b>\$ 372,046.41</b>

**Planning and Zoning Department**

The 2019 budget includes an expansion of planning and zoning services. The 2019 budget includes the following programmatic modifications:

- Staffing:
  - Creation of 2 new FTE positions: (1) Planning and Zoning Permit Tech / Commission Secretary, and (2) Code Enforcement Office
    - The Permit Tech position was previously operated by the Finance Department. This new position will greatly increase the Department’s overall effectiveness
    - The responsibilities of code enforcement are currently being done by the City Engineer. This is both an inefficient use of the time and sub-par due to the overall lack of time/resources.

The City’s Zoning operation was located within the Fire Department since inception. From 2015 to 2017 the program was modified and expanded, first housed within the City Manager’s office and then falling within the contract with OHM Advisors. Going forward, the proposed resource allocation, especially in anticipation of additional responsibilities in the way of regulation of the rental registration and implementation of short-term occupancy tax, will greatly increase the overall effectiveness of the department.

Other modifications include restructuring of the agreement with Huron Township for building department services. Prior to 2017, all building permits (and their financial activity) were routed entirely through the Township. Now, all building permits are routed through City Hall (still reviewed and issued by the Township on the backend). Therefore, the City incurred additional

“cost” in way of reimbursing the Township, however, the City keeps an additional 15% admin fee that was added in 2017.

**Proposed 2019 Budget for the Planning and Zoning Department:**

<b>REVENUE</b>				
<b>DESCRIPTION</b>	<b>2017 ACTUAL</b>	<b>2018 BUDGET</b>	<b>2018 YTD</b>	<b>2019 PROPOSED</b>
ZONING PERMITS	\$ 14,467.00	\$ 15,000.00	75.00%	\$ 15,000.00
BUILDING PERMITS	\$ 66,984.00	\$ 90,000.00	106.00%	\$ 60,000.00
MISC. LICENSES	\$ 515.00	\$ 500.00	72.00%	\$ 500.00
CONSTRUCTION REVIEW	\$ -	\$ 4,000.00	100.00%	\$ 1,000.00
CONTRACTOR REGISTRATION	\$ 16,250.00	\$ 17,000.00	61.00%	\$ 15,000.00
GRASS AND WEEDS VIOLATIONS	\$ 500.00	\$ 1,000.00	0.00%	\$ 500.00
<b>TOTAL:</b>	<b>\$ 98,716.00</b>	<b>\$ 127,500.00</b>	<b>95.20%</b>	<b>\$ 92,000.00</b>
<b>EXPENSE</b>				
<b>DESCRIPTION</b>	<b>2017 ACTUAL</b>	<b>2018 BUDGET</b>	<b>2018 YTD</b>	<b>2019 PROPOSED</b>
PERSONAL SERVICES	\$ -	\$ -	0%	\$ 90,216.46
FRINGE BENEFITS	\$ -	\$ -	0%	\$ 33,410.13
CONTRACTUAL SERVICES	\$ 105,880.00	\$ 163,000.00	69%	\$ 125,000.00
MATERIALS AND SUPPLIES	\$ -	\$ 500.00	0%	\$ 500.00
<b>TOTAL:</b>	<b>\$ 105,880.00</b>	<b>\$ 163,500.00</b>	<b>69%</b>	<b>\$ 249,126.60</b>

**City Council**

In similar fashion to the administration, City Council’s salaries are paid using a cost breakdown of the departments and services that typically account for a majority of the activity. Council’s overall budget is unmodified for 2019 as the salaries have not changed. The breakdown for the Council is as follows:

- General Fund: 50%
- Fire Department: 10%
- Water Department: 20%
- Electric: 20%

<b>EXPENSE</b>				
<b>DESCRIPTION</b>	<b>2017 ACTUAL</b>	<b>2018 BUDGET</b>	<b>2018 YTD</b>	<b>2019 PROPOSED</b>
PERSONAL SERVICES	\$ 63,000.00	\$ 63,000.00	75%	\$ 63,000.00
FRINGE BENEFITS	\$ 8,819.10	\$ 8,819.10	75%	\$ 8,819.10
CONTRACTUAL SERVICES	\$ 15.00	\$ -	0%	\$ -
MATERIALS AND SUPPLIES	\$ -	\$ -	0%	\$ -
<b>TOTAL:</b>	<b>\$ 71,834.10</b>	<b>\$ 71,819.10</b>	<b>75%</b>	<b>\$ 71,819.10</b>

**Proposed 2019 Budget for City Council:  
Information Technology**

The City's IT operation is comprised of 1 FTE – IT Manager. This position, which had been historically housed in the Police Department, is a full-time administrative position.

In 2014, the City conducted a SWOT analysis of the overall IT infrastructure for the City. We've been working towards implementing the medium and long-term strategies of that plan. Massive strides were made in 2016 with the installation of a disaster recovery system. In addition, staff is working towards putting the city's technology infrastructure on a more standard replacement schedule. Staff is updating the server equipment in 2019, which was also highlighted on the infrastructure plan.

The operation is funded via transfers from various departments based on usage, including general administration and Law Enforcement (General Fund), Fire Department, Water Department, and Boat Basin.

**Proposed 2019 Budget for the Information Technology Department:**

REVENUE				
DESCRIPTION	2017 ACTUAL	2018 BUDGET	2018 YTD	2019 PROPOSED
TRANSFERS FROM GENERAL FUND	\$ 61,500.00	\$ 59,000.00	100%	\$ 76,914.23
TRANSFER FROM FIRE FUND	\$ 16,500.00	\$ 25,000.00	100%	\$ 30,000.00
TRANSFERS FROM WATER FUND	\$ 56,500.00	\$ 78,000.00	100%	\$ 90,000.00
TRANSFERS FROM COURT COMPUTER	\$ 3,500.00	\$ -	0%	\$ -
TRANSFERS FROM BOAT BASIN FUND	\$ -	\$ -	0%	\$ 2,500.00
TOTAL:	\$ 138,000.00	\$ 162,000.00	100%	\$ 199,414.23
EXPENSE				
DESCRIPTION	2017 ACTUAL	2018 BUDGET	2018 YTD	2019 PROPOSED
PERSONAL SERVICES	\$ 54,524.87	\$ 85,581.80	76%	\$ 87,220.14
FRINGE BENEFITS	\$ 9,715.43	\$ 31,397.09	62%	\$ 32,194.10
CONTRACTUAL SERVICES	\$ 12,133.96	\$ 54,969.85	68%	\$ 45,000.00
EQUIPMENT	\$ 15,884.56	\$ 25,000.00	18%	\$ 35,000.00
TRANSFER TO POLICE PENSION	\$ 10,817.24	\$ -	0%	\$ -
TOTAL	\$ 103,076.06	\$ 196,948.74	65%	\$ 199,414.23



To: Chairman Norton and Members of the Finance Committee  
From: Andy White, City Manager  
RE: 2019 Budget – Public Safety Departments  
Date: Friday September 21<sup>st</sup>, 2018

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### **Municipal Court**

The Huron Municipal Court's fiscal operations are spread amongst seven (7) total funds. The main operational accounts include a portion of the General Fund and Fund 272, Probation Fund. The remaining funds are special purpose funds specific to various operations.

#### Municipal Court Funds:

- Fund 110 (General Fund): This is used to house the general operating expenditures of the municipal court's operations as well as the main revenue sources for court costs, court fines, and a reimbursement from the County.
- Fund 216 (Court Computer Fund): This is used to fund the technological needs of the municipal court. This is funded via deposit of court costs.
- Fund 217 (Court Capital Fund): This is used to fund any capital improvements necessary for the court, including office modifications, capital equipment, courtroom improvements, etc. This is also funded via deposit of court costs.
- Fund 218 (Indigent Alcohol) and Fund 222 (Indigent Drivers Interlocking): These are used to fund the assistance of substance abuse programs. These two funds are very restricted in scope and are managed by outside jurisdictions – most deposits and expenses are mandated by the State.
- Fund 272 (Probation Fund): This is used to fund the operations of the Court's probation operation. The fund pays for 50% of a full-time probation officer and is funded via various probation programs offered by the Court.
- Fund 863 (State Patrol): This is funds is also restricted and is typically an in/out fund (expenses match revenues).

Revenue: Muni Court revenues are comprised of 3 major sources; (1) Fines, (2) Court Costs, and (3) Reimbursements from various partner organizations. Funds collected include 100% of all fines and court costs from cases generated by Huron Police Department and 40% of fines and court costs from cases generated by the State Highway Patrol. Reimbursement includes a portion of the costs of the Court's personnel for processing cases in lieu of Erie County.

Revenues for the Court have been fairly consistent over the last 3 years. The Court recently increased its Court Costs after completing a review of various local court systems to bring into

alignment with the market. Court Fines and Court Costs are both directly related to activity processed by the Court. As such, if activity decreases it can affect the Court's revenue collection. In 2018, the Court lowered its revenue estimation from the original budget forecast, highlighting that since 2012 criminal cases are down 121% and traffic cases are down over 50%.

**Total Budgeted Revenue Collection:**

- Court Costs: \$250,000
- Court Fines: \$105,250
- State Funds: \$32,500
- Erie County Reimbursement: \$65,000
- Total: \$452,750

Expenses: The Municipal Court's costs are derived largely from administrative type activities (personnel and contractual services). Expenses within the Court program have been fairly consistent with moderate annual increases to meet cost of living salary adjustments. The only significant variations have been to account for office modifications or technological upgrades.

**Total Budgeted Expenditures:**

- Personal Services: \$205,555.71
- Fringe Benefits: \$107,275.02
- Contractual Services: \$51,000
- Materials and Supplies: \$4,100
- Capital: \$20,000
- Total: \$387,930.74

### **Huron Police Department**

The Huron Police Department's financial activity is spread amongst eight (8) funds. The majority of operational expenditures are housed within the General Fund. The remaining funds are special purpose funds specific to various operations and programs.

**Huron Police Department Funds:**

- Fund 110 (General Fund): Main operational fund for the Police Department. This houses the majority of expenditures for the Police Department.
- Fund 111 (Special Warrants): This fund is used for special warranting programs and is tied to the municipal court's operations.
- Fund 219 (Enforcement and Education): This is used to fund the Community Policing effort such as coordinating block watch programs, various education programs, and the auxiliary police department.
- Fund 220 (School Resource Office Fund): This is used to fund and receipt funds for the operation of the School Resource Officer Program. This fund includes 67% of the cost of the SRO as the funding for the SRO is shared in equal thirds by the City, the Township, and Huron City Schools.

- Fund 225 (Marine Patrol): This is used to fund the Police Department's watercraft enforcement efforts. The City receives a grant to assist with the cost of the program.
- Fund 270 (Mandatory Fine Trust): This is a special revenue fund in the rare occurrence of various fines.
- Fund 271 (Contraband Forfeiture): This is a special revenue fund to account for the collection of forfeited assets.
- Fund 275 (Police Pension Fund): This is a special revenue fund that is used to account for the pension liability for the department.

Revenue: The Police Department main source of revenue is the City's Municipal Income Tax and therefore not calculated into the financial operations of the Police Department. Revenues collected by the Department also include various special programs (e.g. special warrants, forfeiture, marine patrol) and contractual agreements (e.g. School Resource Officer and annual grants).

**Huron Police Department Revenues:**

- School Resource Officer: \$59,314.94
- Grants: \$32,000
- Fines: \$6,260
- Intergovernmental Transfers: \$8,000
- Forfeiture: \$10,000
- Total: \$115,574.94

Expenses: The Huron Police Department's is comprised of 12 full-time officers and multiple part-time officers. As such, 67% of the Department's total budget is dedicated towards personnel costs. The remaining costs include supporting contractual resources, materials, and equipment necessary for the department. A major contractual resource utilized by both the Police Department and Fire Department includes an annual contract with Erie County for Regional Dispatch efforts.

**Huron Police Department Expenses:**

- Personal Services: \$979,602.43
- Fringe Benefits: \$478,365.72
- Contractual Services: \$81,378.83
- Materials and Supplies: \$65,845.79
- Regional Dispatch: \$60,000
- General Equipment: \$1,717
- Capital Equipment (cruisers): \$38,904.07
- Total: \$1,666,910

Department Needs: The Police Department is requesting acquisition of a new cruiser in 2019 utilizing the lease to buy program. This would have an anticipated annual payment of \$13,000 and is included in the numbers above.



## Huron Fire Department

The Huron Fire Department financially operates within two main accounts: Fund 214 Special Fire Levy and Fund 274 Fire Pension Fund. Both are special revenue funds meaning they have specific revenues outside of general revenues generated by the City to fund their operations. The Department serves the City of Huron and Huron Township as its main jurisdictions. The two entities established a services agreement that speaks to a sharing of the service and capital equipment acquisition costs.

Revenue: The Huron Fire Department is funded via four (4) main sources. The bulk of the funding comes from the joint services agreement via Huron Township. Additionally, the Fire Department receives a majority of the City's property tax collections, fees from insurance billings for EMS services, and a supporting transfer from the City's General Fund.

### Huron Fire Department Revenues:

- Property Tax: \$645,000
- Township Contract: \$961,185
- Insurance Billing: \$400,000
- General Fund: \$200,000
- Total: \$2,206,185

Expenses: In 2017, the City and Township expanded the joint services agreement to augment the department to better serve the entirety of the jurisdiction. The main modification included re-opening "Station 2" (Huron Township Hall), which also included expanded the department from 12 full-time employees to 15 full-time employees. The Department's costs are mostly personnel in nature, however, there are some significant capital expenditures as well. Per the agreement, many of these are acquired via cost sharing mechanism with the Township. 2019 will be the first year with a full-sized department. The Township is currently building a new fire station to accommodate the increased service.

### Huron Fire Department Expenses:

- Personal Services: \$1,137,640
- Fringe Benefits: \$590,588
- Contractual Services: \$179,000
- Materials and Supplies: \$42,500
- General Equipment: \$25,000
- Administrative Support: \$93,995
- Supporting Transfers: \$63,000
- Total: \$2,131,725

Department Needs: The HFD is currently preparing a capital acquisition plan to add an additional piece of equipment and replace a piece of equipment that has reached its useful life.

- **Ambulance:** The HFD is moving forward with a plan to acquire a new ambulance for the department. This would be the third for the fleet. It will serve to slow down the impact on the two ambulances in the fleet (2011 and 2012) which both have close to 100,000 miles. Additionally, it will reduce down time experienced when one of the current ambulances is down for maintenance. Finally, the cost will be shared jointly between the City and Township (estimated full cost of \$300 – 325,000).
- **Engine Truck:** The HFD is currently getting pricing to replace the current fire engine, which is over 25 years old. The truck is a critical component of the fire suppression efforts for the Department. Initial estimates for pricing are between \$600,000 and \$700,000. A funding plan will be presented once the department finalizes its research.



To: Chairman Norton and Members of the Finance Committee  
From: Andy White, City Manager  
RE: 2019 Budget – Street and Storm Water Department  
Date: Friday November 9, 2018

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### **Street and Storm Water Department**

The financial operations for the City's general street maintenance and storm water management efforts are housed within 3 main funds and utilization of general city capital and employee reserve funds.

Street Department Funds:

- *Fund 212 (Street Maintenance Fund)*: This is one of two main operating accounts for the Street Department. This is used to account for general maintenance of city streets.
- *Fund 213 (State Highway Fund)*: This is the secondary operating account for the Street Department. This is used to account for maintenance efforts of State highways within our jurisdiction.
- *Fund 605 (Storm Water Fund)*: This is used to account for the city's storm water management operations.

Overall, the Department is comprised of 4 FTE's and 1 PTE. The Department is led by the Street Foreman who reports directly to the City Manager.

