

**THE CITY OF HURON, OHIO**  
**Proceedings of the Huron City Council**  
**Work Session Meeting Tuesday, November 26, 2019 at 5:30 p.m.**

A work session meeting of the City Council of the City of Huron, Ohio was called to order by Mayor Trey Hardy on Tuesday, November 26, 2019 at 5:30p.m. in the Council Room of City Hall, 417 Main Street, Huron, Ohio.

The Mayor directed the Clerk to call the roll. The following members of Council answered present: **Sam Artino, Christine Crawford, John Jones and Trey Hardy.**

**Motion by Mayor Hardy to excuse Mr. Schaffter and Mr. Ginesi from the meeting for the reason that they are on vacation, and to excuse Mr. Dike from the meeting due to a work conflict.** The Mayor asked if there was any discussion on the motion, there being none, he directed the Clerk to call the roll on the motion. Members of the Council voted as follows:

**YEAS: Hardy, Jones, Crawford, Artino (4)**  
**NAYS: None (0)**

There being a majority in favor, the motion passed and Mr. Schaffter, Mr. Dike and Mr. Ginesi are excused.

Also present: City Manager Andy White, Law Director Benjamin Chojnacki, Finance Director Cory Swaisgood, Assistant to the City Manager Mike Spafford, City Engineer/Zoning Inspector Doug Green and Executive Administrative Assistant and Clerk of Council Terri Welkener.

**New Business**

**Bed Tax/Rental Registration**

Mr. White recognized Doug Green and Dawn Weinhardt, a representative from Lake Erie Shores and Islands. Mr. White explained that procedurally Council won't be able to move any legislation at the regular meeting tonight because there will only be 4 Council Members in attendance. Larry Fletch, the Director of Lake Erie Shores & Islands said he would be able attend the meeting on December 10<sup>th</sup> to address more questions. At the last meeting, there was some discussion about the benefits that are provided from this tax. The inspections will be conducted by the Building Official or his designee. The firefighters are all designated officers to enforce the registration. The key point is that Ordinance 2019-25 provides specific language in 189.6 - Payment by Transient Guest that the tax imposed 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 on each lodging. There has been discussion about providing a credit for citizenship for the City of Huron. It effectively provides a resource to offset some of the costs when our population gets bigger. If a person owns and operates a lodging that is transient in nature, the owner is not responsible to pay the tax. The owner is only responsible to collect the tax from the transient guest.

Mr. Artino asked how much is actually staying with the City in control of that money. Mr. Swaisgood explained that it would be 98% of the actual collections if the County collects the tax, which funds are deposited to a specific line item in the General Fund. In 2019, with the season expanding at Rivers Edge with fishing, the City collected \$24,000. All of that money is deposited into the General Fund and then it is legislatively transferred to support Parks & Recreation. Mr. Artino asked why it isn't going to the people that are doing all of the work, specifically the inspections. Mr. Green explained that staff met with John Zimmerman, who will be doing the inspections. That is how it is set up in the Code – that the inspections will be done by the Building Official. Mr. Zimmerman's plan is to team up with the Fire Department. One

of the tweaks that Mr. Chojnacki is working on is to change the language from "Building Official" to "Building Official and/or his designee." Mr. Zimmerman's plan is to do this for about a year or two and slowly get the fire personnel more and more involved with the inspections to work his way out of it. Mr. Green met with Captain Hohler, and he confirmed that the Fire Department currently does residential inspections in special circumstances, with the biggest one being for foster homes. What they are going to be inspecting in this case is almost identical to the foster home inspections. All of the full-time firefighters are certified as Fire Code Officials, so they can all do that inspection. Mr. Swaisgood explained that the inspection is not part of the bed tax, and there is a registration fee associated with the inspection.

Mr. Artino asked what the charge was for the inspection and registration. Mr. Green stated that the registration fee set in the ordinance that was already passed ranges from \$50 for 1 rental unit/single family home to \$100 + \$15 for each additional unit for over 6 units. Mr. White recommended that the fee schedule should be looked at for modification. Mr. Green explained that the permit lasts for 2 years with only 1 inspection, but the ordinance also gives the City through its Building Official the right to go in and do an inspection at any time after making arrangements with the owner. If the City or John Zimmerman's office gets several complaints from renters, the Building Official or his designee can go in and take a look at it in the 2-year window separate from the main inspection.

