

THE CITY OF HURON, OHIO
Proceedings of the Huron City Council
Regular Meeting Tuesday, June 25, 2024 at 6:30pm

Oath of Office

Mr. Lasko provided some background on Officer Ritter. He recently graduated from the Police Academy (Owens Technical College) on June 11, 2024. Prior to the Academy, he was with the Ohio State Highway Patrol. He is currently in field training with Officer Ryan Boesch and he resides in Amherst with his fiancé.

He wanted to also give a shout out to Erie County Job & Family Services who was able to provide compensation to the City to pay 100% of Mr. Ritter's academy, and 50% of his wages for the first 6 months. They are very appreciative of that support, as well, to help bring on Officer Riddle.

City Manager Matt Lasko administered the Oath of Office to Officer Eric Ritter of the Huron Police Department.

(Applause).

Photos were taken with City officials and family members.

Call to Order Public Hearing on Tax Budget for Fiscal Year 2025

The Mayor called the Public Hearing on the Tax Budget for Fiscal Year 2025 to order at 6:30pm.

Roll Call on Public Hearing #1

The Mayor directed the Clerk to call the roll for the Public Hearing. Members of Council in attendance: **Williams Biddlecombe, Sam Artino, Mark Claus, Monty Tapp, Joe Dike and Matt Grieves.** Member not in attendance. **Joel Hagy.**

Swear in Witnesses for Public

Mr. Schrader swore in witnesses, which included all members of Council, Cory Swaisgood and Matt Lasko.

Witness Testimony

Mr. Swaisgood stated that the City's tax budget process is an annual statutory requirement, as Council knows, under the City Charter and the Ohio Revised Code. The tax budget for 2025 was submitted to City Council on May 31st of this year. Under the Charter it is required to be submitted to Council on by June 1st, and submitted to the County upon motion to be passed by Council by July 15th of every year. The 2-page tax budget is included in Council's packet. The tax budget is primarily used as confirmation to the County that currently levied property taxes are necessary for the City to balance the following year's budget. We use the tax budget more as a general guideline and initial review for next year's budget. It's really the first step in the annual budgetary process. He wanted to point out that the tax budget is mostly for the City to prove to the Budget Commission at the County that the City needs all taxes levied for distributions from the County's local government fund. These are estimates, and will more than likely change when they go through the budgetary process this fall. Estimated expenditures on the tax budget are very conservative, since they only had 4+ months of actual revenues and expenses to go off of this year.

The first page of the tax budget is the 2025 estimated revenue and expenditure budget, with estimated beginning and ending fund balances. They anticipate stagnant and modest growth in 2024 and 2025 through the revenues. Although the income tax is currently down for the year, they anticipate seeing it level off by the end of this year. All funds are expected to maintain positive fund balances through December of 2025, with fluctuations from 2024 estimated balances. The past 3 to 4 years have been challenging to forecast 2024 and 2025 revenues and expenditures.

Page 2 of the attached tax budget are comparative expenditure statements spanning from FY 23 through FY24. Also, there is an annual requirement under Ohio Revised Code to provide this to the County Auditor with the tax budget. The 2024 estimated expenditures are primarily budgeted amounts to date; they only have the 4 months of actuals. He wanted to note several highlights in the tax budget:

- (1) Overall, they are estimating a 2% increase in total General Fund revenue for 2025 from 2024;
- (2) We are anticipating income tax revenues will level off at an increase if 3% in 2024 and 2025, which is below historical growth number over the last 3 years.
- (3) The City's electric KWH excise tax, which is mostly coming from Mucci Farms, is expected to maintain consistency in 2024 and 2025 because Mucci is fully built out at the moment.
- (4) They are estimating an approximately 1-2% increase in all State taxes as these revenue sources are back from pre-pandemic levels.
- (5) The 2025 estimated appropriations include a 4% increase on all personnel costs, and a 30% increase in health care costs, and 3-5% increases in other expenses, such as vehicle and building maintenance.
- (6) Total expenses in the General Fund are expected to be 3% higher in 2024 and 2025.
- (7) The estimated beginning balance for the General Fund at the beginning of 2025 is anticipated to be approximately \$500,000 less than the fund balance at the end of the year in 2023, which is a 28% decrease. This is primarily due to anticipated additional General Fund subsidy to Parks and Recreation, street maintenance in 2024 and 2025, and they are anticipating the ending fund balance for 2024 to be lower than 2025, as well, for the same reasons presented in past years.

The Mayor asked if there were any questions for Mr. Swaisgood.

Motion by Mr. Biddlecombe to adjourn the Public Hearing.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Biddlecombe, Artino, Claus, Tapp, Dike, Grieves (6)
NAYS: None (0)

There being more than a majority in favor, Public Hearing #1 was adjourned.

Call to Order Public Hearing #2

The Mayor called the Public Hearing on the Firelands Scientific's Petition to rescind Ordinance 1121.06 and update other sections of the Huron Codified Ordinances to align with Chapter 3780 of the Ohio Revised Code to order at 6:40pm.

Roll Call for Public Hearing #2

The Mayor directed the Clerk to call the roll for the Public Hearing. Members of Council in attendance: **Williams Biddlecombe, Sam Artino, Mark Claus, Monty Tapp, Joe Dike and Matt Grieves.** Member not in attendance. **Joel Hagy.**

Swear in Witnesses for Public Hearing #2

Mr. Schrader swore in witnesses, which included all members of Council and Matt Lasko.

Mr. Schrader said that with the exception of Attorney Gannon, who is with us tonight and is exempt from the oath requirement (and any other licensed and practicing attorney in the audience), I would ask all council, all staff who are going to offer testimony and any member of the general public, with the exception of Mr. Gannon and other attorneys, to please raise their right hand and repeat, "Is the testimony you are about to give the trust, the whole truth and nothing but the truth, so help you God?" All answered, "I do."

Witness Testimony for Public Hearing #2

Mr. Schrader stated that not long ago, the City received correspondence from Firelands Scientific petitioning the City to modify its ordinances. This comes about as a result of new Ohio Revised Code Chapter 3780 that the voters of the State of Ohio passed. Effectively, the request from Firelands Scientific was to ask them to modify their ordinances. Currently, we prohibit all recreational marijuana dispensaries in the City. Firelands Scientific asked them to modify that to permit one recreational dispensary, and also modify their ordinances to start to diminish the disparity or the separateness of medical and recreational marijuana. In evaluating the request, he researched Chapter 3780 of the Ohio Revised Code, the new law that was passed by the electorate, and there is certainly a Section 3780.25(b)(2) that says for those operators that own and operate medical marijuana facilities and have a certificate of operation, if they would like to open a recreational dispensary on the same land or contiguous parcels at the same locations, the "may not be prohibited or limited by any municipal corporation or township from operating as a recreational dispensary." This is because of the significant capital investment in the facilities. There is no case law to interpret it, as it is a brand-new statute, but he interprets the statute to mean that Firelands Scientific, because they have the medical marijuana dispensary, because they have a valid Certificate of Operation, and because they desire to open a recreational dispensary on the same or contiguous lands, the City is powerless to stop them. He supposes the City could mount a challenge, but he highly doubts it would be successful. He doesn't know of any other statute he has read in 28 years of practicing law that states that they may not be prohibited or limited by a municipal corporation or township from owning and operating a recreational dispensary. He has been in multiple communications with Attorney Gannon on this topic, and what they fashioned is a modification to Chapter 1121.08 to allow one recreational dispensary in the City because they have the absolute right to do so. He doesn't believe the City can stop them, so the one recreational dispensary will be Firelands Scientific. There is another change they have made to start to erode the difference between medical marijuana and recreational marijuana dispensaries to try to combine them. Unless or until they hear from Columbus some more definitive action on making these a dual licensure and eliminating it at the State level, they felt this was at least one step forward. It is anticipated that the State is going to go in that direction and eliminate the distinction between medical and recreational in due course.