*Revenue*: The main source of revenue for the Street Department is the collection of gasoline and motor vehicle tax (which is distributed by the State). These funds are deposited into both Funds 212 (Street Maintenance) and 213 (State Highway) to offset the operational expenses of maintaining the street systems within the City.

The Street Department is forecasting the following revenues for 2019's budget:

- State Permissive Tax: \$160,000
- Gasoline Tax: \$281,000
- Motor Vehicle Tax: \$75,500
- Misc.: \$2,000
- Total: \$518,500

This is in line with 2018's budgeted revenues.

Expenses: The Street Department's expenses are accounted for in the following categories: personnel, materials/supplies, contractual services, capital, and operating transfers.

- **Personnel:** Overall expenditures for personnel are following in line with cost of living adjustments as the department staffing levels are sufficient to meet the current demands. As service levels and community desires increase, we will be exploring additional staffing. The personnel costs of the Street Department are broken out by responsibility between 4 main operating funds: Street Maintenance – 75%, Highway Maintenance – 7.5%, Stormwater Fund – 5%, Electric Fund – 12.5%
- **Materials and Supplies / Contractual Services:** These two expense categories incorporate many of the operational costs of running the day-to-day street maintenance efforts as major capital improvements are funded via the City's general capital fund. The major supply cost within these categories is the annual street salt purchase. The cost of street salt doubled from last year's bid. We have until December 31<sup>st</sup> of this year to purchase at the old rate, so we will be stockpiling as much as possible to mitigate the cost increase. Additional annual maintenance costs include street paving and minor pavement repair.
- **Capital:** The Street Department funds capital equipment via cost share with the general capital funds of the City. While most of the equipment is acquired via accumulated savings within the capital reserve fund, some major items are beyond the financial ability of the Street Department's budget, such as new snow plows and street sweepers. The Department currently has roughly \$105,000 in capital reserve funds, of which \$45,000 are dedicated towards lease payments of the backhoe and a dump truck
  - Street Dept: Staff is currently assessing overall department needs and equipment acquisition plan. Currently exploring following options:
    - Bucket Truck: \$150,000
    - 1-ton Dump Truck: \$75,000
    - Excavator: \$150,000
    - Street Sweeper (2021): \$225,000
- **Operating Transfers:** The two main operating transfers for the Street Department include funding capital reserves and employee benefit reserves. Due to the volatility of some expenses within the Department and the already very low margin for error, transfers are not typically budgeted as to not tie-up funds that may be necessary for unanticipated cost increases. Each year, staff completes an account reconciliation and initiates a transfer based on forecasted surplus funds on an actual basis rather than a forecasted budget basis. For example, the Street Department budgeted a very small transfer to both capital and employee benefit reserve for 2018. Now that 10 months of activity is in the books, our forecast indicate we have roughly \$55,000 to transfer to capital and employee reserve funds.

The Street Department is budgeting the following amounts for 2019 in the Street Maintenance and Highway Maintenance Funds:

- Personnel: \$323,800
- Materials, Supplies, Contractual Services: \$194,650
- Capital (Street Dept. – Capital Reserve): Amount TBD once dept. prioritization is determined. Already dedicated \$45,000
- Capital (General): \$65,000
- Operating Transfers: \$0 (end of year operating surplus will be transferred upon completion of the fiscal year).
- Total: \$628,450

This is a decrease of overall expenses by roughly \$40,000 from 2018 budget year. This is in large part to the distribution of personnel cost to the stormwater efforts and the electric fund.

### **Storm Water**

Revenue: The main source of revenue for the Storm Water maintenance effort is in the form of the newly adopted storm water fee, which results in roughly \$88,500 a year. These funds are used to offset capital and personnel costs for managing the City's stormwater infrastructure.

Staff anticipates revenues to stay in line with 2018's figures.

Expenses: The Storm Water fund offsets a portion of the personnel expenses for the staff members of the Street Department, minor storm water infrastructure projects, and acquisition of the leaf pickup machine. The expenses for the Fund are as follows:

- Personnel: \$15,200
- Contractual Services: \$31,500
- Equipment (lease payment for leaf pickup): \$40,00
- Total: \$88,500

### **Storm Water Infrastructure Needs:**

- **Wheeler Drive Culvert:** The culvert that allows the flow of water underneath Wheeler Drive has failed – discovered this fall. Upon inspection by the Engineering Department, initial construction estimates total \$325,000. The City was successful in obtaining 50% in emergency funds from OPWC. The City will be responsible for the remaining balance. Budgetary constraints will likely result in the cost being funded via the City's general capital funds.
- **US 6:** As part of the US 6 overhaul, the City will be repairing the storm water infrastructure along the corridor, which includes repairing crumbling lines in the stretch in front of Commerce Plaza, and repairing/replacing all culvers along the corridor. Initial estimates are \$150,000 towards storm water infrastructure.

- **Rye Beach Neighborhood:** The storm water infrastructure in the neighborhood is not installed properly and needs overhauled to reduce the amount of flooding throughout the neighborhood. The total project cost is estimated at \$200,000. This was included in the bonding for the 2018 paving program, however, it has not been completed.
- **Grand Forest Beach Neighborhood:** The neighborhood, which consists of the private streets north of Cleveland Road between Cleveland Ave and Cincinnati Ave, has very little in terms of storm water infrastructure. As private streets, it's outside of the City's jurisdiction. However, the lack of infrastructure reduces the effectiveness of the City's system along Cleveland Road. We've worked with representatives within the neighborhood to explore options that would help the neighborhood, which routinely experiences significant flooding. Prior to any involvement, an easement would need to be granted to the City.



To: Chairman Norton and Members of the Finance Committee  
From: Andy White, City Manager  
RE: 2019 Budget – Water Department  
Date: Friday November 9, 2018

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### **Water Filtration and Distribution**

The fiscal management of the City's Water utility is comprised of four total funds; one specific to the general operations of the Water Department, and three special purpose funds for capital, debt repayment, and long-term liability reserves.

Water Department Funds:

- Fund 299 (Employee Benefit Reserve Fund - Water): This is a segregated reserve fund that operates in an identical fashion to the city's general Employee Benefit Reserve Fund. It exists solely to plan for offsetting long-term retirement expenses for employees of the Water Department.
- Fund 602 (Water Bond Retirement Fund): This is used to track all water specific debts and bonds.
- Fund 603 (Water Capital Projects Fund): This is used to both save and account for water specific capital improvement projects and equipment.
- Fund 604 (Water Fund): This is used to account for the general operations of the Water Department.

Overall, the Department is comprised of 2 divisions: filtration and distribution. The Department has 9 FTEs – 1 Superintendent, 4 in filtration and 4 in distribution.

Revenue: The main source of revenue for the Water Department are from water sales. There are two main category of customer – internal (city residents/businesses) and external (Erie County wholesale contract). The internal customer comprises of 70% of the total sales.

The City's water system has been able to keep rates steady since 2008 - \$2.60 per unit. This is the lowest rate in the region (comparison in recent Sandusky Register article showed Sandusky at \$3.27, Erie County at \$4.33, and Vermilion at \$6.32 ccf). This is possible due to in large part to operational efficiencies, and by increasing the total customer base between new corporate customers and the revision of the Erie County wholesale water agreement.

In 2015, the City and Erie County entered into a long-term agreement for water supply. The City built a sliding scale that incentivized the County to purchase more water. Since implementation of the deal, total revenue from Erie County has increased by roughly \$85,000 per year. In addition, new customer base such as OPC, Mucci Farms, residential development in Two Rivers, North Port, among others have largely helped stabilize the revenue collections for the water department.

Other non-revenues include anticipated loan funding from the Ohio Water Development Authority (OWDA) to help offset capital improvement projects anticipated to be completed in 2019 – specifically the installation of new sludge removal equipment.

Budgeted revenues for 2019 include the following:

- Sale of Service – Internal Customer: \$1,625,000
- Sale of Service – Erie County: \$725,000
- Misc. Sales and Assessments: \$23,000
- Non-Revenue – Transfers: \$400,000
- Non-Revenue – Loans: \$925,000
- Total Revenue: \$3,698,000

This is an increase of \$221,000 over 2018's budgeted revenues. The increase is comprised of an increase in sales by roughly \$75,000 and increase in loan for 2019 for \$125,000.

Expenses: The Water Department's expenses are accounted for in the following categories: personnel, materials/supplies, contractual services, administrative support, capital, bond retirement and operating transfers.

- **Personnel:** Overall expenditures for personnel are following in line with cost of living adjustments as the department staffing levels are sufficient to meet the current demands. We will be closely monitoring Mucci's consumption, as original estimates would put the plant close to reaching plant capacity for a 16-hour shift. Should those increases occur, staff would explore adding 1 FTE and expanding the hours of operation.
- **Materials and Supplies / Contractual Services:** These two expense categories incorporate many of the operational costs of running the day-to-day of the water plant, including chemicals, building maintenance, small tools/minor equipment. Staff is anticipating slight increase in these two categories as additional regulations come into play to account for best practice of harmful algal bloom testing/mitigation.
- **Administrative Support:** This category is the offset of administrative services provided for the Department through the city's administration – billing, legal, general oversight. These costs remain fairly consistent each year with cost of living adjustments built-in.



- **Operating Transfers:** As shown in the revenue side of the summary, Fund 604 (Water Fund) transfers excess capital to each of the two supporting funds for capital and bond retirement expenditures. The transfers are built based on available funding once expenses in Fund 604 are met and to ensure anticipated liabilities for debt repayment and capital projects are met.
- **Bond re-payment:** As of 2018, the City's Water Department has the following outstanding loans:
  - 2012 Bond (Waterline project): \$96,000
  - OWDA Loans:
    - Oklahoma Waterline: \$51,000
    - Water Plant Shoreline: \$37,000
    - Water Plant Improvements: \$125,000 (2019 last payment)
- **Capital:** The Water Department Capital Fund is used for both major infrastructure projects and equipment. Through operational efficiencies, the Water Department has regularly been able to transfer surplus funds to the capital reserve fund. Based on 2018's financial activity, it is anticipated that we can safely transfer \$600,000 to the Water Capital Fund to offset a portion of the costs below. The funds will be transferred in 2018, and so you will notice there is a budgetary shortfall for FY 2019. This is due to the fact that surplus funds are being utilized to fund various capital improvement and equipment purchases. The Water Department's 2019 capital budget includes the following:
  - **Equipment:** \$85,000
  - **Sludge Removal Equipment:** \$925,000
  - **Water Plant Modifications:** \$35,000
  - **Other Projects for consideration:**
    - **Tube Settlers:** \$750,000 (These increase capacity of the plant – will be presented if anticipated demand occurs)
    - **Berlin Road Waterline:** \$1 million

The Water Department's 2019 budget includes the following expenses:

- Personnel: \$797,500
- Materials, Supplies, Contractual Services: \$676,000
- Administrative Support: \$345,000
- Transfers: \$540,000
- Debt Service Payments: \$295,000
- Capital: \$1,050,000 (with additional \$1.7 million of potential projects)
- Total Expenses: \$3,703,500

This represents an increase of roughly \$300,000 over 2018's budget – accounted for via increased capital projects and conversion of OWDA loans for the Oklahoma and Water Plant Shoreline projects.

## Department Initiatives:

- Capital Asset Management Plan: The Water Department recently completed a comprehensive analysis of its capital infrastructure. This document will be used to make funding decisions going forward. Based on the analysis, the Berlin Road waterline project was targeted as an area of high priority. A budget projection has been completed by our engineers and staff is moving forward with grant applications to help offset the expense – estimated to be in the range of \$1 million.



To: Chairman Norton and Members of the Finance Committee  
From: Andy White, City Manager  
RE: 2019 Budget – Parks and Recreation Department  
Date: Friday November 9, 2018

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### **Parks and Recreation**

The fiscal management of the Huron Parks and Recreation Department is comprised of five total funds; three specific to each of the individual divisions and two special purpose funds for donations and receipting shared revenues for the Huron Joint Recreation District (HJRD).

#### Parks and Recreation Funds:

- *Fund 208 (Parks Fund)*: This is used to house the financial management of the Parks maintenance operation.
- *Fund 209 (Recreation Fund)*: This is used to house the financial management of the Recreation programming operations.
- *Fund 210 (Boat Basin Fund)*: This is used to house the general financial management of the Boat Basin facility.
- *Fund 211 (Parks Foundation Fund)*: A special revenue fund to deposit various restricted and unrestricted donations for special parks projects;
- *Fund 860 (Huron Joint Rec District Fund)*: A fiduciary fund used to receipt and disburse funding from all agencies that are party to the Huron Joint Rec District agreement (City of Huron, Huron Township, and Huron City Schools). The HJRD supplements the remaining operational deficit after accounting for all program revenues. The funding share is: City – 65%, Township – 25%, Schools – 10%

In addition, the Parks and Recreation Departments utilize the Capital Equipment Reserve Fund and Employee Benefit Reserve Fund to save annual operational surplus funds.

Overall, the Department includes 3 FTEs, 1 year-round PTE, and a plethora of seasonal and other part-time employees. FTE's include:

- *Parks and Recreation Operations Manager*: This position serves as the overall Department coordinator, responsible for overall oversight, management, and budgeting for all 3 departments.

- Recreation Manager: This position is the director of the Department's Recreational programming.
- Parks Maintenance Coordinator: This position is the director of the overall maintenance efforts for all parks and municipal grounds.

## **Parks**

Revenue: Revenue consists of 3 major sources: operational subsidy from the HJRD, Nickel Plate Parking Fees, and facility rentals.

In 2018, the City increased the parking fee at Nickel Plate from \$5 per car to \$6 per car. This, in concert with perfect weather on each of the 3 holidays of the season (Memorial Day, July 4<sup>th</sup>, and Labor Day) resulted in record collections. While it was certainly an anomaly, staff is still projecting a slight uptick from the average collections of \$28-30k to account for the increased fee and overall increased patronage each year as the City further invests in amenities at the park.

The Parks Department is budgeting for total revenues in 2019 of the following:

- HJRD: \$235,000
- Fees / Rentals: \$40,500
- Misc. / Donations: \$12,000
- Total: \$288,500

This represents a \$14,500 increase from 2018's budget – accounted for in an increase portion of the HJRD funds going to the Parks Department and anticipated increase in Nickel Plate parking fees.

Expenses: The Parks Department's main expenditures are in personnel and equipment necessary for maintaining all of the facilities.

The Department consists of 1 FTE, with multiple seasonal part-time employees. For 2019, the department is requesting a modification of the staffing structure to add a second FTE. Due to the lack of permanency and seasonality of the part-time model, the full-time Parks Maintenance Coordinator spends a significant amount of time training/recruiting additional help. With a second full-time position, the department's operations would normalize and become much more efficient. The new position will create a net increase of expenses to the Parks Dept. of \$25,000. This is achieved by reducing the part-time budget by \$20,000 and a cost sharing mechanism between the Parks Department and Street Department. Currently, the Parks Department and Street Department share citywide mowing responsibilities. Adding this full-time position will allow the mowing responsibility to be shifted completely to the Parks Department, freeing up the Street Department's summer schedule for storm water and street maintenance efforts.

**The Parks Department is budgeting the following in total expenditures for 2019:**

- Personnel: \$132,700
- Fringe: \$54,400
- Contractual Services: \$74,900
- Materials and Supplies: \$26,000
- Total: \$288,200

This represents a \$25,000 increase in expenditures from 2018's budget – accounted for in the increase to full-time personnel within the department.

Department Initiatives:

- **Utilities at Nickel Plate:** Staff is working on establishing preliminary budgets to extend water and sanitary sewer to Nickel Plate Beach. This has long been a limiting factor in further investment and improvement to the park. Once completed, costs and funding plans will be presented.
- **Acquisition of new mower:** The Parks Department utilizes a two-mower rotation. The Department is funding acquisition of a third mower that will be largely dedicated to Fabens Park, freeing up the other mowers to be utilized for properties that are typically in conflict with the Fabens mowing schedule.