Mr. Artino asked where the legislation is that says if the unit is a death trap, you can't operate it. He stated that the City does not have tough enough codes in place now. Mr. Green explained that Section 1369 calls for a life safety inspection with a list of 8 items that are included to meet the Building Official or his designee's approval. Those items include testing electrical receptacles, check for smoke and CO2 detectors, improper wiring, electrical panels, light fixture in all stairways and exterior doors, furnaces and water heaters, leaking water, gas or waste lines, and check for removal of all refuse, garbage debris. Mr. Artino asked what the penalty is for not keeping the premises in the proper condition. Mr. Green explained that the penalty for not passing the inspection is not getting registered as a rental, and as a result, cannot rent the premises. Mr. Artino expressed his frustration with the current state of enforcement with building and/or zoning violations. Mr. Chojnacki explained that the Building Code includes provisions that allow the Building Official to work with the Prosecutor to prosecute the violations as a minor misdemeanor. Mr. Artino stated that most of the City's codes are weak, making it hard to enforce everything. Mr. Chojnacki stated that for a code enforcement, you need to get onto private property (absent authority from the property owner, you must go to the Court to get an administrative search warrant) to make an inspection of the violations, the report gets referred to the Prosecutor, and the Prosecutor files a complaint in Municipal Court. Mr. Artino stated that it takes a lot of time and effort by people. For example, we have a problem now with getting people to cut the grass. Mr. Chojnacki stated that there is most likely a procedure in place to enforce that, it's just an issue of how you allocate administrative resources. Mr. Artino stated that it is also a matter of strong code enforcement, and doesn't hear any strong code enforcement relating to this. Mr. White stated that Section 1369.99 – Penalties; Legal Action provides, "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..." There is an additional paragraph that talks about additional penalties. Mr. Artino stated that was the strongest penalty he has heard and doesn't know why the City doesn't apply those to other things. Mr. Green stated that they have a test case going through the process with the City Prosecutor. The resident has been given their final notice and when that comes due, the Prosecutor will be taking it to Court with the charges of minor misdemeanors. Mr. Artino asked what the cost is for the test case. Mr. Green stated that he did not have that information. Mr. White stated that the representation for the test case would be a small percentage of the \$25,000 annual appropriation, and the bulk of that is going to the prosecution of cases on Tuesdays and Fridays. Mr. Artino stated that he would like to see the money coming in going toward paying the people that are working on it. Mr. White that he anticipated doing 20 or so inspections at a time as people start coming in to comply, and could then look into allocating those funds. Mr. Green

stated that Ms. Gibboney has already had someone reach out to her looking for direction on how to register, and anticipates there will be quite a few to start off and then get regular from there. Mr. Artino asked if the \$50 inspection fee would increase based on the size of the unit. Mr. Green stated that the price is based on the number of units, and not the size. Mr. Artino asked about the owner with a huge residence advertising that he can house a baseball team, to which Mr. Green responded that as currently written, the only control is in the current Building Code, which sets up a maximum occupancy per square foot of livable space in the building. The registration form will list that maximum occupancy amount based on square footage. Mr. Artino suggested that we should charge more for a home that big, versus a 2-bedroom home. Mr. Hardy said that the number of occupants would be regulated by code so they wouldn't be allowed to have that many people in the unit. Mr. Artino said that it is going to take the inspector more time to do the inspection on a large residence. Mr. Chojnacki stated that the fees have to be reasonably related to the services provided – anything done within that construct would be legal. If you can justify your inspector is going to spend more time based on the size, then you can hypothetically create a regulatory framework that is going to provide for different fees. The issue you run into is that it can't be discriminatory in nature. Mr. Hardy stated that this scenario has come up many times, and asked if after this process takes place would they still be able to advertise that way. Mr. Green said that depending on the size of the home, they could still advertise that way. Mr. White explained that there would probably be some equalization involved with the combination of bed tax and registration fees, because the larger homes will produce a larger tax to offset the additional time for inspection.

Mr. Artino asked how to enforce the registration of those people who don't advertise on VRBO or other online services, and already have people returning time after time. Mr. Green stated that our current options include someone reporting them to us or cold calls to the property owner. Mr. White stated that Mr. Dike had suggested that the best police could be the associations that have boards to reach out to us. A suggestion was made that maybe the association(s) could benefit by receiving a portion of the registration fee in exchange for the information. Mr. White stated that the ordinance adoption is at an impasse because there are only four members attending the Council meeting.