Mr. Dike asked if there are other municipalities that are going through this same process. Mr. Schrader answered that he knows many municipalities have limited the number, but he is not familiar with one that has a dispensary already that is going through what Council is going through tonight. He believes this statute was crafted with Firelands Scientific and people like them in mind. They have made a large capital outlay, they have made an investment in the community, they have a Certificate of Operation that is valid, and the State has decided those are the people who have operated responsibly up to this point and should have the opportunity with interference from the municipality. Mr. Dike asked why his vote is needed tonight if the City is powerless. Mr. Schrader said they are only placing it on its first reading tonight, but once they get to the third reading, Firelands Scientific is going to operate, and it is his opinion as legal counsel that they have the right to operate. The State of Ohio and the statute says they do. Frankly, if this ordinance gets voted down, he thinks Firelands Scientific is going to continue to operate and sell recreationally and leave it to the City to attempt to stop them, and he thinks that is a complete waste of taxpayer money. Based on the language of the statute, he thinks it is an absolutely uphill battle. There are many other things we should be spending our time and resources on. This statute is clear and unambiguous to him. They have the absolute right to open.

Motion by Mr. Biddlecombe to adjourn Public Hearing #2.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Biddlecombe, Artino, Claus, Tapp, Dike, Grieves (6)

NAYS: None (0)

There being more than a majority in favor, the Public Hearing was adjourned.

Call to Order Public Hearing #3

The Mayor called the Public Hearing on the Firelands Scientific's Petition to rescind Ordinance 1121.06 and update other sections of the Huron Codified Ordinances to align with Chapter 3780 of the Ohio Revised Code to order at 6:48pm.

Roll Call for Public Hearing #3

The Mayor directed the Clerk to call the roll for the Public Hearing. Members of Council in attendance: **Williams Biddlecombe, Sam Artino, Mark Claus, Monty Tapp, Joe Dike and Matt Grieves.** Member not in attendance. **Joel Hagy.**

Swear in Witnesses for Public Hearing #3

Mr. Schrader swore in witnesses, which included all members of Council, Cory Swaisgood and Matt Lasko. Mr. Schrader said that with the exception any licensed and practicing attorney in the audience), I would ask all council, all staff who are going to offer testimony and any member of the general public, with the exception of Mr. Gannon and other attorneys, to please raise their right hand and repeat, "Is the testimony you are about to give the truth, the whole truth and nothing but the truth, so help you God?" All answered, "I do."

Witness Testimony for Public Hearing #3

Mr. Lasko explained that this is the next in a series of public outreach efforts we have been going through over the last couple of months to bring everyone up to date, although the final slide of the presentation will show the public outreach to date. They have done four public meetings with really great attendance and have done a fifth meeting with a homeowners association, as well. They have continued activity on the City website and social media, etc. They will go through the presentation. He knows a lot of Council has seen this a couple times. It will be new to some, possibly, in the audience. There is a lot of information, and they will try to get through it expeditiously. At the same time, they will make sure it is very informative to the public as they consider this a really important request of our community.

Mr. Lasko referred to a PowerPoint presentation visible to the audience and Council, a copy of which is attached hereto as Exhibit "A." This conversation started a couple years ago. As most folks on Council and on the Finance Committee know, there are several departments in the City that are subsidized by the General Fund and are not self-sustaining. They simply do not have enough revenue through grant sources, taxes or other means to sustain their operations. That is not atypical to Huron – this is true for most local municipalities. Some of the departments that the General Fund subsidizes include Police, Streets, Stormwater, Parks & Recreation and Fire. He wanted to give a shoutout to all of the department heads who do a tremendous job every year trying to reduce costs and run efficiently. They get creative and do a lot of things "in house" versus subbing it out to third-party contractors. With that said, as much as our department heads do a tremendous job, there are a lot of reasons why the cost-cutting we do is not able keep up with a lot of things that are causing inflationary increases talked about over the years.

A couple of those challenges that they have been facing include significant increases in the maintenance of equipment and facilities – this is everything from supplies to third-party contractors when they do need to hire out that work. The cost of capital equipment and vehicles is increasing, whether that's a police cruiser, a truck for our water department, or a lawnmower for Parks & Recreation or our Streets Department. Employee costs are going up, predominantly healthcare. We have seen historical increases in the last couple of years. He knows a lot of municipalities and private companies are seeing those increases, as well. We are trying to mitigate that. We have for the last 2 years had our employees contribute more through their salary to offset a part of those costs, but it's still not keeping up with some of the increases they are seeing. The cost of debt/borrowing is also increasing. Just like we see it in our mortgage rates, the days of being able to 1% and 2% bond issuances are more like 4% or 5% having seen the recent bond issuance we did for the street resurfacing in Chaska and Old Homestead.

Mr. Swaisgood explained that the next few slides will show some graphs and forecasts that all of Council has see over the past few years. The Finance Committee probably has nightmares with these graphs. He said that he would skim through these briefly as they were all submitted at the public discussions, as well. He referred to a graph of the Fire Department, Streets Department and Parks & Recreation Department showing that the forecast with current expenses, inflationary growth and stagnant revenue, reflects these departments being in a deficit balance as early as 2027.

One of the graphs they have shown during the last year during the budget conversations is the operational fund projections, which is all of Streets, Fire and Parks & Recreation overlapped with the General Fund balance. This is assuming the General Fund will subsidize all the expected growth and expenses over the years for all the operational funds in Fire, Streets and Parks & Recreation. This shows proof that the

General Fund cannot subsidize all those departments' operations over the next few years, resulting in a deficit balance as early as 2028.

The current revenue sources for Fire, Streets, Stormwater and Parks & Recreation from 2019 to 2026 reflect the numbers that support the graphs. The revenue sources are expected to remain stagnant over the years. These tables show more support on the numbers of the graphs that were provided in the first slide of the graphs shown for each department and shows deficit spending starting as early as this year up through 2030. On the right, this is something they provided after the first couple public discussions, that show in 2024, the subsidy to Fire, Streets and Parks & Recreation has increased to \$500,000 when in the past it has been roughly around \$250,000.

Mr. Lasko said that right now, they have a state minimum income tax. This is the lowest a municipality can charge its residents and businesses. That 1% is charged to residents, people that come here to work, and it is charged to the net profits of local businesses. It is true that they have seen some good growth in their income tax over the last couple of years based on the annexation of Sawmill Creek Resort. They have also see the introduction of Ardagh to the community. They have also seen some intermediate projects, such as Buckeye Sports and some additions at South Shore Marine. He wanted to caution, and as they have always mentioned in their public meetings thus far, that they are seeing significant growth from Ardagh. However, that has really just offset what the City lost when IAC closed its doors. They also know that now that these businesses are fully staffed, their income tax is going to start to level off and they are already seeing that in 2024. In addition to a state minimum income tax, they only have one current levy which is a fire levy created in 1999. That levy has seen no growth in its revenue base in the 25 years that it has been in existence. As we will see later in the presentation, as they compare Huron to all the other communities, whether they be in Erie County, Huron County or Sandusky County, is that we are at the very bottom in terms of the combination of levies and income tax charged to our businesses, residents and employees that come here to work.