**Recreation**

Revenue: The Recreation Department's revenues are comprised of program fees, HJRD operational subsidy, and bed taxes (which are guided towards promotion of recreation and tourism per ordinance).

The City is working towards ratifying new legislation to modify the collection of bed taxes. Currently, bed taxes (3% of gross rents paid to hotels) are charged to any overnight establishment with 5 or more guest units. If adopted, the new program would include transient overnight rentals in any unit (e.g. residential homes, vacation homes, etc.). The same program is being enacted across Erie County, and therefore, the County has offered to act as the central clearing house for collections for a 2% fee (\$2 of every \$100 collected paid to County for managing program). Due to the expansion of the program, we are anticipating a significant increase in bed tax collections from the forecasted \$25,000 in 2018 to \$50,000 (on the very conservative side) in 2019.

**The Recreation Department is budgeting for total revenues in 2019 of the following:**

- HJRD: \$77,500
- Fees / Sales / Misc.: \$163,000
- Bed Tax: \$50,000
- Total: \$290,500

This represents an increase of revenues by \$12,000 over 2018 – accounted for via increase in bed tax and a reduction of the need for additional subsidy from the HJRD.

Expenses: The Recreation Department's expenses comprise of personnel, professional services, and program expenditures.

The Recreation Department is requesting to double its festival expenditure budget to add an additional fireworks show in 2019. The total increase would result in an additional \$7,500 over last year's budget.

The Recreation Department is budgeting the following in total expenditures for 2019:

- Personnel: \$104,010
- Fringe: \$38,200
- Contractual Services: \$71,500
- Materials and Supplies: \$73,000
- Total: \$288,200

This is an increase of \$11,000 over 2018's budget, which is represented in the increased festival expenses and cost of living increases for personnel.

## **Boat Basin**

Revenue: The Huron Boat Basin's revenues are largely driven from dockage fares and various misc. sales and rentals. As the popularity of fall fishing increases and the boating season lengthens, staff will be monitoring this revenue source closely.

### **Total Budgeted Revenue for the Boat Basin:**

- Dockage: \$157,000
- Facility and Land Rental: \$6,800
- Misc. Sales and Donations: \$14,500
- Total: \$173,000

Overall, revenues are anticipated to stay even with 2018's budget.

Expenses: The Boat Basin expenses are largely comprised of personnel, facilities maintenance, and programming. The Boat Basin funds day-to-day maintenance and various small capital projects using internal funding mechanisms. However, the Department will be seeking general capital funds within the coming budgetary cycles to assist with what is anticipated to be a sizeable infrastructure overhaul of the facility.

### **Total Budgeted Expenditures for 2019 for the Boat Basin Fund:**

- Personnel: \$76,100
- Fringe Benefits: \$25,750

- Contractual Services: \$63,500
- Materials and Supplies and Misc.: \$10,700
- Total Expenses: \$176,050

Department Needs: The Boat Basin is currently planning for two major capital improvement programs.

- **Basin Dredging:** In order to maintain appropriate depths and operational capacity, the basin must be dredged roughly every 10 years. The last dredging was in 2007. The project is anticipated to cost around \$200,000 and is being planned for 2019's budget.
- **Boat Basin Refurbishment:** Based on an engineering analysis completed in 2016, various critical systems are either quickly approaching, at, or past their useful life. Full-scale replacement was estimated to cost between \$2 - \$4 million depending on the scale of the project. This investment will be necessary in the short to medium term to ensure the longevity of the facility. A comprehensive funding plan is being completed and will be presented to the committee and Council in 2019.

### Capital Reserve

The Parks, Recreation, and Boat Basin Departments each have specific accounts within the Capital Reserve Fund. Upon completion of final transfers for 2018, the following balances are anticipated to begin 2019:

- Parks Department: \$87,559
- Recreation Department: \$56,882
- Boat Basin Department: \$69,927.91

Anticipated capital equipment to be purchased in 2019 includes:

- Parks & Recreation Department:
  - Lawn Mower: \$12,000
  - Pick-up Truck: \$28,000
  - Field Groomer \$17,000

### Employee Benefit Reserve

Each of the 3 departments have their own accounts within the Employee Benefit Reserve Fund. Upon final transfers in 2018, the following balances are anticipated to begin 2019:

- Parks: \$4,009.01
- Recreation: \$3,354.48
- Boat Basin: \$3,244.30



To: Chairman Norton and Members of the Finance Committee  
 From: Andy White, City Manager  
 RE: 2019 Budget – Healthcare  
 Date: Tuesday November 26<sup>th</sup>, 2018

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**Healthcare**

The financial management of the City’s healthcare program are housed within 1 fund. The fund receipts incoming transfers from each of the departmental cost centers and is transferred with each payroll to account for the costs of the city’s healthcare program.

**Healthcare Fund:**

- Fund 703 – This fund is used to account for the departmental transfers in and all expenditures for the city’s healthcare program, including health insurance, vision insurance, dental insurance, supplemental policies, and the opt-out provision.

Revenue: The fund receipts revenue in 2 forms – through internal transfer from each fund based on the number of employees and payroll deduction from each employee’s wages towards the cost of health insurance.

The total transfer is dependent upon the anticipated annual health care costs and the number of employees. The amount to be transferred per employee has been increasing as health insurance costs have increased. 2019’s budget is set at \$16,250 per employee to be transferred into the healthcare fund. The fund balance within the Healthcare Fund has been building up over the last few years. This is something we’ll monitor as we get into future program years.

Description	2017 Actual	2018 Budget	2019 Budget
Department Budgets	\$ 675,000.0	\$ 891,000.0	\$ 926,805.0
Employee Portion	\$ 36,600.0	\$ 35,000.0	\$ 30,000.0
Misc. Reimbursements	\$ 15,850.0	\$ 19,500.0	\$ -
<b>total:</b>	<b>\$ 727,450.0</b>	<b>\$ 945,500.0</b>	<b>\$ 956,805.0</b>

Expenses: The main cost within the Healthcare Fund are health insurance premiums and the HRA, accounting for over 85% of the total funds activity. The city’s healthcare program includes a HDHP, an HRA, vision, dental, and supplemental life. In addition, the city offers an opt-out incentive for those that can obtain health insurance elsewhere – which can save the city anywhere from \$5,000 to \$15,000 per employee that chooses this option.



- **Healthcare Premiums:** For the first time in the history of this administration, the City has secured a fixed 2 year plan for health insurance. The quote, which was submitted by our current carrier, fixes the 2-year price increase at 9% total over the life of the contract.
- **HRA:** The City will continue offering the HRA to help off-set the higher deductibles while also maintaining a portion of the former self-pay system (wellness initiatives help reduce the need for healthcare). The 2019 budget includes roughly 65% of the worst-case scenario.

Description	2017 Actual	2018 Budget	2019 Budget
Health Insurance	\$ 500,855	\$ 640,000	\$ 685,000
HRA	\$ 89,500	\$ 130,000	\$ 125,000
Opt-Out	\$ 50,000	\$ 80,000	\$ 70,000
Life, Vision, Dental	\$ 57,800	\$ 52,000	\$ 65,000
<b>Total:</b>	<b>\$ 698,155</b>	<b>\$ 902,000</b>	<b>\$ 945,000</b>

2019's budgetary increases are anticipated due to the cost increase of the health insurance program and an increase in employment. While the contract was for two-years, the cost increase was front-loaded (all 9.5% in year one, flat rate in year 2). Pending another increase in employment, the health insurance line item shall stay constant next budget cycle.



To: Chairman Norton and Members of the Finance Committee  
From: Andy White, City Manager  
RE: 2019 Budget – Huron Public Power  
Date: Tuesday November 27<sup>th</sup>, 2018

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### **Municipal Debt**

Over the past 5 years, the City has taken advantage of historically low interest rates, various grant programs, and low/no interest special purpose loan programs to invest several million dollars into local capital and quality of life improvements. In 2012, the City refinanced its existing debt at significantly lower interest rates, saving hundreds of thousands of dollars. In the time since, approximately \$10.8 million more dollars have been invested in various capital projects, including refurbishing the former Showboat property, building a new substation for Huron Public Power, completely overhauling North Main Street, paving miles of roads all throughout the City, improving walkability throughout the community, and investing in many other quality of life assets

Municipal debt is a powerful financial tool that, if used appropriately, can accelerate the investment schedule of a city's capital investment plan. However, various checks are in place to ensure cities maintain a responsible outstanding principal that is within its ability to pay and does not place too heavy a burden on the general citizenry.

*Debt Capacity:* There are two limits set by Ohio Revised Code that restrict the amount of debt a political subdivision can incur – (1) direct and (2) indirect debt limitations. The tables on the last pages show the current debt limitations

- **Direct Debt Limitation:** By statute, a city's outstanding principal balance of general obligation debt (backed by general tax revenues of the city) cannot exceed 5.5% of the total valuation of the jurisdiction without a vote of the public. A significant amount of debt is exempted from this limitation because its repayment is backed by revenue generating operations of the City (water and electric mainly).
  - The City's current outstanding debt subject to the direct debt capacity is \$6.7 million, which is 3.3% of the total valuation (\$4.2 million remaining).
  
- **Indirect Debt Limitation "10-mill":** By statute, a city's annual debt service payment cannot exceed 10 mills. This is a shared limitation by all taxing authorities within a jurisdiction with the power to issue public backed debt. The City shares its 10-mill

limitation with the County and Huron City Schools. You'll notice that this is all debt service payment, which includes the substation and other GO water debt.

- The City's current debt service payments equate to 5.8 mills. Assuming a conservative interest rate and a 20-year repayment, the City could incur an additional \$380,000 in annual debt service payment (or roughly \$4 million).

Neither of these limitations are affected by special purpose loans such as state sponsored programs.

The second limiting factor is an ability to pay. As you'll see, once the 2018 paving program is bonded, the anticipated annual debt service payment for G.O. debt will be an estimated \$856,000 (once the substation debt is pulled out). This is up slightly from the roughly \$750,000 in debt service paid this year. The anticipated General Fund Revenue for 2019 is \$5.2 million, making the anticipated debt payment roughly 16% of total General Fund revenue. This is the highest it has been in recent past, but still within a comfortable margin.

The entire debt payment schedule is also below. A significant amount of outstanding debt falls off the schedule in 2023.



**LOANS - NOT SUBJECT TO MUNICIPAL DEBT LIMITATIONS**

<b>Source/Type</b>	<b>Project Description</b>	<b>Payoff Date</b>	<b>Original Amount</b>	<b>Amount Outstanding</b>
OWDA	Waterline Improvements	7/1/2019	\$ 956,699	\$ 77,006
OWDA	Oklahoma Waterline	7/1/2038	\$ 726,262	\$ 726,262
OWDA	Waterplant Shoreline	7/1/2038	\$ 497,006	\$ 497,006
OPWC	Rye Beach Paving	7/1/2039	\$ 190,000	\$ 190,000
OPWC	Adams Ave Entrance to Fabens	7/1/2039	\$ 175,000	\$ 175,000
			<b>Total OWDA Outstanding:</b>	<b>\$ 1,665,274</b>

**MUNICIPAL BONDS**

<b>Source/Type</b>	<b>Project Description</b>	<b>Maturity Date</b>	<b>Original Amount</b>	<b>Amount Outstanding</b>
General Obligation	Debt Repackaging (Misc. Capital Projects)	1/1/2023	\$ 3,200,000	\$ 1,185,000
General Obligation	2015 Capital Projects	1/1/2030	\$ 1,385,000	\$ 1,045,000
General Obligation	2016/2017 Paving and Capital Projects	1/1/2039	\$ 3,360,000	\$ 3,150,000
General Obligation	2018 Paving Program	1/1/2039	\$ 2,600,000	\$ 2,600,000
GO / Revenue	Substation	TBD	\$ 3,500,000	\$ 3,500,000
			<b>Total G.O. Outstanding:</b>	<b>\$ 11,480,000</b>
			<b>All Outstanding Debt/Loans:</b>	<b>\$ 13,145,274</b>

Direct Debt Capacity (5.5% / 10.5%)		Indirect Debt Limitation - "10-mill limitation"				
		Jurisdiction	Total Valuation	Outstanding Principal	Annual Debt Service	Total Mills
Current Valuation:	\$ 199,717,980	Erie County	\$ 2,079,935,240	\$ 23,465,050	\$ 3,990,200	1.9184
Unvoted Debt Capacity (5.5%)	\$ 10,984,489	City of Huron	\$ 199,717,980	\$ 11,480,000	\$ 1,175,000	5.8833
Voted Debt Capacity (10.5%)	\$ 20,970,388	Huron City Schools	\$ 339,187,390	\$ 680,000	\$ 132,080	0.3894
Current Outstanding Debt:	\$ 11,480,000					
					Total Alloted Mills:	10
Debt Exempt from Direct Limit:	\$ 4,733,000					
					Total Mills Allocated:	8.1911
Total Subject to Limitation:	\$ 6,747,000					
					Remaining Millage:	1.8089
<b>Remaining 5.5% Debt Cap.:</b>	<b>\$ 4,237,489</b>					
					Est. Principal Remaining:	\$ 4,000,000.00
<b>Remaining 10.5% Debt Cap.:</b>	<b>\$ 14,223,388</b>					
*Substation and other revenue backed debts are exempted from Direct Debt Limitation					*Assumes \$380,000 annual payment on 20-year 5% interest GO Bond	

Debt Service							
Maturity Date	1999 Bond	2012 Bond	2015 Bond	2018 Bond	2018 Note (substation)	2018 Note (2018 Paving)	Total Annual Pymt
12/1/2018	\$ 74,000.00	\$ 320,000.00	\$ 125,000.00	\$ 288,000.00			\$ 807,000.00
12/1/2019		\$ 254,000.00	\$ 124,000.00	\$ 291,600.00	\$ 280,542.00	\$ 186,600.00	\$1,136,742.00
12/1/2020		\$ 264,000.00	\$ 136,500.00	\$ 287,500.00	\$ 278,000.00	\$ 187,750.00	\$1,153,750.00
12/1/2021		\$ 254,500.00	\$ 129,000.00	\$ 283,400.00	\$ 277,500.00	\$ 184,000.00	\$1,128,400.00
12/1/2022		\$ 260,000.00	\$ 126,000.00	\$ 284,300.00	\$ 276,000.00	\$ 185,250.00	\$1,131,550.00
12/1/2023		\$ 225,000.00	\$ 133,000.00	\$ 260,100.00	\$ 275,700.00	\$ 186,250.00	\$1,080,050.00
12/1/2024			\$ 134,500.00	\$ 259,400.00	\$ 279,500.00	\$ 187,000.00	\$ 860,400.00
12/1/2025			\$ 81,000.00	\$ 248,550.00	\$ 277,700.00	\$ 187,500.00	\$ 794,750.00
12/1/2026			\$ 83,500.00	\$ 247,800.00	\$ 275,700.00	\$ 187,750.00	\$ 794,750.00
12/1/2027			\$ 81,000.00	\$ 247,000.00	\$ 278,500.00	\$ 187,750.00	\$ 794,250.00
12/1/2028			\$ 78,000.00	\$ 246,000.00	\$ 280,700.00	\$ 187,500.00	\$ 792,200.00
12/1/2029			\$ 80,500.00	\$ 239,850.00	\$ 277,500.00	\$ 187,000.00	\$ 784,850.00
12/1/2030			\$ 77,800.00	\$ 248,700.00	\$ 279,000.00	\$ 186,250.00	\$ 791,750.00
12/1/2031				\$ 242,100.00	\$ 280,000.00	\$ 185,250.00	\$ 707,350.00
12/1/2032				\$ 240,500.00	\$ 280,500.00	\$ 184,000.00	\$ 705,000.00
12/1/2033				\$ 148,700.00	\$ 275,500.00	\$ 187,500.00	\$ 611,700.00
12/1/2034				\$ 144,375.00	\$ 280,250.00	\$ 185,500.00	\$ 610,125.00
12/1/2035					\$ 279,200.00	\$ 188,250.00	\$ 467,450.00
12/1/2036					\$ 277,750.00	\$ 185,500.00	\$ 463,250.00
12/1/2037					\$ 275,750.00	\$ 187,500.00	\$ 463,250.00
12/1/2038					\$ 278,250.00	\$ 189,000.00	\$ 467,250.00
12/1/2039							\$ -
12/1/2040							\$ -
	\$ 74,000.00	\$1,577,500.00	\$1,389,800.00	\$4,207,875.00	\$5,563,542.00	\$3,733,100.00	



To: Chairman Norton and Members of the Finance Committee  
From: Andy White, City Manager  
RE: 2019 Budget – Huron Public Power  
Date: Tuesday November 27<sup>th</sup>, 2018

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### **Huron Public Power**

The fiscal management of the City's Electric utility is currently comprised of one fund. Staff is working to establish 2 new funds within the electric utility to manage capital and debt repayment in a similar manner to the Water Department.