Mr. White stated that there a couple of items on the agenda that must be moved expediently. The organizational meeting is scheduled for December 2, 2019 at 5:30pm. The LPA Agreement Project must be advanced, so staff is asking Council to consider and act on that resolution. The establishment of Fund 655 is also time-sensitive.

Mr. Hardy stated that the voting for the Mayor and Vice-Mayor would be on the December 2<sup>nd</sup> agenda, and there would be enough time to take care of the urgent legislative items. The regular December 10<sup>th</sup> meeting will still be held, and the meeting scheduled for December 24<sup>th</sup> should be cancelled and rescheduled for the following Monday, December 30, 2019 at 5:30p.m. A majority of Council must attend that final meeting to get the financial and budgeting items taken care of. Mr. Hardy asked if there were any schedule conflicts that would prevent Council members from attending. Mr. Swaisgood explained that the final appropriations ordinance would relate to the 2019 budget, not the 2020 budget, and the meeting should only take about 10 minutes. The four Council members in attendance at the work session said that they would be available for the December 30<sup>th</sup> meeting.

Mr. Swaisgood stated that the County has 22 Huron rentals that are currently registered with them. Out of the 22 that are registered, the City's 3% share will be about \$5,400 in 2019. Expanding that out to even 200 rentals gets the City to the \$50,000 per year if there are 200 rentals in the City. Mr. White stated that the County is currently collection 4% on services that are rendered in the City right now, and the City is not collecting anything.

Mr. Artino asked if the County would help to enforce the registration, to which Mr. Swaisgood answered that he didn't think so because they don't have any enforcement. Mr. Artino asked why the City doesn't

just keep all of the tax, and then asked why the City doesn't just go with a flat fee that would be a lot more money if it was more like \$200 since the City is going to be doing all of the work already. Mr. Hardy stated that the bed tax collected would be far greater than the inspection fees. Mr. White explained that for \$50,000 in tax collected, the City would receive \$48,000, with \$2,000 remaining with the County as an administrative fee. Mr. Artino said that the City could charge a much higher fee. Mr. Artino stated that the City would be the bad guy in the community's eye. Dawn stated that everyone that registers with the County will get listed in their travel guide and on their website. The owners get promotion just by registering. Even if the County collects the 3% for the City, that dollar amount is going to be huge even if they are taking a 2% administrative fee. It will be easier for vacation rental to make one payment to the County, which can all be done online. 2% goes to Lake Erie Shores and Island, 2% goes to the Sports Complex, and then the 4% comes back to the City less an administrative fee for processing those dollars vs. the City hiring someone in the City to administer the tax and receive those payments. The County will not administer the permits. The City of Sandusky is currently charging \$500 for transient rental registration, per unit. Mr. Artino said that he dislikes the idea of the County taking a fee while doing nothing to enforce payment. Mr. Hardy stated that if the rate is raised for the registration, that is coming directly out of the pockets of the property owners living in Huron, whereas the tax is coming out of the person coming into town's pocket. Mr. Artino stated that the registration is going to be passed on to the person renting just like the bed tax. Mr. Tapp stated that he would pass both the registration fee and tax on to the renter.

Mr. Tapp stated that he is for the bed tax, but only if it is done right. He doesn't want to come in to pay a registration fee and have them say they will get to the inspection. Having that registration helps his advertisement to have that inspection. He would like to see that the inspection is done within 30 days. Mr. Tapp further stated that if the inspection doesn't get done and something happens, both the City and the owner could be liable. Mr. Chojnacki said that would depend on the facts. Mr. Green agreed that 30 days would be reasonable, and that the hope would be that it would be much shorter than that. There will probably be an initial backlog, but the number should drop off considerably. Mr. Artino asked how locked in the City is to the bed tax. Mr. White stated that the bed tax has been in existence since 2005 relating to hotels and bed and breakfasts. Mr. Swaisgood stated that the City has been losing money every year because the hotels are not bringing in that bed tax because people are staying in transient rentals instead. Last year, the City collected over \$30,000 in bed tax, and now we are collecting \$24,000. Mr. Artino said that he is not against collecting something, but the City has to do all of the work. Mr. White explained that those are two different issues – the registration is the City's responsibility relating to inspections, while the County collects the bed tax on behalf of the City. The bed tax requires that the inspections are done. The property owners will pass the registration fee, whether it be \$50, \$250 or \$500, to the renter. Vacation rental owners will want to know what their costs are now so their advertisement for Memorial Day weekend, July 4<sup>th</sup>, etc. can reflect that amount passing to the renters.