Every year, Mr. Swaisgood has been looking at these projections, talking to the Finance Committee and talking to Council for 3+ years. As mentioned, staff continuously look for ways to cut costs. They had their department heads go through an analysis as to what they have cut from a cost standpoint operationally, and what they have seen over the last 5 years is that they are saving \$450,000 over those departments mentioned previously due to efficiencies being found by our department heads. They are seeding a significant amount of grant dollars coming into this community. There is an amazing statistic showing that the City's budget has gone from \$19 million to \$24 million in 5 years. That sounds like a lot of spending. However, grant funds have gone from \$800,000 a year to \$5.4 million. The growth they are seeing in their budget and in their spending has been made possible by the work our departments have done to secure grant funds for these projects. A great example is the reconstruction of Sawmill Parkway. That was a \$3.5 million project for which Huron taxpayers paid only \$20,000. The fish cleaning station project cost \$600,000, and the City's total investment was \$15,000 - \$20,000. They are doing everything they can to leverage outside funding to undertake capital projects. Looking at Mr. Swaisgood's projection as presented and ultimately, during the 2024 budget cycle, both the Finance Committee and City Council, when approving the budget, gave a directive to staff to look for additional revenue streams. They didn't specifically say income tax, but really talked staff with coming up with ideas to generate significant revenue, which is what the staff has undertaken the last couple of months leading up to this conversation about a potential income tax. Next, they will talk about how they, from a staff level, came up with that recommendation.

Mr. Swaisgood said that during their research to try to find more revenue for the City going forward and more on a recurring basis because they can't rely on grants every year, especially operationally, they looked at income tax and a levy. He referred to a slide explaining the differences between income tax and levies – the pros and cons. Income tax is a tax on earned wages for individuals who live here and work in the City, and a tax on business net income within the City. Retirement wages are not taxed, which include social security benefits, 410K and pensionable wages. Investment income for all ages, whether retired or not, are not taxed and include capital gains, dividends and interest income. A levy is a charge applied to every single property and every resident that owns property in the City of Huron. Levies are generally a static amount and do not increase without voter approval. That results in any increase needed within a levy must go through the voters every 2-3 years, which results in voter fatigue on those levies. With an income tax, it does generally increase with inflation over years. Something that you can't offer with a levy, is to offer a reduced tax rate with a credit, which will be explained in a later slide. During their review of the amount of revenue that comes in from income tax, 25% of that income tax is received by the City from residents and local businesses. That means 75% of our income tax comes from non-residents – people that live outside the City and work in the City.

Mr. Lasko added that there are some philosophical guiding elements that staff followed during the first quarter of the year when they were looking at the difference between levy or income tax. The first is, whatever staff proposes, they want to minimize the financial impact on residents, both in terms of actual dollars and the number of individuals impacted. Secondly, they want to ensure the long-term stability of the City's operations. A lot of times with levies, as Mr. Swaisgood mentioned, they must go back to the voters every 3-4 years, and sometimes those renewals may not pass. It is very hard to do capital planning either from an equipment standpoint or a project standpoint where those projects take multiple years, when you don't know if those levy revenue sources are going to exist by the time the project is ready to go. Thirdly, they want to secure revenue enhancement that is very flexible. With levies, those funds are generally directed to specific uses. That can be Parks & Recreation or Streets or Fire. With the proposed income tax, the responsibility falls back onto the Finance Committee and Council with input from the community as to how to allocate those resources on an annual basis. There may be one year where Streets needs \$200,000 extra, and then the next year Fire needs some piece of equipment. This allows Council and the Finance Committee flexibility to move those dollars around to best serve the needs of the City and the residents. Mr. Lasko wanted to be clear that this is just the first Public Hearing and the first reading of Council. This is not a Council recommendation; this is a staff recommendation. Currently, what staff is recommending is to increase the income tax from the State minimum 1% with no credit to 1.75% with a 100% credit. Mr. Swaisgood will walk through how that credit impacts people because it can be a positive outcome for many residents.

Mr. Swaisgood said they would next cover what an income tax credit is and a few scenarios of what that looks like. He feels that this is the most important educational piece in response to this recommendation from staff to Council. An income tax credit is a credit to all residents living in the City and working in another income tax paying jurisdiction, such as the City of Sandusky, City of Lorain, etc. Any residents that live here and work in those cities, or any income tax paying city, will receive a credit (reduction) in what they pay in income tax to the City of Huron. Those residents will always pay the full amount of income tax where they work and will receive a reduction to what they pay to the City of Huron, which will result in total an aggregate of what you are paying in income tax to be a reduction to what you are paying now. The credit does not apply to residents that work in the City of Huron or work in a jurisdiction that does

not have an income tax, such as a township like Perkins Township. The income tax impact has been categorized into three different scenarios. Those impacted positively by the increase (meaning they will see a reduction in what they pay in total in income tax) are individuals that live in Huron but work outside of Huron in a jurisdiction that has an income tax, such as Sandusky. Not impacted by the increase are individuals who live here in Huron and are collecting social security benefits, pension, 401K distributions and individuals earning investment income such as capital gains and dividends. Those that are negatively impacted are individuals that live in Huron/work in Huron, live in Huron/work in a non-taxing jurisdiction such as Perkins Township, and those who live outside of Huron/work in Huron.

If you are living in the City of Huron, you are paying Huron's 1% income tax. If you work in Sandusky, you are paying Sandusky's 1.25% income tax. On your total earned wages, you are paying 2.25% income tax every year. With the proposed recommendation with the 100% credit and raising the income tax to 1.75% in Huron, that same resident would still pay Sandusky the 1.25%, but would only pay Huron 0.5% because they would receive a 100% credit up to the 1.75% of where you work. Their income tax liability goes from paying 2.25% down to 1.75%. Assuming an individual makes an annual wage of \$65,000 would save \$325.

If you are working in a jurisdiction that has an income tax greater than 1.75%, such as the City of Cleveland, you would currently be paying the City of Huron's 1% and the City of Cleveland's 2.5%, for a total of 3.5% of total wages in income tax. With the recommendation, that income tax liability would go down from 3.5% to 2.5% because you would be receiving 100% credit for the City of Huron and would not be paying income tax to the City of Huron. The estimated savings on a \$65,000 annual wage would be \$650.

If you are a resident working in a Township or working within the City of Huron, you will see the full impact of the increase from 1% to 1.75%, which in this example would be an increase of \$488.

Although the City of Huron would go from 1% to 1.75%, which as you can see is near the top of the table on the slide, with only 1 levy compared to Vermilion, Port Clinton or Elmore with multiple levies, the City moves down the table. They also provided another column to show that in some of the other jurisdictions they also have school district income tax, such as the City of Clyde (although you are paying 1.5% in income tax, you would also be required to pay another 1.5% in school district tax).

Mr. Lasko stated that looking at the financial impact based on 2023 number, if this were to be approved first by Council and then in November if it is put on the ballot, what does that mean? Based on 2023 numbers, that would be \$1.8 million in additional revenue. As mentioned, \$450,000 of the \$1.8 million would come from local residents and \$1.35 million would come from people who commute here to work. For every one local dollar, they would be bringing in three dollars from outside the community to be used 100% for the community. It generally takes up to 3 years to see the full increase based on filing deadlines, which is why they are having this conversation now versus 2026 or 2027, because they know there is that lag. Another question they received at one of the public meetings was what if the City went the levy route to bring in the same \$1.8 million? What would that impact be? To do the same \$1.8 million, it would cost people who own real estate \$235.00 for every \$100,000 of value. Not only do they believe the gross number is higher, but it would also impact significantly more people who live in the City of Huron. People also asked what the money was going to be used for. As much as they said they want to explore that on an annual basis, they know that they need to help stabilize some of the operations of the departments – Police, Fire, Parks & Recreation, Streets and Stormwater. However, what they don't want this to be is a tax that is only being used to stabilize operations. They want to make sure the community sees

investments, as well. Although they will vet these projects on an annual basis, some of the things they can use the tax revenue for are supporting stormwater maintenance and improvements. They bring in only about \$80,000/year in their stormwater fee. That is not enough to do any type of capital projects to address some of the major flooding issues in this community. Tree and sidewalk improvement program – right now, they are in the second year of that program in which that cost of borne entirely by the property owner. Is that cost something the City can absorb after the first 4 years of the program. Can the City do all of the trees and sidewalks that need to be addressed in the City. Additionally, investing in street resurfacing could be a use. They have been successful in getting grant funding for street resurfacing, but grant funding is historically only permitted on state routes such as Route 6, Route 13 or in an industrial park. Their neighborhoods, which need investment, are not eligible for grant dollars. They must continue to make those investments. Additional projects on their capital projects list can also use these funds.