Electric Fund:

- Fund 654 (Electric Fund): This is used to account for the general operations of the Water Department.
- Fund 652 (Electric Bond Retirement Fund) – to be created: This is used to manage all electric specific debts and bonds.
- Fund 653 (Electric Capital Projects Fund) - to be created: This is used to both save and account for electric specific capital improvement projects and equipment.

Huron Public Power is not a dedicated department of the City, and therefore, has no specific staff. The service is managed administratively by the City Manager's Office, billing and clerical work is done by the Finance Department, and field work is done in combination of the Street Department and professional service contracts.

Revenue: Revenues to the Electric Fund are in the way of proceeds from the sale of service and various riders and fees. The utility currently operates with 10 customers, expanding this year with the addition of Mucci Farms and Ohio Patients Choice. The City acquires power from various generation services via AMP Ohio (a third party municipal electric management firm) and then sells the power to customers in the system.

2019 will initiate the first major economic change to the electric fund since inception. The two new customers listed above represent an anticipated increase of revenues by 10x from \$200,000 in 2017 to \$2 million estimated in 2019. Once completed, Ohio Patients Choice is anticipated to use roughly 4x the amount of electricity as the entire existing customer base (est.

2 million kWh per year). In comparison, Mucci Farms is estimated to use between 15-25 million kWh per phase (3 total phases) for up to 75 million kWh per year.

2019 will be the first of a 3-year expansion plan for both OPC and Mucci Farms. The budget estimates included and forecast what we believe to be the case based on energy profiles submitted by the end-users.

Description	2017 Actual	2018 Budget	YTD (10/31/18)	2019 Budget
Grants	\$ -	\$ 200,000	\$ 200,000	\$ -
Charges for Service	\$ 190,564	\$ 203,000	\$ 291,827	\$ 2,527,394
Note Bond Sales	\$ -	\$ -	\$ 3,503,430	\$ -
Transfers In	\$ 50,000	\$ -	\$ -	\$ -
<b>Total:</b>	<b>\$ 240,564</b>	<b>\$ 403,000</b>	<b>\$ 3,995,257</b>	<b>\$ 2,527,394</b>

Staff is monitoring the electrical consumption for Mucci Farms since the substation first went operational at the end of October. The impact is already appreciable as the fund has receipted \$100,000 more in receipts over just 10 months compared to 2017.

One thing to consider for 2019 will be the debt strategy for the \$3.5 million in notes issued to pay for the substation. Staff will be presenting a report to the committee in the spring of next year to discuss repayment strategy. As of right now, staff is leaving the budget as-is until a determination is made next year.

These budget projections include the community investment rider on the electric usage of \$0.018 per kWh. Half is included in the Electric Fund. The other half is being deposited into the General Fund to be distributed for use in capital and long-term debt repayment.

Expenses: Huron Public Power’s expenditures are in 4 major cost centers: power acquisition, capital infrastructure, debt repayment, and administrative support.

- **Power Acquisition:** Through relationship with AMP Ohio, the City procures access to power on the open market and distributes that power to the customers within HPP for a nominal fee. This is the major cost of HPP’s operations.
- **Capital Infrastructure:** Prior to 2018, HPP had very little capital infrastructure costs – typically just annual maintenance and any new line installations for service improvements. In 2018, HPP installed a \$3.5 million substation capable of servicing the entirety of Mucci Farms as well as the existing customer base in the Corporate Park. While staff does not anticipate large immediate capital needs, staff does anticipate



future investment in city-wide amenities (lighting) as well as savings for future substation repairs/replacement.

- Debt Repayment:** The Bond Anticipation Notes issued in 2018 are the only form of debt on HPP’s balance sheet. As stated above, staff will be investigating a re-payment plan and presenting that shortly. The debt was issued as a short-term note with the anticipation of rolling the notes until the full financial impact of Mucci Farms had been realized. However, there are competing factors in holding the note for longer: (1) the debt has an impact on the City’s overall debt capacity, and (2) long-term debt interest rates are rising (although slowly). These two factors will need to be considered when moving forward with bonding the note.
- Administrative Support:** As is typical with the financial management of the various department funds within the City, a portion of the administrative oversight of the City is charged to each department. The Electric Fund’s portion is budgeted at 12% of the overall expenditures for the utility.

Description	2017 Actual	2018 Budget	YTD (10/31/18)	2019 Budget
Power Acquisition	\$ 195,268	\$ 200,000	\$ 256,500	\$ 1,986,994
Administrative Support	\$ 17,338	\$ 90,000	\$ 77,372	\$ 304,400
Capital	\$ 1,600	\$ 3,500,000	\$ 2,177,298	\$ 50,000
Debt Service	\$ -		\$ -	\$ 75,000
Total:	\$ 214,206	\$ 3,790,000	\$ 2,254,670	\$ 2,416,394

**ORDINANCE NO. 2018-36**

**AN ORDINANCE MAKING APPROPRIATIONS FOR THE CURRENT EXPENSES AND OTHER EXPENDITURES OF THE CITY OF HURON, OHIO DURING THE FISCAL YEAR ENDING DECEMBER 31, 2019**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HURON, OHIO:**

**SECTION 1.** That the municipal budget heretofore prepared and submitted to the City Council by the City Manager, presented in a Public Hearing on December 11, 2018 and is hereby adopted as the appropriation ordinance for the current expenses and other expenditures of the City of Huron during the fiscal year ending December 31, 2019, and there is hereby appropriated to the various funds and accounts the amounts set forth in Exhibit "A" on file in the office of the Clerk of Council, a true and correct copy of which is hereby made a part of this Ordinance as if fully set forth in the body hereof.

**SECTION 2.** That those sums which are expended from the above appropriations and are repaid by any other department, any firm, person or corporation shall be considered re-appropriated for such original purpose, provided the total appropriation as increased by and such repayment shall not be exceeded.

**SECTION 3.** The Director of Finance is hereby authorized to draw his warrants as approved by the City Manager for payments from any of the foregoing appropriations upon receiving proper certificates and vouchers therefor, duly approved; provided, however, no warrants shall be drawn or paid for salaries or wages except for persons employed by authority of, and in accordance with, law or ordinance.

**SECTION 4.** That this Council hereby finds and determines that all formal actions relative to the adoption of this Ordinance 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

**SECTION 5.** That, in accordance with Section 3.06 of the Charter of the City of Huron, Ohio, this Ordinance shall take effect immediately upon its adoption.

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Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Ordinance No. 2018-37  
**DATE:** December 7, 2018

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**Subject Matter/Background**

Ordinance No. 2018-37 authorizes the annual position and salary schedule for non-charter positions within the City. Modifications to the position and salary schedule are suggested based on wage increases, addition of positions, collective bargaining agreements and changes to state and federal law. The anticipated new positions within the Building and Zoning department of Zoning Inspector and Permit Technician/Administrative Assistant have been added. The position of Zoning Inspector has been added with full time and part time options to allow the greatest flexibility to meet the anticipated need of the department. The position of Executive Administrative Assistant/Clerk of Council has been created to allow for the administrative support needed in the City Manager’s office. The position of Parks Maintenance Worker I has been created with the Parks and Recreation Department to allow for the addition of new full-time hire. The job descriptions of the new positions have been included in your correspondence packet.

The following modifications to ranges are reflected in Exhibit “B” of the ordinance.

**Full Time Position and Salary Schedule**

Pay Scale 5	addition of Zoning Inspector - FT
Pay Scale 4	addition of Permit Technician/Administrative Assistant Bldg. Zoning
Pay Scale 3	modified from \$38,700 - \$47,300 to \$38,800 - \$51,000 accommodating 2019 wage increase in AFSCME contract and a 2% wage increase for Parks and Municipal Grounds Coordinator
Pay Scale 2	modified from \$36,000 - \$48,000 to \$36,000 - \$50,000 accommodating 2019 wage increases in AFSCME contract Added Parks Maintenance Worker I Added Executive Administrative Assistant/Clerk of Council

**Supplemental Salary Schedule**

Clerk of Court modified from \$35,160 - \$67,000 to \$35,160 - \$69,000

**Part Time and Seasonal Position Salary Schedule**

Minimum wage has been modified from \$8.30 per hour to \$8.55 per hour to reflect the 2019 State of Ohio minimum wage rate.

Addition of Zoning Inspector - PT

**Financial Review**

The change to the position and salary schedule reconciles the payroll within the 2019 adopted budget.

**Legal Review**

This matter has been review, follows normal legislative procedure and is properly before you.

**Recommendation**

If Council is in support of the request, a motion to adopt Ordinance No. 2018-37 is in order.

**ORDINANCE NO. 2018-37**

**AN ORDINANCE AMENDING HURON CODIFIED ORDINANCE SECTION 161.04 (A),  
EXHIBIT "A" POSITION AND SALARY SCHEDULE AND DECLARING AN EMERGENCY**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HURON, OHIO:**

**SECTION 1.** That Section 164.04 (a) Exhibit "A" Position and Salary Schedule of the Codified Ordinances of the City of Huron, Ohio having been previously adopted in Ordinance No. 2017-46 on December 27, 2017 **WHICH CURRENTLY READS AS FOLLOWS, (refer to Exhibit "A" attached)** shall be and hereby is amended.

**SECTION 2.** That, Section 164.04 (a) Exhibit "A" Position and Salary Schedule, of the Codified Ordinances of the City of Huron, Ohio is hereby amended to read as follows **(refer to Exhibit "B" attached).**

**SECTION 3.** It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including O. R.C. 121.22.

**SECTION 4.** To implement the established salary to take effect January 1, 2019, this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and general welfare; wherefore, this Ordinance shall be in full force and effect from and immediately after its passage.

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Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_

EXHIBIT "A"

**161.04 POSITION AND SALARY SCHEDULE.**

(a) The position and salary schedule, marked Exhibit "A", which is attached hereto and made a part of this Code shall be effective as of January 1, 2018.

(b) The Personnel Officer, in conjunction with department and division heads and subject to the approval of the City Manager, shall annually review and make recommendations to Council for changes in the following schedule.

(c) The adopted position and salary schedule shall provide the basis for compensation of all municipal employees. The City Manager shall adopt an administrative policy, subject to approval of the City Council, to address those positions which are in existence and have not attained the minimum base salary range or have exceeded the maximum base salary range. A position may be assigned a salary lower than the minimum base salary range or higher than the maximum base salary range provided for that salary grade of that position, but is subject to administrative policy. Prior to appointment of a new employee, the City Manager shall consult the position and salary schedule for determination of placement within the relevant classification. Appointments shall normally be made at the minimum rate for the specified pay scale. Evaluation of an appointee's qualifications and experience shall be considered and may provide the basis for compensation in excess of the minimum base salary.

(d) Salary increases within an established range shall not be automatic, but can be given on the following bases:

- (1) A merit increase recommended, in writing, to the City Manager by the appropriate department or division head and approved by the City Manager. Such a recommendation is to be based on standards of performance or other pertinent data.
- (2) A merit increase recommended and approved by the City Manager. Such a recommendation is to be based on standards of performance or other pertinent data.
- (3) An across the board increase granted to all salaried employees and recommended by the City Manager.
- (4) A change in the employee's classification.

(e) Salary increases granted on the basis of subsection (d)(1), (2) and (3) hereof are dependent on the provisions of moneys appropriated in the annual appropriation ordinance. Salary increases granted on the basis of subsection (d)(1) and (2) hereof shall not be granted to an employee more frequently than once in each six months. No salary advancement shall be given before the employee completes the first six months of his probationary period. However, when the minimum salary for the particular position is increased during such employee's probationary period, such employee shall be compensated at such higher salary from the date of the passage of the salary ordinance.

(f) The salary rate established for an employee shall represent his total remuneration, not including reimbursement for official travel and except as otherwise provided, in this chapter (overtime pay, cost-of-living allowance, premium pay and/or on-call status). No reward, gift or other thing of value received from any source for the performance of his duties shall be retained by an employee. Notwithstanding the foregoing, employees of the Police Division, during off-duty time, may accept special duty assignments for police work only when authorized by the Police Chief.

(g) Whenever an employee works for a period less than the regularly established number of hours per day, days per week or weeks per month, the amount paid shall be proportionate to the time actually employed.

(h) All full-time salaried employees except department heads, administrative employees and Fire Division employees shall be compensated for each hour worked in excess of forty hours per week at a rate equal to one and one-half times their straight rate.

All full-time employees of the Fire Division shall be compensated for each hour worked in excess of 212 hours during any twenty-eight day work period at a rate equal to one and one-half times their straight rate.

Authorization of all overtime shall be under the control of the City Manager. If any fulltime salaried employee, other than department and division heads, requests the City Manager to grant compensatory time off in lieu of compensation for such employee's authorized overtime, the City Manager shall be authorized but not required to allow such request.

The City Manager shall be authorized, but not required, to grant compensatory time off to those administrative employees not entitled to overtime compensation at such times and to such extent that the City Manager, in his sole discretion deems justifiable under the circumstances relating to each such administrative employee.

(i) (EDITOR'S NOTE: This subsection was repealed by Ordinance 1988-2, passed January 25, 1988.)

(j) Each employee of the Division of Utilities and of the Division of Streets and Parks, when placed on a standby basis by the department or division head, shall receive compensation in addition to his regular salary in an amount equal to one hour of such employee's regular rate for each such day on call.

(Ord. 1976-35. Passed 12-13-76; Ord. 1980-10. Passed 2-4-80; Ord. 1982-2. Passed 1-25-82; Ord. 1983-30. Passed 11-28-83; Ord. 1985-20. Passed 7-22-85; Ord. 1985-32. Passed 12-16-85; Ord. 1986-2. Passed 1-13-86; Ord. 2014-33. Passed 12-23-14.)