Mr. Artino said that he is not against doing something with the transient rentals, but he wants to do what is best for the City, not just what's best for another organization. Dawn stated that Lake Erie Shores and Islands does not get any City municipal lodging tax at all – it all goes to the City. Mr. Artino asked if we had that in writing. Dawn stated that the 3% comes to the City of Huron; the 4% county-wide tax is always going to go to the County. All vacation rentals are subject to the County tax. The County is having difficulty identifying all of them, but they are all subject to it and could be penalized and charged interest for not registering in 2019 and not collecting and remitting it. That is the level of enforcement that the County Auditor has – fees and interest. The County is locating rentals through VRBO and other online sites. There is no dedicated person going out trying to find rentals. Mr. Tapp stated that he is going to register, but a lot of people don't. If he pays registration for 5 years, he wants to see enforcement. Mr. Artino said that he doesn't see enough enforcement from the County and we are going after the same people that live here and are honest and have already registered.

Mr. Hardy said that conceptually, the bed tax is not anything new. Everyone that goes on a vacation somewhere ends up paying a similar tax. This is a way to keep taxes and other costs down, and allow some of that revenue to be generated off the backs of other people that aren't living here. Ms. Crawford stated you have to look at it from the viewpoint of River' Edge, Captain Montague's and Gull Motel (when it was open) – those folks are in the lodging business and have been collecting the bed tax while the owners of transient rentals have been undercutting them and operating below the radar. Much to what Mr. Tapp described, doing the right thing now 5 years out, some of these other entities that have been in the lodging business on a different scale are probably looking at some of these privately owned vacation rentals and saying it's about time. Mr. Hardy stated that Huron is not New York City, and you are going to hear that a person is renting without registering and paying the bed tax. If you are competing with someone, you are going to call the City to turn them in. Mr. Tapp said that he is for the bed tax, but asked how it is going to be enforced. Mr. Hardy stated that some of the policy is already in place. Mr. Artino said that Council has been talking about this for over a year and still doesn't have all of the policies in place. Mr. Hardy responded that the ordinance provides for a pretty strong penalty clause. Ms. Crawford asked Mr. Artino if he had read the ordinance before the meeting, to which he answered no. Mr. Artino asked how it is going to be enforced. Ms. Crawford asked Mr. Chojnacki to revisit the penalty clause again. Mr. Artino stated that he didn't want to go over it again, he just wanted to know who was going to do it, and the City has a lot of other ordinances that it cannot enforce. Mr. White stated that the City has done more in the last year with code enforcement, which is a trend he would like to continue and build upon. He hopes that Council will give staff the opportunity to demonstrate that we can do this, and if we can't, then we will come back to Council and report that modifications are needed. There is a test case working its way through the process of prosecution.

Mr. White stated that he appreciates the feedback. The bed tax ordinance is on its fifth reading in over a year and this is some of the most substantive discussion we have had. We are looking at this trying to figure out the same things you are. It started as a simple question of why aren't we charging these transient rentals the same thing we are charging these traditional brick and mortar establishments, and it has evolved. Staff will take the suggestions under advisement and will try to prepare more dialogue and discussion for consideration at the next meeting. Tonight is the second reading and there will be a third reading. If there are questions in between or points to be included in the policy, please contact us to let us know and we will try to incorporate those.

Mr. Claus asked if Section 1369 could be changed to increase the fee. Mr. Artino stated that he is leary of increasing the fee if the City is going to be collecting both. Sandusky is collecting \$500/yr. registration plus 3% lodging tax per unit, while Huron is collecting \$50 for two years. Sandusky charges \$150/yr. for long-term rentals. Ms. Crawford explained that the registration fee is for the owner to pay, while the 3% bed tax will be paid by the renter. Mr. Artino responded that the owner would pass on that registration fee to the renter.

Mr. White stated that he had conversation with the Law Director about possibly creating some sort of incentive to citizens of the City who own and live in the community. When we started talking about some of these fees being allocated, we had people come in from out of state to talk to Council about how an apartment rental registration fee would hurt their business. When you look at some of the housing, the owners through the property tax records are not permanent residents. Mr. White asked if there is a way to provide some incentive in the form of your fee schedule if the operator is a full-time resident of the City. That is something that might be more palatable.

Ms. Crawford stated that if these people are running a business. Even if they are only doing it for Fourth of July week only, they are in the lodging business. There are fees, inspections and taxes to be in business. Mr. Artino told Ms. Crawford, "don't look at me I'm not against it," to which Ms. Crawford responded, "I actually made eye contact with four people when I was speaking." Ms. Crawford said that, much to Mr.