Another question they received at the first or second meeting was how the financials would look with the increase in income tax, which would be effective January 1, 2026. Mr. Swaisgood indicated green bars on the screen, which are the operational fund impact on Streets, Fire, Stormwater and Parks & Recreation overlapped with the General Fund balance. By 2028, there would be a deficit balance in all those funds. The blue graph bars reflect the impact of the increase in the income tax, which would begin in 2025. As you can see in 2024, those fund levels are what they are trying to maintain going forward. It takes approximately 3 years to see that full impact, so that is why the blue graph goes down a little bit. They are trying to maintain the fund levels they are at now and the services, while increasing some of the expenses that Mr. Lasko just mentioned. The additional \$1.8 million shows that they could be right at that fund level by 2029/2030.

To summarize all of the public outreach they have done to date, Mr. Lasko said that starting in April, they rolled out a series of 4 public meetings held at various locations throughout the community that were very well attended. They had the Sandusky Register make there were both online and printed articles about the potential consideration of an income tax increase and announcing their public meetings. They have also met with one homeowners' association and have emailed them asking if they are willing to sit down with them and have a conversation either in their neighborhood or at City Hall. The City has made 15+ social media posts about meetings or elements of the proposal, including using the text alert system for all of the public meetings. They made a presentation to the Financial Committee in mid-May, which was open to the public. The Finance Committee unanimously supported the proposal from staff. They are now at the next phase, for which they are here tonight with the Public Hearing. Ultimately, if this were to be considered by Council, it does have to go to 3 readings. This would not only be read tonight at its first reading, but there would also be a second reading on July 9th and a third reading on July 23rd. If approved to be put on the ballot, they would continue outreach starting in August, as well, with the community. They have also created an income tax calculator that is available to every resident of the City because at the end of the day, most folks just want to know how they are impacted. Are they going up, are they going down, or are they staying the same? They have a very simple 1-page calculator where you put in your 2023 earned wages and where you work, and it tells you very quickly if you are proposed to go up or down if this were to pass. Mr. Lasko stressed that they do not, at the staff level, any financial request of this community lightly. Unfortunately, there is no way to exclude every resident from the increase, but because of the City's economic demographics, it is remarkable how much of this is paid by people who don't live here. They also asked what happens if they see the trend start to drop where they are seeing fewer people commuting here to work. That is always possible, but what they have seen over the last 5 years is that the number is actually increasing. 5 years ago, the City was in the mid-60% and they are all

the way up to 75%, and he thinks that is probably going to continue to grow because the population base is becoming older. He doesn't say that in a bad way, but a lot of the jobs are being filled by people who are commuting here to work, not living here. Again, as a lot of these houses turn over, they are starting to see an older crowd. Some of them may still be working, but our workforce is being dominated and continuously growing with people coming here to work. They think they have a unique opportunity with this proposal to really minimize the impact on our residents, but make sure they get 100% of the benefit.

Motion by Mr. Biddlecombe to adjourn Public Hearing #3.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Biddlecombe, Artino, Claus, Tapp, Dike, Grieves (6)

NAYS: None (0)

There being more than a majority in favor, the Public Hearing was adjourned.

Call to Order Regular Meeting

The Mayor called the regular meeting to order at 7:17pm. The Mayor called for a moment of silence. After the moment of silence, the Mayor led in saying the Pledge of Allegiance to the Flag.

Roll Call

The Mayor directed the clerk to call the roll for the regular meeting of Council. The following members of Council answered present: **William Biddlecombe, Sam Artino, Mark Claus, Monty Tapp, Joe Dike and Matt Grieves.** Member absent: **Joel Hagy.**

Motion by Mark Claus to excuse the absence of Mr. Hagy from tonight's meeting.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Claus, Tapp, Dike, Grieves, Biddlecombe, Artino (6)

NAYS: None (0)

There being a majority in favor, the motion passed and Mr. Hagy's absence was excused.

Staff in attendance: City Manager Matt Lasko, Law Director Todd Schrader, Finance Director Cory Swaisgood, Service Director Stuart Hamilton, Police Chief Terry Graham, Parks & Recreation Operations Manager Doug Steinwart, Fire Captain Kurt Schafer and Terri Welkener, Clerk of Council.

Approval of Minutes

None.

Audience Comments

The Mayor directed members of the audience having comments to approach the podium, state their name and address Council, and advised that they would have 3 minutes to make their comments.

Russ and Rebecca Haslage – 1125 Mudbrook Rd. Mr. Haslage said they have four sets of pictures, which were disseminated to Council.

Rebecca Haslage said, "My name is Rebecca Haslage and this is my husband, Russ. Our address is 1125 Mudbrook Road. The issue we wish to bring to your attention and ask for your consideration is the placement of the new fire hydrant. Our hope is that you would ask yourself, what if this were my home? I am sure you are aware of the new water lines being installed. A new fire hydrant was installed on our property at 1125 Mudbrook Road as part of that project. While we understand the hydrant needs to be installed on our property, it is the placement that concerns us. The hydrant was placed 16-1/2 feet off the road in the very middle of our front yard. With the slope of our property, this looks like a lawn ornament. We could maybe understand if we had limited frontage. However, on the south side of our driveway we have 43 feet to the property line. We question why they chose the very middle of our front yard to place the hydrant. We have spoken to Mr. Lasko and indirectly to the Service Director, who indicated it would be difficult and expensive to move the line. However, we are not asking for the line to be moved. Our only ask is the hydrant be moved so it is not located directly in the middle, and relocated while the construction is going on and before the work is completed, either to the south or north where it is more discreet and away from the dead center of our yard, decreasing the curb appeal and our view from inside our house. Are the residents considered in planning, as far as placement is concerned? I ask you, City Council and City officials, to be honest. If this was your house, would you like it? Would you have approved a plan like this for your front yard? How are we to know ahead of time so maybe we could have brought this to someone's attention sooner. Because the City officials have the power to make the decision on these matters, do they not also have the responsibility to consider the residents? 1125 Mudbrook Road. We invite you to drive by, pull in our drive, knock at our door, see what we see, and address our concerns on this change that will permanently affect us long after the construction is completed. As taxpayers of the City of Huron, we understand it might cost more to relocate the hydrant, but this is a permanent change and the right thing to do. We ask not only for ourselves, but for all homeowners of Huron in the future project planning. Please give this matter serious consideration. What if this was your home. We thank you for your time."

Mayor Tapp said that they will talk to Mr. Lasko and Mr. Hamilton and he definitely sees their concerns. He said he has some concerns with picture #5. Mrs. Haslage said (from the audience), "One way or another, we look out our front window and our yard is on a slope, it is not just flat down by the road...". Mayor Tapp said he gets it, and they will get this discussed and see what they can do.

Old Business

Ordinance No. 2024-18 (third and final reading)

Motion by Mr. Tapp that Ordinance No. 2024-18 (AN ORDINANCE ESTABLISHING EMERGENCY MEDICAL SERVICES FEES) be placed on its third and final reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Tapp, Dike, Grieves, Biddlecombe, Artino, Claus (6)
NAYS: None (0)

There being a majority in favor, the motion passed and Ordinance No. 2024-18 was placed upon its third and final reading. The Law Director read the Ordinance by its title only.