**CITY OF HURON  
FULL TIME POSITION AND SALARY SCHEDULE**

POSITION TITLE	Pay Scale	BASE SALARY RANGE	
		Min.	Max.
Assistant to the City Manager	10	58,800	\$85,000
Water Superintendent	9	\$52,800	\$79,200
Police Sergeant			
Fire Captain			
Parks and Recreation Operations Manager			
	8	\$48,800	\$73,200
Human Resources Director	7	\$45,600	\$68,400
Recreation Program Manager	6	\$45,050	\$68,000
Fire Lieutenant			
Street Foreman			
Finance Specialist Payroll			
Chief Operator	5	\$42,500	\$63,000
Firefighter			
Police Officer			
Water Distribution Foreman			
Management Services Coordinator	4	\$39,100	\$52,900
Maintenance Worker 3	3	\$38,700	\$47,300
Parks and Municipal Ground Coordinator			
Finance Specialist Customer Service			
Maintenance Worker 2	2	\$36,000	\$48,000
Maintenance Worker 1			
Clerk of Council			
Administrative Assistant	1	\$33,300	\$40,700



Supplemental Salary Schedule			
		BASE SALARY RANGE	
POSITION TITLE	Pay Scale	Min.	Max.
Assistant City Manager	VIII	\$51,478	\$79,000
Information Technology Manager	VIII	\$50,000	\$89,000
Director of Parks and Recreation	VI-C	\$38,676	\$75,000
Boat Basin Facility Manager	VI-B	\$37,403	\$51,500
Assistant Water Superintendent	V	\$35,160	\$60,600
Clerk of Court	V	\$35,160	\$67,000
Probation Officer	III	\$23,825	\$47,000
Deputy Clerk of Court	III	\$23,825	\$47,000
Finance Clerk	II	\$22,180	\$45,400
Executive Assistant		\$23,000	\$33,500
Municipal Judge		\$35,000	\$35,500

Part Time and Seasonal Position Salary Schedule		
	BASE SALARY RANGE	
POSITION TITLE	Min.	Max.
Deputy Court Clerk	\$8.30/hr.	\$14.50/hr.
Police/Dispatch Secretary		
Police Officer		
Court Bailiff/Court Security Officer		
Finance Clerk		
Customer Service Clerk		
Management Assistant		
General Maintenance Worker	\$10.00/hr.	\$24.00/hr.
Parks Maintenance	\$8.30/hr.	\$11.00/hr.
Recreation		
Dockhand		
Street Maintenance		
Basic EMT/FF	\$12.00/hr.	\$12.00/hr.
Basic Paramedic/FF	\$15.00/hr.	\$15.00/hr.

(Ord. 2017-46. Passed 12-27-17)

## EXHIBIT "B"

### **161.04 POSITION AND SALARY SCHEDULE.**

(a) The position and salary schedule, marked Exhibit "A", which is attached hereto and made a part of this Code shall be effective as of January 1, 2019.

(b) The Personnel Officer, in conjunction with department and division heads and subject to the approval of the City Manager, shall annually review and make recommendations to Council for changes in the following schedule.

(c) The adopted position and salary schedule shall provide the basis for compensation of all municipal employees. The City Manager shall adopt an administrative policy, subject to approval of the City Council, to address those positions which are in existence and have not attained the minimum base salary range or have exceeded the maximum base salary range. A position may be assigned a salary lower than the minimum base salary range or higher than the maximum base salary range provided for that salary grade of that position, but is subject to administrative policy. Prior to appointment of a new employee, the City Manager shall consult the position and salary schedule for determination of placement within the relevant classification. Appointments shall normally be made at the minimum rate for the specified pay scale. Evaluation of an appointee's qualifications and experience shall be considered and may provide the basis for compensation in excess of the minimum base salary.

(d) Salary increases within an established range shall not be automatic, but can be given on the following bases:

- (1) A merit increase recommended, in writing, to the City Manager by the appropriate department or division head and approved by the City Manager. Such a recommendation is to be based on standards of performance or other pertinent data.
- (2) A merit increase recommended and approved by the City Manager. Such a recommendation is to be based on standards of performance or other pertinent data.
- (3) An across the board increase granted to all salaried employees and recommended by the City Manager.
- (4) A change in the employee's classification.

(e) Salary increases granted on the basis of subsection (d)(1), (2) and (3) hereof are dependent on the provisions of moneys appropriated in the annual appropriation ordinance. Salary increases granted on the basis of subsection (d)(1) and (2) hereof shall not be granted to an employee more frequently than once in each six months. No salary advancement shall be given before the employee completes the first six months of his probationary period. However, when the minimum salary for the particular position is increased during such employee's probationary period, such employee shall be compensated at such higher salary from the date of the passage of the salary ordinance.

(f) The salary rate established for an employee shall represent his total remuneration, not including reimbursement for official travel and except as otherwise provided, in this chapter (overtime pay, cost-of-living allowance, premium pay and/or on-call status). No reward, gift or other thing of value received from any source for the performance of his duties shall be retained by an employee. Notwithstanding the foregoing, employees of the Police Division, during off-duty time, may accept special duty assignments for police work only when authorized by the Police Chief.

(g) Whenever an employee works for a period less than the regularly established number of hours per day, days per week or weeks per month, the amount paid shall be proportionate to the time actually employed.

(h) All full-time salaried employees except department heads, administrative employees and Fire Division employees shall be compensated for each hour worked in excess of forty hours per week at a rate equal to one and one-half times their straight rate.

All full-time employees of the Fire Division shall be compensated for each hour worked in excess of 212 hours during any twenty-eight day work period at a rate equal to one and one-half times their straight rate.

Authorization of all overtime shall be under the control of the City Manager. If any fulltime salaried employee, other than department and division heads, requests the City Manager to grant compensatory time off in lieu of compensation for such employee's authorized overtime, the City Manager shall be authorized but not required to allow such request.

The City Manager shall be authorized, but not required, to grant compensatory time off to those administrative employees not entitled to overtime compensation at such times and to such extent that the City Manager, in his sole discretion deems justifiable under the circumstances relating to each such administrative employee.

(i) (EDITOR'S NOTE: This subsection was repealed by Ordinance 1988-2, passed January 25, 1988.)

(j) Each employee of the Division of Utilities and of the Division of Streets and Parks, when placed on a standby basis by the department or division head, shall receive compensation in addition to his regular salary in an amount equal to one hour of such employee's regular rate for each such day on call.

(Ord. 1976-35. Passed 12-13-76; Ord. 1980-10. Passed 2-4-80; Ord. 1982-2. Passed 1-25-82; Ord. 1983-30. Passed 11-28-83; Ord. 1985-20. Passed 7-22-85; Ord. 1985-32. Passed 12-16-85; Ord. 1986-2. Passed 1-13-86; Ord. 2014-33. Passed 12-23-14.)

**CITY OF HURON  
FULL TIME POSITION AND SALARY SCHEDULE**

POSITION TITLE	Pay Scale	BASE SALARY RANGE	
		Min.	Max.
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Fire Captain			
Parks and Recreation Operations Manager			
	8	\$48,800	\$73,200
Human Resources Director	7	\$45,600	\$68,400
Recreation Program Manager	6	\$45,050	\$68,000
Fire Lieutenant			
Street Foreman			
Finance Specialist Payroll			
Chief Operator	5	\$42,500	\$63,000
Firefighter			
Police Officer			
Water Distribution Foreman			
Zoning Inspector - FT			
Management Services Coordinator	4	\$39,100	\$52,900
Permit Technician/Admin Asst.			
Maintenance Worker 3	3	\$38,700	\$51,000
Parks and Municipal Ground Coordinator			
Finance Specialist Customer Service			
Maintenance Worker 2	2	\$36,000	\$50,000
Maintenance Worker 1			
Parks Maintenance Worker I			
Executive Administrative Asst./Clerk of Council			
Administrative Assistant	1	\$33,300	\$40,700

Supplemental Salary Schedule			
		BASE SALARY RANGE	
POSITION TITLE	Pay Scale	Min.	Max.
Assistant City Manager	VIII	\$51,478	\$79,000
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Finance Clerk	II	\$22,180	\$45,400
Executive Assistant		\$23,000	\$33,500
Municipal Judge		\$35,000	\$35,500

Part Time and Seasonal Position Salary Schedule		
	BASE SALARY RANGE	
POSITION TITLE	Min.	Max.
Deputy Court Clerk	\$8.55/hr.	\$14.50/hr.
Police/Dispatch Secretary		
Police Officer		
Court Bailiff/Court Security Officer		
Finance Clerk		
Customer Service Clerk		
Management Assistant		
General Maintenance Worker	\$10.00/hr.	\$24.00/hr.
Zoning Inspector - PT	\$8.55/hr.	\$11.00/hr.
Parks Maintenance		
Recreation		
Dockhand		
Street Maintenance	\$12.00/hr.	\$12.00/hr.
Basic EMT/FF		
Basic Paramedic/FF	\$15.00/hr.	\$15.00/hr.

(Ord. 2018-\_\_\_\_\_. Passed \_\_\_\_\_)



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Ordinance 2018-38  
**DATE:** December 4, 2018

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**Subject Matter/Background**

This ordinance amends Codified Ordinance Section 161.04.1-Salaries of the Law Director, Finance Director, Services Director, Fire Chief and Police Chief and is required annually or as needed to reflect the maximum base salary of these specific positions in order to remain in compliance for the reconciliation of the payroll process.

The salaries respective to the positions of Finance Director and Police Chief reflect the 2% wage increase for 2019. The positions of Services Director, Fire Chief, and Law Director reflect salaries that remain the same as these positions are vacant in 2019.

**Financial Review**

This ordinance reconciles the reflected current positions and the base salaries for 2019 for the positions of Finance Director and Chief of Police which are included in the 2019 budget.

**Legal Review**

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

**Recommendation**

If Council is in support of the request, a motion to adopt Ordinance 2018-38 is in order.

**ORDINANCE NO. 2018-38**

**AN ORDINANCE AMENDING SECTION 161.04.1 OF THE ADMINISTRATIVE CODE OF THE CODIFIED ORDINANCES AND DECLARING AN EMERGENCY**

**WHEREAS**, Huron City Council removed the positions of Law Director, Finance Director, Service Director, Fire Chief and Police Chief from the Position and Salary Schedule in Codified Ordinance Section 161.04(a) by the adoption of Ordinance 2014-19 on August 12, 2014; and

**WHEREAS**, Section 161.04.1 was established by the adoption of Ordinance No. 2014-34 on December 23, 2014; and

**WHEREAS**, the positions and salaries must be reviewed and reconciled annually or as needed to acknowledge and ensure compliance and compensation authorization;

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

**SECTION 1.** That Codified Ordinance §161.04.1 **WHICH CURRENTLY READS AS FOLLOWS**, shall be and hereby is amended:

**161.04.1 FULL TIME SALARIES OF THE LAW DIRECTOR, FINANCE DIRECTOR, SERVICE DIRECTOR, FIRE CHIEF, AND POLICE CHIEF.**

The following positions and commensurate salaries are in effective January 1, 2018

<b>Position</b>	<b>Base Salary</b>
Law Director	\$86,112.00
Finance Director	\$70,000.00
Service Director	\$65,000.00
Fire Chief	\$78,020.80
Police Chief	\$78,707.20

(Ord. 2017-47. Passed 12-27-17)

**SECTION 2.** That Codified Ordinance §161.04.1 of the Codified Ordinances of the City of Huron, Ohio is hereby amended, effective January 1, 2019, to read as follows:

<b>Position</b>	<b>Base Salary</b>
Law Director	\$86,112.00
Finance Director	\$71,400.00
Service Director	\$65,000.00
Fire Chief	\$78,020.80

Police Chief

\$80,281.34

(Ord. 2018-XX. Passed 12-11-18)

**SECTION 3.** That this Council hereby finds and determines that all formal actions relative to the adoption of this Ordinance 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

**SECTION 4.** To implement the established salary to take effect on January 1, 2019, this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and general welfare; wherefore, this Ordinance shall be in full force and effect from and immediately after its passage.

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Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_





**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Ordinance No. 2018-39  
**DATE:** December 7, 2018

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**Subject Matter/Background**

Ordinance No. 2018-39 authorizes the acceptance of a real property donation in the amount of 7.51 acres from Dr. David and Mrs. Carole Dreffer. The property is identified as Erie County Permanent Parcel Number 45-00486.000 is located directly south of Maple Avenue. The Dreffers have requested that the municipal use of the property be identified with a recreational or educational purpose. The administration has worked closely with Mrs. Julie Spitzley, to prepare this legislation for council's acceptance in accordance with her parents' wishes.

If approved by city council, this legislation will allow the City Manager to execute acceptance of the donated real property and record the transaction with Erie County prior to the end of the year. The legislation was worded this way because council will not meet again until January 8, 2019 and the Dreffers have requested that the land transfer prior to the end of 2018. It will take approximately one week to gather the current legal description and title research necessary to finalize the transaction. Once that is completed, the City will prepare the deed and donation documentation and record the donation.

**Financial Review**

The matter has been reviewed; there is no financial impact to the budget for the acceptance of the gifted property. The property will be added to the city's insurance policy.

**Legal Review**

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

**Recommendation**

If Council is in support of the request, a motion to adopt Ordinance No. 2018-39 is in order.

**ORDINANCE NO. 2018-39**

**AN ORDINANCE ACKNOWLEDGING THE DONATION OF 7.51 ACRES OF REAL PROPERTY, IDENTIFIED AS ERIE COUNTY PERMANENT PARCEL NUMBER 45-00486.00 TO THE CITY OF HURON AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE DEED ACCEPTING THE PROPERTY AND DECLARING AN EMERGENCY.**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HURON, OHIO:**

**WHEREAS**, Dr. David and Mrs. Carole Dreffer have expressed their intent to donate real property to be used for the purposes of recreational and educational uses; and,

**WHEREAS**, the City of Huron is appreciative of this donation and wishes to accept the real property donation; and,

**WHEREAS**, City Council hereby expresses its intent to accept the real property donation and expresses its desire to have the City Manager take all necessary action to consummate the real estate donation.

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

**SECTION 1.** That City Council hereby acknowledges the donation of 7.51 acres of real property, identified as Erie County Permanent Parcel Number 45-00486.00, Huron, OH 44839, as set forth in Exhibit "A" attached hereto and made a part hereof and authorizes the City Manager to execute all related real estate agreements and deed documents to accept the donation of this property.

**SECTION 2.** That this Council hereby finds and determines that all formal actions relative to the adoption of this Ordinance 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

**SECTION 3.** This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and general welfare of the residents and for the further reason that the donor has requested expedience in the transfer of this property to the City of Huron; **WHEREFORE** this Ordinance shall take effect immediately upon its adoption.

\_\_\_\_\_  
Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_

### Erie County GIS



Notes



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Ordinance No. 2018-40  
**DATE:** December 7, 2018

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**Subject Matter/Background**

Ordinance No. 2018-40 authorizes a license agreement with Key Real Estate Ltd., LLC for the purpose of expanded parking at the Heron Cove Apartments, 443 Cleveland Road West. The license agreement is temporary and will expire upon the execution of a purchase agreement between the parties. Mr. Waldock presented his request to the city council and the administration explained his desire to purchase a portion of the municipally-owned property adjacent to his apartment complex. Mr. Waldock desires the addition of designated parking. Staff has evaluated the request and determined that the portion of land identified is not needed for public use.

Mr. Waldock presented his plans to the Planning Commission and received unanimous support and approval of the additional parking. At that time, staff advised the Planning Commission that the administration would seek council's endorsement of a license agreement to allow Mr. Waldock the ability to proceed with his improvements prior to the execution of a purchase agreement.

If approved, staff will prepare a purchase agreement and deed for your consideration at a January 2019 council meeting. In the meantime, staff has requested quotes for the execution of a survey and drafting of a legal description of the 155 foot x 30 foot portion of land. Per the license agreement, Mr. Waldock must secure liability insurance coverage indemnifying the city actions occurring on the land.

**Financial Review**

There is no immediate financial impact as part of this legislation. Any future modifications will be pretend to Council for inclusion in budget modifications for 2019.

**Legal Review**

This matter has been review, follows normal legislative procedure and is properly before you.

**Recommendation**

If Council is in support of the request, a motion to adopt Ordinance No. 2018-40 is in order.