White's point, there is a cost of doing business and she doesn't think anyone will be surprised. Mr. Jones said that he has talked to some people who expect it, as did Mr. Hardy. The owners just need to know to prepare for next year. Mr. Artino stated that he knows people who own hotels who are in favor, and there is nothing wrong with him looking at the narrative. Mr. White said that staff would try to include tonight's discussion points in a report and get it in for consideration at the next meeting. Mr. White went on to say that if Council has anything else they want to talk about, to please him know.

Mr. Chojnacki asked who the sponsor is for the bed tax legislation. Mr. Jones stated that he is the sponsor. Mr. Chojnacki said that he isn't sure how it has been done in the past, but there is a lot of discussion and talk about what everyone wants to do here, and he has always understood the legislative process to be that the sponsor of the legislation is the person to work with the Law Department and the administration to talk through how we encapsulate the discussion point(s). Mr. White stated that he has 4 days, because Mr. Jones will no longer be on Council as of December 1, 2019. Mr. Chojnacki said that the point he is trying to make is there are policy decisions in how we move forward out of this meeting. Absent Council providing the Legal Department and the administration with guidance on what they want to advocate for at a legislative meeting where this is discussed further and ultimately voted on, the Council itself has to tell us which pieces it wants to change. There is a balance you all have gone through. I don't know where to draw the line. It is your job as the person who introduces the legislation to instruct us on where the line is going to be drawn and what you are going to advocate for. As we look to make these types of decisions, Council must tell us what we are doing. We have some work to do before Mr. Jones is out. Mr. Chojnacki said that doesn't know if we have the ability to do that before this comes up for a third meeting. The next Council, and whoever wants to take the lead on initiating whatever the amended resolution is going to be on these issues, should do so with the understanding that they are going to have an undertaking to work with the Legal Department and administration to guide how we encapsulate this and what you codify. Mr. Chojnacki said that the point he is trying to make is that if he has to make a choice between two different opinions, how is that weighed? The answer to that question is, whoever is the sponsor gets to tell me what to do and then you guys duke it out in a public meeting and figure out who is going to get what. You go through horse trading to get whatever you're going to do, done. Mr. Chojnacki stressed that he can't make that decision for Council. Whoever is going to make that decision, you must go into amending the resolution with eyes open that you're going to have to be advocating for it.

Mr. Hardy asked Mr. Chojnacki if he felt there were other changes needed, such as the building inspector or his designee. The "or his designee" phrase is not currently in the legislation. Mr. Chojnacki said that was correct, and that would be an easy change. Mr. Chojnacki indicated that changes he has gathered from this meeting are 1) chief building official needs to be "building official or his designee, 2) a 30-day response time to the inspection period, 3) is it possible to provide some sort of kick-back or benefit to HOA's or other residents who are providing tips for registration/inspection enforcement purposes, and 4) can we provide a benefit for lived in units for an incentive or reduced amount. I can attempt to encapsulate some of that, but not all of that. Mr. Hardy said he should also add a change in the fee structure, per Mr. Artino's request. Mr. Hardy said that there are roughly 5 things that came out of this meeting. Mr. Chojacki said that it sounds like the third reading is going to fail barring introduction of something new that encapsulates both the changes to the bed tax that we are enacting, adopting and amending, plus the changes to Chapter 1369. Mr. Hardy asked if this can be a discussion that we bring up at the next meeting on Monday after attending to the other two pieces of legislation. Mr. Chojnacki said that is a public meeting, so Council can talk about it in that open forum, and that also allows all of the new Council to be involved. If the legislation can be revised and voted on at the same time, while waiving the three-reading rule, both Sections can be put on at the same time at the final meeting on December 30, 2019, or maybe on December 10, 2019, which takes Mr. Jones off the hook.

Mr. Hardy told Mr. Chojnacki that he thought this discussion was great. No one has ever done what you just did in the last 5 minutes... that these are the 5 things that have come up in this meeting. Mr. Hardy

said that it is time for them all to sit down and look at it from the perspective that this is the person that said let's do this or bring this up. Again, as a Council, I don't ever remember looking at it from that perspective. This is all a great discussion, so thank you. Mr. Artino said that he had never even heard that legislation had to have a sponsor, and Mr. Hardy agreed with that statement.

## **Fund 655**

Mr. Hardy asked that they move on to a discussion of Fund 655.