Captain Schafer said he is just here for questions, as this is the third reading.

Mayor Tapp said he believes Council asked other questions previously and they know what it's for.

The Mayor asked if there were further questions. There being none, the Mayor directed the Clerk to call the roll on final adoption of Ordinance No. 2024-18. Members of Council voted as follows:

YEAS: Tapp, Dike, Grieves, Biddlecombe, Artino, Claus (6)

NAYS: None (0)

There being more than a majority in favor of adoption, Ordinance No. 2024-18 was adopted. The Ordinance as adopted was signed by the Mayor and Clerk of Council and will take effect immediately.

Ordinance No. 2024-20 (second reading)

Motion by Mr. Artino that Ordinance No. 2024-20 (AN ORDINANCE REPEALING AND AMENDING AND RESTATING SUBSECTION 1126.15(d)(1) (SETBACKS) UNDER SECTION 1126.15 (SELF-SERVICE STORAGE AND MINI-STORAGE) OF CHAPTER 1126 (SPECIAL PROVISIONS) OF THE CODIFIED ORDINANCES OF HURON, OHIO TO ESTABLISH A NEW SUBSECTION 1126.15(d)(1)(D)) be placed on its second reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Artino, Claus, Tapp, Dike, Grieves, Biddlecombe (6)

NAYS: None (0)

There being a majority in favor, the motion passed and Ordinance No. 2024-20 was placed upon its second reading. The Law Director read the Ordinance by its title only.

Mr. Lasko explained that as the result of a recent project that has been submitted to the City, staff believes there is somewhat conflicting language in our codes. First, there is a Mini-Service Storage Code which was created in 2017. In that code, it requires setbacks for storage facilities with the thought that a lot of these may pop up around residential districts, etc. It includes 15' side setbacks and 30' front and rear setbacks. They also have both I-1 and I-2 zoning districts which require no setbacks regardless of project type. The project that is currently being proposed is in an industrial district that would have required setbacks because the Mini-Storage Facility code would supersede the industrial zoning. What his being proposed is to amend the Mini-Storage code to still have the setbacks that were originally included, but to exclude the setback requirement if you are in an I-1 or an I-2 district. From a safety services standpoint, based on review of police or fire, if they believe there needs to be setbacks even though the I-1 and I-2 don't require it, they have the absolute right to propose whatever setbacks they want to ensure there is vehicular access for emergency vehicles.

Mr. Dike asked, "If I am submitting a plan and I want setbacks, I can then go to the BZA and get a different setback. For example, if the Fire Department said it wants a setback, can I then appeal it and go to the BZA, and do they have the authority to say, yes, we will give it to you, Mr. Dike." Mr. Schrader answered that the BZA exists for any aggrieved citizen who doesn't like the result of a City decision and they are free to go to the BZA if they so choose. It is there for every citizen. Mr. Dike asked if the BZA can supersede the fire department if it sees something that is safety related. Mr. Schrader answered that any aggrieved citizen that doesn't like the result has the right to go to the BZA and if fire and safety say this is the way it has to be and they don't like it, the BZA is the place for them to go. We cannot prevent people from going to the BZA. If they get a result they don't like, that is what the BZA is for. You would certainly hope and expect that the BZA would take all factors into consideration.

Mayor Tapp said Mr. Artino brought this up at the last meeting. Mr. Artino said Mr. Lasko addressed his concerns about input from the fire department; he thinks that has been addressed.

The Mayor asked if there were any questions on the motion. There were none.

New Business

Ordinance No. 2024-28

Motion by Mr. Grieves that Ordinance No. 2024-28 (AN ORDINANCE AUTHORIZING AND DIRECTING THE SUBMISSION TO THE ELECTORS OF A PROPOSED AMENDMENT OF ARTICLE VIII OF THE CHARTER OF THE CITY OF HURON BY REPLACING ARTICLE VIII RELATING TO PERSONNEL IN ITS ENTIRETY) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Grieves, Biddlecombe, Artino, Claus, Tapp, Dike (6)

NAYS: None (0)

There being a majority in favor, the motion passed and Ordinance No. 2024-28 was placed upon its first reading. The Law Director read the Ordinance by its title only.

Ms. Rocco thanked Council for having her here. She explained that she will provide a quick summary of what the Charter Review Commission discussed and have presented to Council. She thanked Council and said how nice it was to work with the Charter Review Commission. They were all very interested and they had a very nice conversation. They were engaged and seemed to really take their responsibilities seriously. It was really nice to work with them. The changes you see reflected in this ordinance are changes that had to be made because of the establishment of federal and state laws that happened after the Charter was written – laws like the FLSA, Chapters 4115 and 4117 in the State of Ohio which handle collective bargaining, as well as ORC 124.57. The other major change was removal of wording such as "exempt" and "non-exempt," which have taken quite a different meaning under the Fair Labor Standards Act, and replace that with "classified" and "unclassified." Basically, fire and police departments are classified employees. They are classified employees because we have tests that those employees have to take in order to be considered for hiring. As promotions occur, there are different types of tests, both written

assessments and in-person assessments. That is why they are in a different class than the rest of the employees at the City of Huron.

The Mayor asked if there were any further questions. He thinks if there are any questions, they may be calling her. There were no questions.

Ordinance No. 2024-25

Motion by Mr. Biddlecombe that Ordinance No. 2024-25 (AN ORDINANCE AUTHORIZING AND DIRECTING THE SUBMISSION TO THE ELECTORS OF A PROPOSED AMENDMENT TO ARTICLE II, SECTION 2.08(2) OF THE CHARTER OF THE CITY OF HURON RELATING TO POWERS OF THE COUNCIL) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Biddlecombe, Artino, Claus, Tapp, Dike, Grieves (6)

NAYS: None (0)

There being a majority in favor, the motion passed and Ordinance No. 2024-25 was placed upon its first reading. The Law Director read the Ordinance by its title only.

Mr. Schrader said that this particular edit was something the Charter Review Commission came up with as the former language addressed staffing of departments, and to bring it more current with how the City conducts its affairs, the recommended change permits the Council to have the authority to establish the internal organization of the City administration, with the staffing of departments more in the City Manager line. They felt it was important that this was an older and outdated provision that wasn't reflective of how the City actually conducts business today.

The Mayor asked if there were any further questions. There were none.

Ordinance No. 2024-26

Motion by Mr. Artino that Ordinance No. 2024-26 (AN ORDINANCE AUTHORIZING AND DIRECTING THE SUBMISSION TO THE ELECTORS OF A PROPOSED AMENDMENT TO ARTICLE VI OF THE CHARTER OF THE CITY OF HURON TO DELETE SECTION 6.09 RELATING TO ALLOTMENTS) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Artino, Claus, Tapp, Dike, Grieves, Biddlecombe (6)

NAYS: None (0)

There being a majority in favor, the motion passed and Ordinance No. 2024-26 was placed upon its first reading. The Law Director read the Ordinance by its title only.

Mr. Schrader said he would like to defer comment and yield the balance of his time to Mr. Swaisgood on this matter. Mr. Swaisgood stated that this section of the Charter is about allotments. After review and discussion with the Charter Review Commission, he recommended that this section be removed. This is

an unnecessary inefficient process used mostly during the days when the City was a village. This might have been necessary to follow to a "t" back then with the limited resources and finance administration. This section calls for every department to submit a budget every quarter, and allocate their budget that was already approved by City Council, to the City Manager and they cannot encumber their funds and do purchase orders unless approved by the City Manager. That is done annually through the annual budgetary process, which you all know is a 6-month process they do now. The budget is already allocated by Council and the City Manager, and the City Manager approves those purchase orders. They are already doing that and that process is already in the Charter. This really is an unnecessary section of the Charter, in his opinion, to even have in there. His recommendation was to remove that.