**ORDINANCE NO. 2018-40**

**AN ORDINANCE DIRECTING THE CITY MANAGER TO EXECUTE A LICENSE AGREEMENT WITH KEY REAL ESTATE LTD, LLC FOR A PORTION OF REAL PROPERTY, IDENTIFIED AS ERIE COUNTY PERMANENT PARCEL NUMBER 42-64002.000 AND DECLARING AN EMERGENCY.**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HURON, OHIO:**

**WHEREAS**, the City is the owner of Erie County Permanent Parcel Number 42-64002.00 located directly adjacent to 443 Cleveland Road West, Huron, Ohio; and,

**WHEREAS**, Key Real Estate Ltd. LLC is the owner of 443 Cleveland Road West and desires to expand the designated parking area; and,

**WHEREAS**, the City and Key Real Estate Ltd., LLC desire a license agreement for the temporary use of a portion of Erie County Permanent Parcel Number 42-64002.00 until a purchase agreement can be considered by City Council.

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

**SECTION 1.** That City Council hereby acknowledges the terms of the License Agreement, as set forth in Exhibit "A" attached hereto and made a part hereof and authorizes the City Manager to execute said License Agreement.

**SECTION 2.** That this Council hereby finds and determines that all formal actions relative to the adoption of this Ordinance 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

**SECTION 3.** This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and general welfare of the residents and for the further reason that the donor has requested expedience in the transfer of this property to the City of Huron; **WHEREFORE** this Ordinance shall take effect immediately upon its adoption.

\_\_\_\_\_  
Brad Hartung, Mayor

ATTEST: \_\_\_\_\_  
Clerk of Council

ADOPTED: \_\_\_\_\_

## **LICENSE AGREEMENT**

This License Agreement is entered into as of \_\_\_\_\_, 20\_\_\_\_, by and between **KEY REAL ESTATE, LTD. LLC**, a limited liability company, (hereinafter collectively referred to as "Licensee") and the **CITY OF HURON, OHIO**, a municipal corporation of Erie County, Ohio (hereinafter referred to as "Licensor").

**WHEREAS**, Licensor owns the premises identified as Erie County Permanent Parcel Number 42-64002.000; and

**WHEREAS**, Licensee desires to purchase a portion of Erie County Permanent Parcel Number 42-64002.00 for the purposes of expanding the designated parking for real property located at 443 Cleveland Road West, Huron, Ohio 44839;

**WHEREAS**, the parties express their intent herein to permit the temporary license for use of a portion of Licensor's property more particularly described and subject to the terms and conditions as hereinafter set forth.

**NOW, THEREFORE**, Licensor and Licensee agree as follows:

1. Licensee shall be permitted access to a one hundred and fifty-five (155) foot x thirty (30) foot portion of Licensor's property identified as Erie County Permanent Parcel Number 42-64002.000 and more particularly described in Exhibit A attached hereto and incorporated herein (hereinafter "the Property") for the express purpose of expanding the designated parking area for 443 Cleveland Road West, Huron, Ohio 44839. In doing so, Licensee agrees to comply with all applicable federal, state and local laws and regulations.
2. Licensee shall be responsible for securing all legislative and administrative approvals prior to the commencement of improvements upon the Property.
3. The Parties agree to pursue a Purchase Agreement for the Property without delay. The Parties will negotiate in good faith to achieve a commercially reasonable purchase price for the Property. The Licensee shall be responsible for all necessary and related costs for the survey of the Property, legal description and recording fees of the Purchase Agreement and deed.
4. Licensor makes no warranties whatsoever regarding the condition of the premises. Licensor shall not be liable, and Licensees hereby release Licensor from all such liability, for any personal injury, death or property damage which Licensees or their guests or invitees may incur, regardless of the cause thereof. Licensees, for themselves and for their successors and assigns, hereby agree to defend, indemnify and hold harmless Licensor (including but not limited to its elected officials and employees) from and against any and all claims, damages, losses, suits, judgments, costs and expenses resulting from, or claimed to result from, or in any way connected with, the condition or use of the premises covered by this License Agreement. As further security for this indemnification, Licensee, their successors and assigns, shall obtain and keep in full force and effect during the term of this License Agreement general liability insurance of at least One Million Dollars (\$1,000,000.00) for personal injury or death and One Hundred Thousand Dollars (\$100,000.00) for property damage. The Licensor (the City) shall be listed as an additional insured on such policy, and such policy shall provide for a thirty (30) notice of cancellation to Licensor. Licensee shall provide the City Manager or his/her designee with a Certificate

from the insurance company attesting to the existence of such insurance, its term and proof of payment of premium.

5. The term of this license shall be for ninety (90) days, or until a purchase agreement for the property is approved by the Huron City Council. This license shall be subject to revocation by the City upon notification of any violation of a regulation set forth in Section 1; or upon necessity of designated lands for municipal purposes. This Agreement may be renewed, or the term expanded, upon mutual acceptance in writing of each party.

6. This License Agreement contains the entire agreement of the parties, and no covenants, representations, inducements or promises, oral or otherwise, not embodied herein, shall be in force or effect. This License Agreement may not be modified, nor any of its provisions waived, except by a writing signed by both parties.

7. Each individual/entity executing this License Agreement has the right, power, legal capacity, and authority to enter into and perform his/her/its obligations under this License Agreement.

8. Each individual/entity executing this License Agreement has had the opportunity to consult with legal counsel, has read and understands the terms of this License and Agreement, and voluntarily accepts said terms and intends to be bound by them.

9. This License Agreement will be governed by and construed in accordance with the laws of the State of Ohio. The parties consent to the exclusive jurisdiction of the Erie County, Ohio courts for any dispute arising hereunder.

10. In the event that one or more of the provisions of this License Agreement are deemed to be illegal or unenforceable, the remainder of this License Agreement shall not be affected thereby, and each remaining provision or portion thereof shall continue to be valid and effective and shall be enforceable to the fullest extent by law.

**IN WITNESS WHEREOF**, the parties have hereunto executed this License

Agreement this \_\_\_ day of \_\_\_\_\_, 20\_\_.

LICENSEES:

Key Real Estate, Ltd.

By: \_\_\_\_\_  
Robert Waldock, Sole Member

LICENSOR  
City of Huron

By: \_\_\_\_\_  
Andrew D. White, City Manager

APPROVED AS TO FORM:

---

Law Director, City of Huron



STATE OF OHIO    )  
                                  ) ss:  
COUNTY OF ERIE    )

Before me, a Notary Public for said county and state, personally appeared **Key Real Estate Ltd** by \_\_\_\_\_, its \_\_\_\_\_ who acknowledged he/she did execute the foregoing instrument and that the same was his/her free act and deed and the free act and deed of the said Key Real Estate Ltd..

In witness whereof, I have hereunto set my hand and seal at Huron, Ohio this \_  
Day of \_\_\_\_\_, 20\_\_.

---

Notary Public

STATE OF OHIO    )  
                                  ) ss:  
COUNTY OF ERIE    )

Before me, a Notary Public in and for said county and state, personally appeared **ANDREW D. WHITE**, City Manager of the City of Huron, who acknowledged that he did execute the foregoing instrument and that the same was his free act and deed and the free act and deed of said municipal corporation.

In witness whereof, I have hereunto set my hand and seal at Huron, Ohio, this \_\_\_\_  
day of \_\_\_\_\_, 20\_\_.

---

Notary Public

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### Erie County GIS



#### Notes

Heron Cove Apartments  
 443 Cleveland Road West

purchase from city of Horon 155' x 30' at the north  
 of Heron Cove. We would then install angled parkings  
 along this new northern fence line, & still maintain  
 the existing "alley" next to the apartment building.  
 Current traffic pattern is counter clockwise. Around the  
 buildings. This would Add about 12 more spaces.



**TO:** Mayor Hartung and City Council  
**FROM:** Andrew D. White, City Manager  
**RE:** Ordinance 2018-41  
**DATE:** December 7, 2018

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### **Subject Matter/Background**

In accordance with the November 27, 2018 presentation to city council, Dru Siley on behalf of Liberty Development has presented the city with a draft purchase agreement for a three acre portion of the ConAgra property. The previous presentations to city council on May 8, 2018, August 28, 2018 and November 27, 2018 have narrowed the development plan for ConAgra to a commercial/office complex, marine concierge facility, public parking area and future public park improvements. The phased development approach includes Liberty Development's commitment to pursue application to the United States Geological Survey's Request for Proposal to locate the USGS office and laboratory space currently located at NASA Plumbrook on the ConAgra parcel. USGS released the RFP on Friday, December 7. In an effort to expedite a responsive submission and in accordance with Liberty's presentation to council, Ordinance 2018-41 has been prepared for your consideration. The terms of the Purchase Agreement and accompanying Term Sheet are presented below with specific reference to previously discussed and/or approved by city council.

1. Property (§1): The subject parcel is identified as three acres of the southern portion of the ConAgra parcel (Parcel A as depicted on Exhibit A). Mr. Siley presented to City Council on May 8, 2018 to report the findings of the geotechnical and environmental studies that were conducted on the site during the period of the city's Master Services Agreement. Due to the requirement to stabilize the soil for development, the three acres of land previously identified for residential development has been relocated for the potential of commercial development.

2. Purchase Price (§2): Liberty will purchase the first three (3) acres of the development site from the City as follows:

- A. Two (2) acres in the southeast corner of the Site for \$1.00
- B. One (1) additional acre adjacent to the two acres listed above for \$60,000.00.

The purchase price for The \$60,000.00 cost represents the recoupment of the \$60,000.00 initial administration fee from the Master Services Agreement (Resolution 2017-57/2017-58 August 8, 2017). Upon execution of the Purchase Agreement, Liberty Development will deposit \$2,500.00 in escrow pending closing.

3. Title Examination/Survey/Title to Property (§§3-5): Prior to the closing of the sale the parties will secure an ALTA policy of title insurance, survey and general warranty deed.

4. Due Diligence Period (§§6-11). The establishment of a one hundred and eighty (180) day due diligence period establishes the initial authorization of the Purchase Agreement with Liberty as an option to purchase. During the first six months following execution the City and Liberty Development have several obligations. Purchaser must design and present its development plans to local boards for zoning and design approval. Liberty will commence construction of the proposed commercial developments (boat facility and office) within 180 days of closing. The additionally proposed office development, approximately 10,000 sf, may occur or concurrently with the approximately 24,000 sf boat facility or may occur at a later date. Liberty will undertake the necessary site stabilization for the initial three acres. The timing for the office component of the Development will depend on market conditions and the ability for Liberty and the City to secure the necessary tenant leases to make the office use viable.

During this period of time, it is anticipated that the city council will separately legislatively consider:

- A land swap agreement with the Ohio Department of Natural Resources
- The dedication of the public roadway accessing the property

The parties will additionally work together to establish the following items which also must be separately authorized by city council:

- The construction of necessary utility infrastructure; the City will design and install the necessary utilities to make the entire site development ready that include, water, sanitary sewer, storm sewer, gas, electrical service and data. The City will design and bid the improvements prior to Liberty closing on the property. The City will complete the installation of these improvements within 180 days of closing. Without this improvement, the site is not developable. The necessary site stabilization requires the installation of a sanitary sewer per OEPA guidelines.
- The terms of reimbursement for necessary site stabilization as it relates only to Parcel A
- The terms of design and construction of public park improvements

5. Closing/Terms of Sale (§§12-19) The Closing Date of the property will occur within thirty days following the expiration of the due diligence period. In general, the closing costs of the agreement are borne equally by both parties.

#### **Financial Review**

A total of \$147,500.00 was budgeted for in support of the activities outlined within the Master Services Agreement with Liberty Development. At present, \$94,000.00 has been expended leaving \$53,500.00 remaining in the budgeted line item. The Purchase Agreement anticipates the receipt of \$60,000.00 in reimbursement for the management fees from the Master Services Agreement. The cost allocation and financial strategy to be completed during the due diligence period will include evaluation of outside funding sources for the utility infrastructure, potential inter-governmental partnerships and public/private financing strategies such as tax increment financing.

#### **Legal Review**

The matter has been reviewed, follows normal legislative procedure and is properly before you. This follows the spirit of the terms of the Master Services Agreement previously approved and extended by motion on May 8, 2018. By authorizing the execution of the purchase agreement, the city will commit to utilize the next one hundred eighty days satisfying its obligations prior to closing. The individual variables within the city's obligations require separate legislative action and will be presented to council for their consideration.

#### **Recommendation**

If Council is in support of the request, a motion to adopt Ordinance 2018-41 is in order.

**ORDINANCE NO. 2018-41**

**AN ORDINANCE AUTHORIZING THE CITY MANAGER, ON BEHALF OF THE CITY OF HURON, TO EXECUTE A PURCHASE AGREEMENT WITH LIBERTY DEVELOPMENT COMPANY FOR A THREE (3) ACRE PORTION OF PARCEL NUMBER 42-61270.001 LOCATED ON THE FORMER CONAGRA PROPERTY.**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HURON, OHIO:**

**SECTION 1.** That the City Manager be, and he hereby is, authorized and directed to authorized a purchase agreement with Liberty Development Company for a 3-acre portion of Parcel Number 42-61270.001 located on the former ConAgra property, which agreement shall be in substantially the form of Exhibit "A" attached hereto and made a part hereof.

**SECTION 2.** That this Council hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this 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

**SECTION 3.** This ordinance will take effect thirty (30) days following adoption.

\_\_\_\_\_  
Brad Hartung, Mayor

Attest: \_\_\_\_\_  
Clerk of Council

Adopted: \_\_\_\_\_

## PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") dated as of September\_\_\_\_, 2018 is made by and between **LIBERTY DEVELOPMENT COMPANY**, an Ohio corporation, or its nominee, having an address at 28045 Ranney Parkway, Unit E, Westlake, Ohio, 44145 (the "Purchaser"), and the **CITY OF HURON, OHIO**, and Ohio municipality, having an address of 417 Main Street, Huron, Ohio, 44839(the "Seller"). The "Effective Date" of this Agreement shall be the date this Agreement is signed by Seller, if Seller is the last to sign, or by Purchaser, if Purchaser is the last to sign.

1. **THE PROPERTY.** Seller agrees to sell to Purchaser, and Purchaser agrees to buy from Seller, on the terms and conditions set forth herein, that certain real property located at and commonly known as a portion of **42 East Cleveland Road Huron, Ohio 44839** being more particularly described in or depicted on **Exhibit A** as Parcel A hereto and made a part hereof, and also described as a portion of tax parcel number 42-61270.001 consisting of 3.0 acres with all easements, rights, privileges and appurtenances thereunto belonging, including all right, title and interest of Seller in and to any land lying in the right-of-way of any street in front of or adjoining said real property to the centerline thereof (the "Land"), and all improvements, buildings and fixtures thereon (the "Improvements") (the Land and the Improvements are sometimes referred to herein collectively as the "Property").

2. **PURCHASE PRICE.** The purchase price of the Property for **Parcel A** shall be Sixty Thousand and 00/100 Dollars (\$60,000.00) (the "Purchase Price"). Purchase Price shall be paid as follows: (i) Purchaser shall deliver to the Escrow Agent (as hereinafter defined) an earnest money deposit of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) (and together with the additional deposit described in Section 6 (the "Earnest Money Deposit"), to be held in accordance with the provisions hereof; (ii) Purchaser shall deposit additional funds totaling, with the Earnest Money Deposit, Sixty Thousand and 00/100 Dollars (\$60,000.00)(the "Closing Purchase Price"), less credits authorized to Purchaser hereunder, in immediately available funds, in escrow with the Title Company (as hereinafter defined) on or prior to the Closing Date (as hereinafter defined). The Earnest Money Deposit shall be deposited in an interest-bearing account approved by Purchaser. All accrued interest thereon shall be paid to Purchaser or credited against the Purchase Price at Closing.