Mr. White explained the rationale behind the request to establish Fund 655 expediently is the need to close out the financial activities in 2019. Fund 655 is an enterprise fund we are requesting Council to establish to house the portion of the electrical utility bill for the large infrastructure surcharge to the Mucci Farms greenhouse, which is \$0.018. We have gone back and forth for probably a year on policy. Mr. Chojnacki and his office have worked with staff to provide the legal opinion contained in your packet, which lays out the path we can follow to utilize those dollars in any way Council sees fit. The placement in Fund 655 is the recommendation of the Finance Director. It is not required, but Mr. White thinks the segregation of those dollars into a fund separate from all of the different activities within the General Fund, identifies a specific amount of resource allocation every year that currently is available for capital, community or economic development projects. Upon inception, when the agreement was drafted a year ago, the dollars were basically going to be a subsidy paid for the benefit of economic development by Mucci Farms, which would help underwrite a lot of capital improvements that we want to do, and not to fall into day-to-day operations. The funds are currently segregated in that regard, and if we can get this passed this year, the Finance Department can conduct an operation on a small project from this Fund and then report that to the auditor by the end of the year so that we can request a determination from them. We will provide the auditors with our legal opinion, a description of the action that we took, and then request a ruling. Until there is an activity, we cannot get a ruling from the auditors. If this doesn't work, which I don't anticipate happening, it is a very small project and we have the funds set aside in the appropriate account. We could be exposed to a citation, and the resolution of that citation would be to reconcile the accounting/re-appropriate the funds prior to the final audit.

Mr. Swaisgood stated that the basis for this coming up right now is that Fund 655 is part of the 2020 Budget and is included as an addendum because this came up so late in the year. The creation of fund 655 will give us the authority to create the Fund now and then come back to Council to appropriate the funds. Even if Council does create this Fund, you still need to appropriate the revenue in the budget to spend out of it, and use the funds in December of 2019, which will be about \$20,000 in material to the financial statements. We have already talked to our auditors and we are flagging this expense, and we will attach it to the report and send it down to the State Auditor because both Aimee Lane and I both reached out to the State Auditor and learned that we can't get an official opinion until we actually do something with it. In talked to Andy, we determined that this is best approach because of the minimal amount of funds we will be using out of the Fund this year, instead of using it for an entire year, spending a million dollars and then having the auditors come back saying we can't use that Fund for those expenditures. It is almost like a test case. Mr. White explained that if we don't test it now, we expose ourselves to another year before we can get into this position where we have a small project to be paid for. Mr. White asked Council to seriously consider executing the project from this Fund – we need to set it up in order to ask that question.

Mr. Artino asked if we are going to have an operating and maintenance fund for the purchase of equipment. Mr. Swaisgood answered that we will have Fund 654 as the operating and debt service, and Fund 655 will be capital. Mr. Artino asked if we have calculated how much that should be. Mr. White explained that it is \$0.018 allocated to Fund 655 and that was based on the study from Three Phases. The maintenance and operation is accounted for in Fund 654. The funds landing in Fund 655 are over and above the funds needed for maintenance and operation. It amounts to about \$1.5 Million after the third phase is completed, to be



used at the discretion of Council, for use in anything that is not related to the utility. That's over and above the cost for the operation itself. Fund 655 allows those funds to be taken out of the operating account and not put into the General Fund, which was how it was originally established. Mr. Swaisgood came up with the idea, which Mr. White thinks is a good one, to get it into its own fund so that those funds are intermingled with operations funds.

Mr. Hardy stated that a couple of months ago the school requested the City's and the Boosters help to brainstorm about how to get the Huron High School field/Astroturf resurfaced. Andy suggested an impromptu meeting with the Mucci Farms crew. One thing led to another, and today Mucci committed \$400,000 over the course of 8 years to help provide the funding to get the field resurfaced, which will start next spring or summer, when the weather breaks. It will become Mucci Field, he believes, although he was not sure if they had finished the naming of the field. The Kalahari deal is over with, and Mucci will be the next sponsor. Things will change for next fall on that. Mucci, Dennis Muratori and some of the representatives from the school will be here and we are going to do a quick formal announcement and do some pictures. There was a press conference earlier this afternoon at the stadium with BCSN. The newspaper will be at tonight's meeting. This is another example of a business coming into the community that want to help and make a positive impact in the community. It is a neat relationship and something to be proud of.

Mr. Hardy adjourned the work session meeting at 6:25p.m.



Terri S. Welkener, Clerk of Council