Mr. Claus commented that one of the reasons they don't all have questions about these is they already had a presentation from the Charter Review Commission at their last meeting. They have already been brought somewhat up-to-speed. That's why none of them have any questions at this time, or at least he presumes that is why none of them have any questions (other than the fact it's a long meeting and they are trying to keep things rolling, as well). Tom Harris and his committee did a good job presenting at the last meeting so they previously have the information. Mr. Biddlecombe added that they have on their tablets before them the agenda packet that includes all of the changes. Any resident can go on the City's website and download that, as well, if they would like to read it.

The Mayor asked if there were any further questions. There were none.

Ordinance No. 2024-27

Motion by Mr. Dike that Ordinance No. 2024-27 (AN ORDINANCE AUTHORIZING AND DIRECTING THE SUBMISSION TO THE ELECTORS OF A PROPOSED AMENDMENT TO ARTICLE IV, SECTION 4.022 OF THE CHARTER OF THE CITY OF HURON RELATING TO DUTIES OF THE CITY MANAGER) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Dike, Grievess, Biddlecombe, Artino, Claus, Tapp (6)
NAYS: None (0)

There being a majority in favor, the motion passed and Ordinance No. 2024-27 was placed upon its first reading. The Law Director read the Ordinance by its title only.

Mr. Schrader explained that this ordinance relates to a change that comports with Attorney Rocco's change in Article VIII that used to reference the City Manager having the authority to appoint for the good of the service, remove officers and employees under the "merit system" as provided in the Charter. They have eliminated the "merit system" language, so based on the Charter Review Commission's recommendation, they believe because of that modification to the merit system, that this should be changed as well. Instead of saying "merit system" it now says the City Manager can do these things in accordance with the Charter and generally applicable law. This change is necessary to be consistent with the changes in Article VIII.

Mr. Lasko said a different way to describe it that was talked about at the last meeting was that right now, if you read the Charter strictly, it would suggest that every single promotion in the City needs to be done via a merit system, which equates to a testing process. We do that in police and fire for their promotions. For example, if they had an opening in a Planning or Finance Department, which are more administrative, they don't want to fall back on a test to determine who should get that promotion – it should be based on track record and past performance. They are trying to make a distinction between the folks that have historically taken promotional tests versus administrative employees that do not take promotional tests.

The Mayor asked if there were any further questions. There were none.

Ordinance No. 2024-29

Motion by Mr. Biddlecombe that Ordinance No. 2024-29 (AN ORDINANCE AUTHORIZING AND DIRECTING THE SUBMISSION TO THE ELECTORS OF A PROPOSED AMENDMENT TO ARTICLE V, SECTION 5.10 OF THE CHARTER OF THE CITY OF HURON RELATING TO QUALIFICATIONS OF THE DIRECTOR OF LAW) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Biddlecombe, Artino, Claus, Tapp, Dike, Grieves (6)
NAYS: None (0)

There being a majority in favor, the motion passed and Ordinance No. 2024-29 was placed upon its first reading. The Law Director read the Ordinance by its title only.

Mr. Schrader stated that this change emanates from when they first started as Law Director, there was a suggestion that he could be called to serve as legal counsel for the School Board and ORC 3313.35 uses the word "shall" that if called, he must serve for no additional compensation. The conducted research and there is an Ohio Attorney General Opinion from 2008 that protects the home rule power and allows cities to amend the Charter to state that the Law Director may not serve as legal counsel for the Huron School Board. As discussed at the public hearing, it is also a question of his ability to serve in that role. He is not competent or qualified and the canons that govern his conduct bar him from undertaking things that he is not qualified to do. The Ohio Attorney General Opinion states that if the City passes something like this and it conflicts with the Ohio statute, the Home Rule Powers usurp the ordinance and permit the city to undertake the action being proposed.

The Mayor asked if there were any further questions. There were none.

Ordinance No. 2024-24

Motion by Mr. Claus that the three-reading rule be waived, and Ordinance No. 2024-24 (AN ORDINANCE AMENDING SECTIONS 185.01, 185.03, 185.04 AND 185.06 OF THE CODIFIED ORDINANCES OF THE CITY OF HURON, OHIO, TO PROVIDE FOR THE LEVY OF AN ADDITIONAL SEVENTY-FIVE ONE-HUNDREDTHS PERCENT (0.75%) INCOME TAX BEGINNING JANUARY 1, 2025, AND PROVIDING A CREDIT UP TO 1.75% FOR INCOME TAX PAID TO OTHER MUNICIPALITIES; AND DECLARING AN EMERGENCY) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Claus, Tapp, Dike, Grievess, Biddlecombe, Artino (6)

NAYS: None (0)

There being a majority in favor, the motion passed and Ordinance No. 2024-24 was placed upon its first reading. The Law Director read the Ordinance by its title only.

Motion by Mr. Claus to place Ordinance No. 2024-24 as an emergency measure.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on placement of Ordinance No. 2024-24 as an emergency measure. Members of Council voted as follows:

YEAS: Claus, Tapp, Dike, Grievess, Biddlecombe, Artino (6)

NAYS: None (0)

There being five or more votes in favor, the motion passed and Ordinance No. 2024-24 was placed as an emergency measure.

Mr. Swaisgood said that he would be addressing this ordinance and the next resolution, as they both pertain to the income tax. As presented during the public hearing, the administration is recommending an income tax increase from 1% to 1.75%, allowing for 100% credit for residents that work in another taxed jurisdiction. The City does not currently offer a credit. Ordinance No. 2024 -24 amends the City's tax code in four different sections of the Codified Ordinances. If approved by Council to go on the November ballot and passed by the voters, these sections of the Code would amend the current language with income tax increased to 1.75% and providing a credit of up to 1.75% (or 100% credit). The ordinance is expected to go three readings and will be tabled until after the election on November 5, 2024, if Council puts the income tax on the ballot and the ballot is approved by the voters. Resolution No. 57-2024, the next item on the agenda, is a resolution of necessity to go three readings before Council to put the income tax increase on the November ballot. This ordinance would be tabled after this reading, not after three readings.

Motion

Motion by Mr. Claus to table Ordinance No. 2024-24.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Claus, Tapp, Dike, Grievess, Biddlecombe, Artino (6)

NAYS: None (0)

There being more than a majority in favor, the motion passed and Ordinance No. 2024-24 was tabled.

Resolution No. 57-2024

Motion by Mr. Claus that Resolution No. 57-2024 (A RESOLUTION DECLARING THE NECESSITY OF AN ELECTION ON THE QUESTION OF APPROVING THE PASSAGE OF AN ORDINANCE TO AMEND SECTIONS 185.01, 185.03, 185.04 AND 185.06 OF THE CODIFIED ORDINANCES OF THE CITY OF HURON, OHIO, IN ORDER TO PROVIDE FOR THE LEVY OF AN ADDITIONAL SEVENTY-FIVE ONE-HUNDREDTHS PERCENT (0.75%) INCOME TAX BEGINNING JANUARY 1, 2025 AND PROVIDING A CREDIT UP TO 1.75% FOR INCOME TAX PAID TO OTHER MUNICIPALITIES, AND DECLARING AN EMERGENCY) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion waiving the three-reading rule. Members of Council voted as follows:

YEAS: Claus, Tapp, Dike, Grieves, Biddlecombe, Artino (6)

NAYS: None (0)

There being more than five votes in favor, the motion suspending the three-reading rule passed, and Resolution 57-2024 was placed upon its first reading. The Law Director read the Resolution by its title only. The Clerk pointed out that the title was incorrect, and that he was reading the title that omits the 100% credit (Section 185.06). The Clerk then read the Resolution by its title only.

Mr. Swaisgood said that he didn't have any other comments to make other than if passed after three readings, it will go to the voters on the November ballot. In order for this resolution to be put on the ballot, it would need to be passed by August 7th of this year.