### 3. **TITLE EXAMINATION OF PROPERTY.**

(a) Purchaser, or its nominee, shall have the right to instruct NorthStar Title Insurance Company (the "Title Company") to issue a commitment for an ALTA Owner's Policy of Title Insurance (Form 2006) (the "Commitment"), in an amount equal to the Purchase Price, setting forth: (i) the state of title to the Property as of the effective date of the Commitment; (ii) the Title Company's requirements to delete the standard printed exceptions from the Title Policy; (iii) the results of a special tax and UCC search; and (iv) committing to issue any other endorsements required by Purchaser.

(b) Purchaser agrees to accept title to the Property subject only to general but not special real estate taxes which are a lien but not then due and payable on the Closing Date (the "Taxes"). Special assessments shall be paid in full by Seller at Closing. In the event the Commitment or the Survey (as hereinafter defined) discloses any matter affecting title to the Property other than Taxes, Purchaser shall notify Seller of the title or survey matters which Purchaser approves and the title or survey matters to which

Purchaser objects within sixty (60) days after receipt by Purchaser of the later of (i) the Commitment and (ii) the Survey, and Seller shall remove any such matters objected to by Purchaser, at Seller's expense, within thirty (30) days after Purchaser notifies Seller of such matters.

(c) In the event that Seller is unable or unwilling to remove any such title or survey matters objected to by Purchaser within said thirty (30) days, Purchaser shall have the right to elect either: (i) to waive such matter(s), proceed to close this transaction and accept title to the Property subject to such matter(s); or (ii) to terminate this Agreement by giving notice of termination to Seller and the Escrow Agent, in which event the Earnest Money Deposit and any other payments made to Seller hereunder shall be returned to Purchaser and this Agreement shall be of no further force or effect; or (iii) work to remove or clear such title matter(s). If Purchaser is unable to remove or clear such title or survey matter(s), Purchaser may continue to elect (i) or (ii) of this Section 3(c) and the Closing Date shall be extended accordingly.

(d) Notwithstanding any other provision of this Agreement to the contrary, Seller shall have the unconditional obligation to remove or cure, at no cost to Purchaser, any title matters which are a lien for the payment of money only, any encumbrance which can be removed by the payment of a definite sum of money, or any title matter which arose after the Effective Date as a result of the acts of Seller.

(e) It shall be a condition precedent to Purchaser's obligation to purchase the Property that the Title Company can and will, on the Closing Date, issue a fee owner's policy of title insurance (Form 2006) (the "Title Policy") to Purchaser in the amount of the Purchase Price, insuring that title to the Property is vested in Purchaser, free and clear from all liens and encumbrances, except for Taxes and other title matters approved by Purchaser as herein provided, and containing such endorsements as may be required by Purchaser, and without exception for claims of parties in possession not shown by public records, encroachments, overlaps, boundary line disputes or other matters described by the Survey which Purchaser has not approved or easements not shown by public records or other title matters ordinarily shown as standard permitted exceptions on Schedule B of a fee owner's policy of title insurance. On or before the Closing Date, Seller shall execute and deliver to the Title Company such documents or affidavits as are required by the Title Company to delete the standard printed exceptions from the Title Policy.

(f) At any time and from time to time, Purchaser may obtain an update to the Commitment or the Survey and shall have the right, within thirty (30) days after receipt of any such update, to notify Seller of any matter contained in such update to which Purchaser objects, in which event the rights of Purchaser set forth above in clauses (i), (ii) and (iii) of Section 3(c) shall again apply if Seller does not correct such matter within thirty (30) days after notice from Purchaser.

**4. SURVEY OF PROPERTY.** Purchaser may obtain, at Purchaser's expense, an ALTA/NSPS survey of the Property, which shall include the Table A items and certification requested by Purchaser (the "Survey"), and the perimeter legal description of the Land prepared and certified by the surveyor shall, if required by Purchaser, be used in the Deed (as hereinafter defined).

**5. TITLE TO PROPERTY.** Seller shall convey good and marketable indefeasible fee simple title to the Property to Purchaser, or its nominee, subject only to Taxes and such other title matters approved by Purchaser, by general warranty deed (the "Deed"), in form and substance reasonably satisfactory to Purchaser.

**6. ACCESS TO AND CONDITION OF PROPERTY; DUE DILIGENCE.**

(a) Purchaser, its agents, employees, contractors and engineers shall have the unlimited right to enter upon the Property (during normal business hours with at least twenty four hour notice to Seller) for the purpose of inspecting the physical condition of the Property, including, without limitation,

the mechanical, structural and electrical systems, roof, plumbing and HVAC, and for the purpose of performing surveys, soil tests, utility assessments and groundwater tests and test borings, to determine the suitability and feasibility of the Property for Purchaser's intended use thereof, such as the existence and adequacy of all utilities serving the Property, compliance with laws and the like. The right to conduct site investigations includes the right of Purchaser and Purchaser's employees, agents and contractors to enter upon any portion of the Property from time to time to take measurements, make inspections, make survey maps, and to conduct environmental and other studies required by Purchaser in its sole discretion. No such site investigation shall constitute a waiver or relinquishment on the part of Purchaser of its rights under any covenant, condition, representation, or warranty of Seller under this Agreement. Purchaser shall also have the right to pursue changes in the zoning of the Property, work on obtaining any and all necessary governmental approvals and permits, feasibility studies, determine marketability, negotiate leases, financing and the like for Purchaser's intended use of the Property.

(b) Subject to Section 6(c), Purchaser shall have One Hundred Eighty (180) days after the Effective Date to complete all such due diligence and feasibility investigations (the "Initial Due Diligence Period"). The Initial Due Diligence Period is established for the benefit of both parties and their abilities to satisfy the obligations herein. Purchaser shall be entitled to extend the period within which to complete such investigations provided the Purchaser continues to make commercially reasonable progress to bring a development project to fruition with an additional deposit into escrow of Two Thousand and No/100 Dollars (\$2,000.00) (the "Extended Due Diligence Period"), which shall be treated in the same manner as the Earnest Money deposit hereunder.

(c) In the event that during the Initial Due Diligence Period such due diligence and feasibility investigations reveal a condition or matter which is unacceptable to the Purchaser in any respect and in Purchaser's sole and absolute discretion, including, but not limited to, tenability or marketability of the Property, or its physical condition or properties, Purchaser shall be entitled to terminate this Agreement by written notice to Seller prior to the expiration of the Initial Due Diligence Period, and neither party shall have any further obligations hereunder. If Purchaser elects to terminate this Agreement prior to the expiration of the Initial Due Diligence Period, the Earnest Money Deposit and any interest thereon, shall be returned to Purchaser and neither party shall thereafter have any further liability to the other. In the event that the parties cannot reach a meeting of the minds on the separate agreements as outlined herein, Seller shall be permitted to terminate this Agreement during the Initial Due Diligence Period or if applicable on the Purchaser's request, the Extended Due Diligence Period.

(d) In the event that during the Extended Due Diligence Period such due diligence and feasibility investigations reveal a condition or matter which is unacceptable to the Purchaser related to governmental approvals or inability to construct Purchaser's intended use due to geological or its physical condition or properties, Purchaser shall be entitled to terminate this Agreement by written notice to Seller prior to the expiration of the Extended Due Diligence Period, and neither party shall have any further obligations hereunder. If Purchaser elects to terminate this Agreement prior to the expiration of the Extended Due Diligence Period, the Earnest Money Deposit and any interest thereon, shall be returned to Purchaser and neither party shall thereafter have any further liability to the other.

**7. INFORMATION AND DOCUMENTS.** No later than five (5) days after the Effective Date, Seller shall provide Purchaser with copies of, access to and the opportunity to inspect all leases, surveys, title policies, warranties, drawings, title documents, engineering and environmental test reports and analyses and any other documents or writings in any way pertaining to the Property in the possession or control of Seller.



**8. PLANS AND APPROVALS.** Purchaser shall have the right to file, at Purchaser's expense, any and all plans required in order to obtain building and/or demolition permits, and any rezoning, subdivision (or the vacation of any existing subdivision or consolidation plat) or any other application to obtain any approval, permit, license, certificate, exception, authorization or variance from any and all governmental authorities having jurisdiction over the Property, which Purchaser deems appropriate in connection with Purchaser's contemplated uses of the Property, including, without limitation, those pertaining to zoning, subdivision, use, building, erosion, environmental compliance, curb cuts, and utility connections and services. Seller agrees to join in the execution of any application required in order to obtain such permit or approval (or file such application individually if the relevant governmental authority shall so require). Seller further agrees to cooperate with Purchaser or its nominee in all respects, including without limitation, attending and giving favorable testimony at any hearings on the petitions or applications, meeting with, and providing information to, public and private utilities and governmental and quasi-governmental entities and otherwise working to obtain the agreements, assurances, approvals and permits required by Purchaser or its nominee.

**9. REPRESENTATIONS AND WARRANTIES.** Seller represents and warrants to Purchaser that:

(a) Seller is the owner of good and marketable indefeasible fee simple title in and to the Property, free and clear of all liens and encumbrances, except real estate taxes not yet due and payable, and has the full power and authority to enter into this Agreement and convey the Property to Purchaser in accordance with the terms of this Agreement.

(b) Purchaser has been made aware of all environmental known factors of the site. To the best of Seller's knowledge there are no other oil or gas wells (capped or uncapped) or underground storage tanks (in use or abandoned) on or about the Property, and neither Seller nor any prior owner or occupant of the Property has: (i) caused or permitted, and Seller has received no notice and has no knowledge of, the generation, manufacture, refinement, transportation, treatment, storage, deposit, release, salvage, installation, removal, disposal, transfer, production, burning or processing of Hazardous Substances (as hereinafter defined) or other dangerous or toxic substances or solid wastes on, under or about the Property or any adjacent property; (ii) caused or permitted, and Seller has received no notice and has no knowledge of, the Release (as hereinafter defined) or existence of any Hazardous Substance on, under or affecting the Property or the adjacent property; (iii) caused or permitted, and Seller has received no notice and has no knowledge of, any substances or conditions on, under or affecting the Property which may support any claim or cause of action, whether by any governmental agency or any other person, under any applicable federal, state, or local law, rule, ordinance or regulation. For the purpose of this Agreement, the terms "Hazardous Substances" and "Release" shall have the same meaning as set forth the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601 *et seq.*; provided, however, that the definition of Hazardous Substances shall also include petroleum and related by-products, hydrocarbons, radon, asbestos, urea formaldehyde and polychlorinated biphenyl compounds.

(c) Other than what has been previously disclosed to Purchaser, there are no written or oral leases in any way affecting the Property or the possession, use or control thereof, and no person or entity has any right with respect to all or any portion of the Property (whether by option to purchase, right of first refusal, contract, or otherwise) that would prevent or interfere with Purchaser taking title to, and possession of, all of the Property on the Closing Date; and Seller is not subject to any judgment or decree of a court of competent jurisdiction or governmental agency that would limit or restrict Seller's right to enter into and carry out this Agreement. Neither the execution of this Agreement nor the consummation of the transactions contemplated herein will constitute a breach under any contract or agreement to which Seller is a party or by which Seller is bound or affected or which affects the Property or any part thereof. There are no written or oral service contracts in any way affecting the Property.

(d) Seller has not received any notice of, and to the best of its knowledge, there are no (i) proposed special assessments, condemnation, or changes in the roads adjacent to the Property; (ii) pending public improvements which will result in any charge being levied or assessed against, or a lien being created upon, the Property; or (iii) pending or threatened eminent domain or condemnation proceedings against or involving the Property or any adjacent parcel.

(e) There is no litigation, proceeding or action pending or threatened against or relating to Seller or the Property or which questions the validity of this Agreement or any action taken or to be taken by Seller pursuant hereto.

(f) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will constitute a violation of, be in conflict with or constitute a default under any term or provision of any agreement, instrument or lease to which Seller is a party.

(g) No notices or citations for the violation of any zoning, building or other law, ordinance, regulation or directive of any governmental authority or authorities having jurisdiction relating to the Property or any part or parts thereof, have been received, or are known by, Seller.

(h) Seller is not in default under any applicable federal, state or local laws, statutes, ordinances, permits, licenses, orders, approvals, variances, rules or regulations or judicial or administrative decisions which would have an adverse effect upon the Property.

(i) Each person executing and delivering this Agreement and all documents to be executed and delivered by Seller at the Closing represents and warrants to Purchaser that he or she has due and proper authority to execute and deliver the same. Seller has the full right, power and authority to sell and convey the Property to Purchaser as provided herein and to carry out its obligations hereunder.

Seller shall fully disclose to Purchaser, immediately upon its occurrence, any change in facts, assumptions or circumstances of which Seller becomes aware after the Effective Date which may affect the representations and warranties set forth above. The warranties and representations of Seller contained herein shall be deemed renewed at Closing and shall survive the Closing and the recording of the Deed.

**10. SELLER'S COVENANTS.** Seller shall not enter into or consent to any lien, easement, restriction, governmental improvement or other matter affecting Seller's title to the Property or the permitted use of the Property, or that may result in the imposition of any assessment against the Property or any part thereof, nor shall Seller enter into any lease, service contract or other agreement with respect to the Property or the possession, use or control thereof, without first obtaining the prior written consent of Purchaser, which Purchaser may withhold, in its sole discretion. Seller shall maintain, repair and keep the Property in its present condition. Seller shall not remove, plant or add any soil, trees, plants or improvements or make any other alterations to the Property from and after the Effective Date, other than normal day-to-day maintenance and repairs, which Seller covenants it shall perform. Seller will maintain and insure the existing structure(s) on the Property, if any, for the full replacement value through the Closing Date. Seller shall comply with all laws, ordinances and regulations of any governmental authority having jurisdiction over the Property.

**11. CONDITIONS TO PURCHASER'S OBLIGATIONS.**

(a) The obligation of Purchaser to consummate the transaction contemplated by this Agreement is conditioned upon the fulfillment of each of the following conditions as of the Closing Date (all or any portion of which may be waived in whole or in part by Purchaser at or prior to Closing):

(i) Seller shall have performed, observed, and complied with all of the covenants, agreements and conditions required by this Agreement to be performed, observed and complied with by Seller prior to or as of the Closing Date as and when required;

(ii) All of the representations and warranties made by Seller and set forth in this Agreement shall be true and correct as of the Effective Date and as of the Closing Date;

(iii) Purchaser shall have completed its due diligence and feasibility review and assessment of the Property, which shall have been satisfactory to Purchaser in all respects;

(iv) Purchaser shall have determined that utility service will be available to the Property at a reasonably commercial cost to Purchaser. The Seller shall agree via separate agreement to all infrastructure improvements generally depicted on Exhibit B necessary for the development of Parcel A and such improvements include but are not limited all necessary utilities (water, storm sewer, sanitary sewer, electricity, data), sidewalks, access roads, publicly accessible parking and site work related to the listed improvements. Said separate agreement may include the acquisition of grants, loans, or separate public finance tools to establish the necessary utility infrastructure;

(v) The Property shall be unencumbered by any leases or other claim of possessory rights as of the Closing Date, except as may be approved by Purchaser. Seller will complete and record the plat for the exchange of the parcels, as generally depicted on Exhibit C, previously agreed to by City Council and the Ohio Department of Natural Resources. This includes the dedication of the existing access road into the site as public right-of-way;

(vi) The Property shall be approved by the Seller and the Seller's Boards and Commissions for the uses proposed for the site;

(vii) The Seller shall agree via separate agreement to reimburse the Purchaser for costs associated with the soil stabilizations necessary to develop Parcel A.;

(viii) The City of Huron shall commit via separate agreement to commence construction the public park improvements generally depicted on Exhibit D within 24 months the Purchaser commencing construction on Parcel A;

(vii) The Title Company shall be prepared to issue the Title Policy.