The Mayor asked if there were any further questions on the motion. There were none.

Ordinance No. 2024-30

Motion by Mr. Dike that the three-reading rule be waived and Ordinance No. 2024-30 (AN ORDINANCE TO REVISE THE CODIFIED ORDINANCES BY ADOPTING CURRENT REPLACEMENT PAGES; AND DECLARING AN EMERGENCY) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Dike, Grieves, Biddlecombe, Artino, Claus, Tapp (6)

NAYS: None (0)

There being a majority in favor, the motion passed and Ordinance No. 2024-30 was placed upon its first reading. The Law Director read the Ordinance by its title only.

Mr. Lasko explained that this is done a couple of times each year. This is for consideration to accept replacement pages to our codified ordinances. This would be to swap out any change the City has made to its codified ordinances through April of 2024, and to adopt any changes at the State level relating to the Traffic Code or General Offenses Code. If approved, they will make those changes on the City's website and place those revised pages at the Public Library. We do this a couple time a year to make sure the public has full access to the current list of codes in the City.

The Mayor asked if there were any other questions on the motion. There being none, the Mayor directed the Clerk to call the roll on final adoption. Members of Council voted as follows:

YEAS: Dike, Grievess, Biddlecombe, Artino, Claus, Tapp (6)

NAYS: None (0)

There being more than a majority in favor, the motion passed, and Ordinance No. 2024-30 was adopted. The Ordinance as adopted was signed by the Mayor and Clerk of Council and will take effect in 30 days.

NOTE: Ordinance No. 2024-30 was re-read at the end of the meeting, following the Executive Session, to ensure that it was passed as an emergency measure.

Ordinance No. 2024-32

Motion by Mr. Artino that Ordinance No. 2024-32 (AN ORDINANCE REPEALING AND AMENDING AND RESTATING SECTION 1121.08 (REGULATIONS APPLYING TO ALL DISTRICTS) OF CHAPTER 1121 (DISTRICTS ESTABLISHED; BOUNDARIES; GENERAL REGULATIONS) OF THE HURON CODIFIED ORDINANCES) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Artino, Claus, Tapp, Dike, Grievess, Biddlecombe (6)

NAYS: None (0)

There being a majority in favor, the motion passed and Ordinance No. 2024-32 was placed upon its first reading. The Law Director read the Ordinance by its title only.

Mr. Lasko said that he would like to address this and the next ordinance (Ord 2024-33). Ordinance No. 2024-32 is quite simply amending our current regulations, which restrict outright any dispensing of marijuana for recreational purposes in all zoning districts. They are proposing to amend this Code to come into compliance with the Ohio Revised Code by allowing the retail dispensing of marijuana for recreational purposes, but limiting that to the one location city-wide, which already currently exists. Ordinance 2024-33 accomplishes two amendments to Section 1126.16 of Chapter 1126, which is to first add some additional Ohio Revised Code references to reflect the new Code the State put into place in 2023. Second, amend language to treat dispensing of marijuana to include both recreational and medical purposes by eliminating that distinction. All other elements in terms of distance from churches, schools, etc. all continue to remain in place. This creates more general definition to include recreational dispensing.

The Mayor asked if there were any further questions. There were none.

Ordinance No. 2024-33

Motion by Mr. Artino that Ordinance No. 2024-33 (AN ORDINANCE REPEALING AND AMENDING AND RESTATING SECTION 1126.16 (MARIJUANA RETAIL DISPENSARIES) OF CHAPTER 1126 (SPECIAL PROVISIONS) OF THE HURON CODIFIED ORDINANCES) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Artino, Claus, Tapp, Dike, Grieves, Biddlecombe (6)
NAYS: None (0)

There being a majority in favor, the motion passed and Ordinance No. 2024-33 was placed upon its first reading. The Law Director read the Ordinance by its title only.

Mr. Lasko had nothing further to add. Mayor Tapp acknowledged that representatives from Firelands Scientific were in attendance.

The Mayor asked if there were any further questions. There were none.

Resolution No. 58-2024

Motion by Mr. Grieves that the three-reading rule be waived, and Resolution No. 58-2024 (A RESOLUTION AUTHORIZING SUBMISSION OF BOATING INFRASTRUCTURE GRANT (BIG) PROGRAM APPLICATION TO THE OHIO DEPARTMENT OF NATURAL RESOURCES – DIVISION OF WATERCRAFT AND UNITED STATES FISH & WILDLIFE SERVICE FOR TIER II FUNDING ASSISTANCE RELATING TO THE HURON MUNICIPAL BOAT BASIN RENOVATION PROJECT IN AN AMOUNT NOT TO EXCEED ONE MILLION FIVE HUNDRED THOUSAND AND XX/100 DOLLARS (\$1,500,000.00); AND FURTHER AUTHORIZING THE CITY MANAGER TO ACCEPT SAID GRANT AWARD IN AN AMOUNT NOT TO EXCEED ONE MILLION FIVE HUNDRED THOUSAND AND XX/100 DOLLARS (\$1,500,000.00), SHOULD THE APPLICATION BE SUCCESSFUL) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion waiving the three-reading rule. Members of Council voted as follows:

YEAS: Grieves, Biddlecombe, Artino, Claus, Tapp, Dike (6)
NAYS: None (0)

There being more than five votes in favor, the motion suspending the three-reading rule passed, and Resolution 58-2024 was placed upon its first reading. The Law Director read the Resolution by its title only.

Mr. Steinwart stated that this is the Boating Infrastructure (BIG) Grant Tier II that allows up to \$1.5 million for public marinas that provide transient dockage. This is a reimbursement grant through ODNR. These federal funds can be used up to 75% of the approved project cost. It is a very competitive grant in nature, and is due by July 1st.

The Mayor asked if there were any further questions on the motion. There being none, the Mayor directed the Clerk to call the roll on final adoption of Resolution No. 58-2024. Members of Council voted as follows:

YEAS: Grieves, Hagy, Biddlecombe, Artino, Claus, Tapp (6)
NAYS: None (0)

There being more than a majority in favor of adoption, Resolution No. 58-2024 was adopted. The Resolution as adopted was signed by the Mayor and Clerk of Council and will take effect immediately.

Resolution No. 59-2024

Motion by Mr. Dike that the three-reading rule be waived, and Resolution No. 59-2024 (A RESOLUTION OF NECESSITY RECOMMENDING AND RATIFYING INSPECTION OF PROPERTY LOCATED AT 531 BERLIN ROAD, HURON, OH 44839 (ERIE COUNTY, OHIO PPN: 42-01067.000) IN ANTICIPATION OF ENFORCEMENT OF BUILDING CODE AND PROPERTY MAINTENANCE ORDINANCES; ORDERING THE DEMOLITION OF THE STRUCTURE LOCATED AT 531 BERLIN ROAD, HURON, OH 44839 PURSUANT TO THE HOUSING INSPECTOR'S NOTICE OF INTENT TO DEMOLISH THE STRUCTURE; AND ORDERING CERTIFICATION OF THE EXPENSES AND LABOR COSTS INCURRED TO THE ERIE COUNTY, OHIO AUDITOR TO BE PLACED UPON THE TAX DUPLICATE AS A LIEN UPON SUCH LAND) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion waiving the three-reading rule. Members of Council voted as follows:

YEAS: Dike, Grieves, Biddlecombe, Artino, Claus, Tapp (6)

NAYS: None (0)

There being more than five votes in favor, the motion suspending the three-reading rule passed, and Resolution 59-2024 was placed upon its first reading. The Law Director read the Resolution by its title only.