(b) If, as of the Closing Date, any of the conditions of Section 11(a) hereof are not fulfilled, in whole or in part, or if at any time prior to the Closing Date Purchaser determines, in its

reasonable judgment, that any of the conditions set forth in Section 11(a) hereof cannot be fulfilled, in whole or in part, on or before the Closing Date, Purchaser, at its sole option, shall have the right, exercisable by notice to Seller:

(i) To waive such condition and proceed to close this transaction,

(ii) To terminate this Agreement, in which event the Earnest Money Deposit shall be returned to Purchaser and the parties hereto shall thereafter be released from any and all obligations under the terms of this Agreement, or

(iii) To extend the time for closing hereunder until all of the conditions in Section 11(a) above are satisfied. If Purchaser elects to proceed pursuant to clause (iii) of this Section 11(b), Purchaser may still, in its sole discretion, elect clause (i) or (ii) subsequently, at any time, upon written notice to Seller, for so long as any of the conditions set forth in Section 11(a) above are not satisfied.

(c) If the purchase and sale contemplated herein is not consummated because of the inability, failure or refusal, for whatever reason whatsoever of Seller to convey the Property in accordance with the terms and conditions provided herein or because of the default by Seller in the performance of any of its obligations set forth in this Agreement, Purchaser shall be entitled, in its sole discretion, to elect (i) to terminate this Agreement by written notice to Seller, in which event the Earnest Money Deposit and all monies paid to Seller or deposited in escrow by Purchaser pursuant to this Agreement shall be promptly returned to Purchaser, and Purchaser shall be entitled to pursue any remedies available at law or in equity for such breach, and/or (ii) to enforce specific performance of Seller's obligations hereunder and any other remedies available at law or in equity for such breach.

(d) Notwithstanding any provisions of this Agreement to the contrary, if Seller performs all of its obligations hereunder and Purchaser fails to close this transaction for reasons other than Seller's default or the failure of any of the conditions set forth in Section 11(a), this Agreement shall terminate and the Earnest Money Deposit and any additional deposit for extensions of the due diligence period shall be delivered to Seller as agreed upon liquidated damages as Seller's exclusive remedy, it being agreed that the amount of the Earnest Money Deposit is a reasonable forecast of just compensation for the loss that would be caused by Purchaser's breach and that the loss that would be caused by such breach is one that is incapable of ascertainment or very difficult to ascertain.

## **12. CLOSING.**

(a) The closing of the transaction contemplated by this Agreement (the "Closing") shall occur within Thirty (30) days after the expiration of the Due Diligence Period. The Title Company shall act as escrow agent ("Escrow Agent") for the closing of this transaction. This Agreement shall serve as escrow instructions to the Title Company. If any of the terms of this Agreement are inconsistent with the Title Company's standard conditions of acceptance, the terms of this Agreement shall control. The Title Company is hereby designated as the real estate reporting person in connection with this transaction for

information reporting to the Internal Revenue Service in accordance with Section 6045 of the Internal Revenue Code of 1986, as amended (the "Code"). The parties shall provide all information required by the Title Company to fulfill its reporting obligations hereunder and to report proceeds from this transaction on a Form 1099-S including the obligation of the Seller to provide a FIRPTA affidavit required by Section 1445 of the Code.

(b) Seller and Purchaser, or its nominee, shall deposit their respective documents, and Purchaser, or its nominee, shall deposit the balance of the Closing Purchase Price with the Title Company on or before the Closing Date. The balance of the Purchase Price on a per lot basis shall be paid to the Seller as a part of the closing of the sale of lots.

(c) At Closing, Seller shall pay: (i) the transfer taxes and conveyance fees required to be paid in connection with the transfer of the Property to Purchaser; (ii) the cost of the title examination, the Commitment and one half (1/2) the cost of the Title Policy in the amount of the Purchase Price; (iii) one-half (1/2) of the Title Company's fees, if any, for its services as Escrow Agent hereunder; (iv) all special assessments, if any, including all future installments; and (v) any other charges or prorations of Seller as required herein. At Closing, Purchaser, or its nominee, shall pay: (i) the cost of recording the Deed; (ii) one-half (1/2) of the Title Company's fees, if any, for its services as Escrow Agent hereunder; (iii) the special tax and UCC searches, if requested; (iv) one half (1/2) the cost of the Title Policy in the amount of the Purchase Price; and (v) any other charges or prorations of Purchaser as required herein.

(d) At Closing, the Title Company shall: (i) deliver the Deed to Purchaser, or its nominee, by filing the Deed for record in the public records in which the Property is located, (ii) pay to Seller the Purchase Price less any credits to which Purchaser is entitled, (iii) issue the Title Policy, and (iv) charge Seller and Purchaser, or its nominee, for other respective costs.

(e) Seller shall be responsible for and shall pay all utility charges (including, without limitation, water, sewer, gas, and electric) incurred at the Property to the close of business on the Closing Date.

**13. CONDEMNATION AND EMINENT DOMAIN.** If the Property is subjected to a taking, either total or partial, by eminent domain for any public or quasi-public use, or if notice of intent of a taking or a sale in lieu of taking is received by Seller or Purchaser, Purchaser shall have the right, at its sole option, exercisable by notice to Seller, to either (a) proceed to close this transaction, in which event Purchaser shall be entitled to participate in any such condemnation or eminent domain proceedings and to receive all of the proceeds attributable to any portion of the Property to be conveyed to Purchaser, or (b) terminate this Agreement, in which event all funds and documents shall be returned to the depositing party; the Earnest Money Deposit shall be returned to Purchaser; Purchaser shall pay the costs and expenses of this transaction chargeable to them; and Seller and Purchaser shall have no further rights or obligations hereunder.

**14. TAXES.** All general taxes shall be prorated and adjusted between Seller and Purchaser as of the Closing Date, with Seller charged for the Closing Date and the days prior thereto, on the basis of the last officially certified and available tax duplicate for the Property. In the event the Property is not separately assessed as a separate tax parcel as of Closing because the Property is part of a larger parcel of real property which is a separate tax parcel, taxes shall be prorated on the basis of the last officially certified and available tax duplicate for such larger tax parcel in proportion to the number of acres comprising the Property in relation to the acres comprising the larger tax parcel. If the actual real estate taxes paid by Purchaser in respect of the period of the proration exceed the credit given Purchaser at Closing for such taxes, Seller shall, upon presentation of appropriate paid tax bills, promptly reimburse Purchaser for any amounts incurred by Purchaser for such taxes in excess of the prorated credit. Seller's obligation to reimburse Purchaser under this Section 14 shall survive the Closing and the recording of the Deed.

**15. POSSESSION.** Exclusive possession of the Property shall be delivered by Seller to Purchaser on the Closing Date. Seller shall be obligated to maintain property and liability insurance for the Property until delivering possession to Purchaser. If there is a fire or other casualty affecting the Property prior to the Closing Date, then, Purchaser may, at its sole option: (a) receive the proceeds of any insurance payable in connection with such damage or destruction (plus any deductible) and thereupon remain obligated to perform this Agreement; or (b) terminate this Agreement and receive any funds previously paid or deposited with the Escrow Agent. The aforesaid option shall be exercised by Purchaser by written notice to Seller within THIRTY (30) days after Purchaser's receipt of notice of such damage or destruction from Seller. Upon termination of this Agreement by Purchaser pursuant to this Section, Purchaser shall be entitled to the return of its Earnest Money Deposit and neither party shall thereafter be under any further liability to the other. The terms and conditions of this Section 15, will survive closing until Possession by Purchaser.

**16. NOTICES.** All notices, requests and other communications under this Agreement shall be in writing and shall be deemed given when made by personal delivery, sent by nationally recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below, and notice shall be deemed given on the date on which the notice is received by a party, in the case of personal delivery, on the date on which it is deposited with a nationally recognized overnight courier, or the date on which it is deposited in the U.S. Mail in the case of mail:

To Seller:           City of Huron  
                          Attn: Andrew White, City Manager  
                          417 Main Street  
                          Huron, OH 44839

                          City of Huron  
                          Attn: Laura Alkire, Law Director  
                          417 Main Street  
                          Huron, OH 44839

To Purchaser:      Mr. Thomas J. Kuluris  
                          Liberty Development Company  
                          28045 Ranney Parkway, Unit E  
                          Westlake, OH 44145

When a date specified herein falls upon a Saturday, Sunday, National holiday or State of Ohio holiday, the following Monday or the day after such holiday (that is not a Saturday, Sunday, National holiday or State of Ohio holiday) shall be used for purposes of this Agreement.

**17. MECHANIC'S LIEN.** Seller represents that no construction work has been performed on the Property or materials supplied for the Property within ninety (90) days of the date hereof for which a mechanic's lien could be filed. Seller agrees to hold Purchaser harmless against any costs, damages and expenses incurred by Purchaser, including reasonable attorneys' fees, as a result of the filing against the Property of any mechanic's lien by any person, firm, corporation or other entity claiming to have performed work on the Property or supplied materials for the Property prior to the Closing Date pursuant to authorization from Seller or Seller's agents. Purchaser agrees to give Seller notice of any such liens promptly after obtaining knowledge thereof. If any such liens are not discharged of record within SIXTY (60) days after the receipt by Seller of such notice, Purchaser shall have the right to pay the full amount of any such liens to the lien claimants, and Seller shall reimburse Purchaser for any such payments within

FIFTEEN (15) days after receiving from Purchaser copies of receipts for such payments. Seller's obligations under this Section 17 shall survive the Closing and the recording of the Deed.

**18. MISCELLANEOUS.** This Agreement constitutes the entire agreement between Seller and Purchaser regarding the sale and purchase of the Property, and shall be binding upon, and inure to the benefit of Seller and Seller's successors and permitted assigns, and of Purchaser and its successors and assigns. This Agreement shall not be assigned by Seller without the prior written consent of Purchaser, but may be assigned by Purchaser without the consent of Seller so long as the assignee is an affiliated person or entity with common control of assignor; otherwise an assignment will require Seller's prior written approval. This Agreement shall be governed by State of Ohio law. No provision of this Agreement shall be construed by any court or other judicial authority against any party hereto by reason of such party's being deemed to have drafted or structured such provision. The parties agree that each of the covenants, representations and warranties set forth in this Agreement shall survive the Closing and the delivery of the Deed. This Agreement may be executed in counterparts and all such counterparts shall constitute one agreement binding on all the parties, notwithstanding that all the parties are not signatories to the same counterpart. This Agreement may not be amended, modified or altered except by a writing signed by both parties.

**19. EXPIRATION OF OFFER.** When this Agreement is signed by Purchaser, it shall be deemed to be an offer of Purchaser to purchase the Property from Seller upon the terms and conditions set forth herein. This offer of Purchaser, unless extended by Purchaser in a written notice delivered to Seller, shall expire at 5 p.m. (E.S.T.) on the date that is SEVEN (7) days after that date that Purchaser delivers to Seller not less than two (2) originals of this Agreement duly and fully executed by Purchaser. If Seller accepts this offer of Purchaser, Seller shall place on the first page of this Agreement the date of execution by Seller and promptly return one (1) fully executed original of this Agreement to Purchaser. If Seller fails to accept and notify Purchaser of Seller's acceptance of this offer within the time frame set forth above, then Purchaser's offer shall be deemed withdrawn and shall be deemed null and void

[Signature page follows]

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed to be effective as of the date first set forth above, but this Agreement was signed on the respective dates specified below.

**SELLER:**

CITY OF HURON, an Ohio municipality,

By: \_\_\_\_\_  
Andrew White, City Manager

Dated: \_\_\_\_\_, 2018

**PURCHASER:**

LIBERTY DEVELOPMENT COMPANY, an  
Ohio Corporation

By: \_\_\_\_\_



Thomas J. Kuluris, President

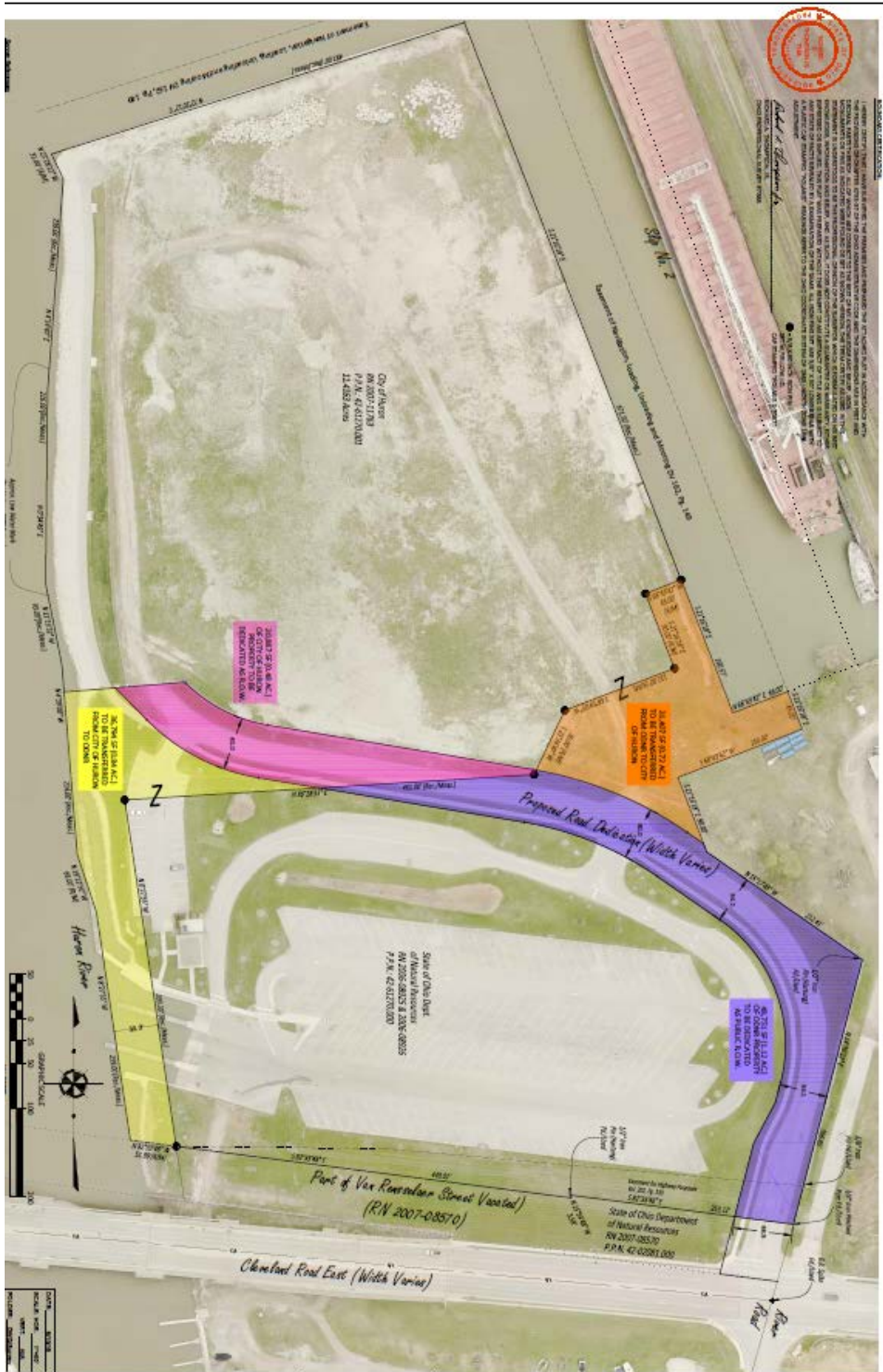
Dated: \_\_\_\_\_, 2018

**Exhibit A**  
**Development Parcel A**



**Exhibit B  
Public Utilities**





**Exhibit D**  
**Waterfront Park Concept**