Mr. Hamilton said that in March of 2023, the Building Official condemned this property. They put this demolition out to bid, which received numerous bids. The bid was awarded and it was demolished in February of 2024. They invoiced the property owner, giving them 30 days to pay after which she declined to pay. This is the last step to assess the full amount on the property owner's tax duplicate to recover the money.

Mr. Schrader added that this property is in currently in tax foreclosure. The City of Huron was named to protect our interests because we have a Notice of Demolition on record. This is to make sure the costs get on the tax duplicate and the City's position is protected in the event there is a recovery.

The Mayor asked if there were any further questions on the motion. There being none, the Mayor directed the Clerk to call the roll on final adoption of Resolution No. 59-2024. Members of Council voted as follows:

YEAS: Dike, Grieves, Biddlecombe, Artino, Claus, Tapp (6)

NAYS: None (0)

There being more than a majority in favor of adoption, Resolution No. 59-2024 was adopted. The Resolution as adopted was signed by the Mayor and Clerk of Council and will take effect immediately.

Resolution No. 60-2024

Motion by Mr. Artino that the three-reading rule be waived, and Resolution No. 60-2024 (A RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT THE PROPOSAL AND ENTER INTO AN AGREEMENT WITH SMITH PAVING & EXCAVATING INC. FOR CONCRETE PAVING AND CATCH BASIN

RECONSTRUCTION SERVICES RELATING TO THE EMERGENCY SERVICES PARKING LOT REPAVING PROJECT IN THE AMOUNT OF SIXTY-FOUR THOUSAND AND XX/100 (\$64,000.00)) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion waiving the three-reading rule. Members of Council voted as follows:

YEAS: Artino, Claus, Tapp, Dike, Grieves, Biddlecombe (6)
NAYS: None (0)

There being more than five votes in favor, the motion suspending the three-reading rule passed, and Resolution 60-2024 was placed upon its first reading. The Law Director read the Resolution by its title only.

Mr. Claus asked if this is supposed to be DL Smith or Smith Paving. Mr. Hamilton answered that this is Smith Paving. (Jokingly) After they lost one of the cruisers in one of the potholes.... They have been putting off repaving this parking lot for a while, so the City Manager finally directed him to get it fixed. They got multiple quotes in and the project involves cutting the entire center out of the parking lot, replacing it with 8" reinforced concrete, replace the concrete median between the emergency services parking lot and the Court parking lot, dig out the catch basins in the other parking lots, reform them, and repour the centers of those parking lots. They will also make miscellaneous repairs on sidewalks and try to improve some existing drainage issues. This was the lowest quote that came in, at \$64,000.

The Mayor asked if there were any further questions on the motion. There being none, the Mayor directed the Clerk to call the roll on final adoption of Resolution No. 60-2024. Members of Council voted as follows:

YEAS: Artino, Claus, Tapp, Dike, Grieves, Biddlecombe (6)
NAYS: None (0)

There being more than a majority in favor of adoption, Resolution No. 60-2024 was adopted. The Resolution as adopted was signed by the Mayor and Clerk of Council and will take effect immediately.

Resolution No. 61-2024

Motion by Mr. Tapp that the three-reading rule be waived, and Resolution No. 61-2024 (A RESOLUTION AUTHORIZING THE CITY MANAGER TO ACCEPT THE PROPOSAL AND ENTER INTO AN AGREEMENT WITH MUNICIPAL EMERGENCY SERVICES FOR THE PURCHASE OF TEN (10) SETS OF TURNOUT GEAR FOR THE HURON FIRE DEPARTMENT IN THE AMOUNT OF FORTY-EIGHT THOUSAND FIVE HUNDRED FIFTY AND XX/100 (\$48,550.00)) be placed on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion waiving the three-reading rule. Members of Council voted as follows:

YEAS: Tapp, Dike, Grieves, Biddlecombe, Artino, Claus (6)
NAYS: None (0)

There being five or more votes in favor, the motion suspending the three-reading rule passed, and Resolution 61-2024 was placed upon its first reading. The Law Director read the Resolution by its title only.

Captain Kurt Schafer explained that this is a capital item from their capital budget in the event they do not receive their bunker gear grant through the Federal Government. They did not receive that grant. They can no longer wait to start replacing some of our gear to remain compliant with standards they must meet through MFPA. They are going to attempt the grant again at the next cycle, but they have to at least get started by getting 10 sets to remain compliant. Captain Schafer added that they have been applying for this grant for 3-5 years. They are going to continue applying, but this is a stop-loss at this point. They did budget for this purchase in the event the grant funds weren't received.

The Mayor asked if there were any further questions on the motion. There being none, the Mayor directed the Clerk to call the roll on final adoption of Resolution No. 61-2024. Members of Council voted as follows:

YEAS: Tapp, Dike, Grieves, Biddlecombe, Artino, Claus (6)
NAYS: None (0)

There being more than a majority in favor of adoption, Resolution No. 61-2024 was adopted. The Resolution as adopted was signed by the Mayor and Clerk of Council and will take effect immediately.

Motion

Motion by Mr. Claus to approve the 2025 Annual Tax Budget as prepared and received by the soon to be former Finance Director, Cory Swaisgood.

Mr. Swaisgood said this motion will satisfy the requirements under the Ohio Revised Code to submit the tax budget to the County Auditor by the deadline.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Claus, Tapp, Dike, Grieves, Biddlecombe, Artino (6)
NAYS: None (0)

There being more than a majority in favor, the motion passed and the 2025 Annual Tax Budget was approved as prepared and received.

The Clerk requested a short break to reset the meeting recording at 8:05pm. The meeting resumed at 8:08pm.

City Manager's Discussion

The City Manager spoke on several topics:

ConAgra Development – Unfortunately, we were going to have a work session this evening, the first of 2, but there was a medical emergency with one of the individuals. We are certainly them a quick recovery.

We are looking to reschedule them for July 23rd and they will have their first work session at the meeting on July 9th, which will be a presentation through a combination proposal from K. Hovnanian and Knez Homes.

Street Resurfacing – All concrete work is complete. Striping has been completed, crack-sealing is 75% complete and Lakeway was repaved last week. I believe our team will be completing a walk-through this week to finalize a punch list to be completed in July to wrap that project up.

Light Trespass – I wanted to do a quick follow-up to Council based on the conversation from the last Council meeting related to light trespass. I have had conversations with Mr. Schrader, and they have been charged with reviewing ordinances that exist in other cities to gain an understanding of various methods of enforcing and what tools may or may not be needed. Once this information is compiled by Mr. Schrader and his team, we will probably organize and schedule either a presentation or short work session with Council so that we can get final direction as to what we may want to put on the books.

Police – I did want to acknowledge the great “Meet the Police Dog and Get a Hot Dog” event last week. There was good coverage by the Register, as well. That was at the Pied Piper. It was very well-attended and the Police Department would like to thank the Pied Piper for hosting the event and donating the hot dogs.

No Wake Signs – The new No Wake signs have been installed on the lighthouse to assist boaters in identifying the No Wake areas. The Police Department would like to thank the Parks & Recreation Department for helping with the installation of those signs.

Water Department – They hosted their Open House Tour last week on June 18th at 6:30pm. The event was very well-attended – they had 18-19 folks at that event. They had a max allowance of 20. Thank you to everyone who attended, and Jack Evans and his team for opening that facility to the community. I also wanted to acknowledge last week that the City of Huron did host the Northwest Ohio American Waterworks Association Summer Meeting on Thursday, June 20th. The meeting was very successful, and it was followed by a plant tour by a lot of other municipalities coming here for that meeting. I want to thank Mesenberg’s for allowing the organization to use their facilities. We also had 6 staff members who attended that were able to receive contact hours toward maintaining their OEPA water licensure. It was a great meeting and the ability to showcase our water plant.

Newsletter – I want to thank Jen Kilbury for finishing up our Spring/Summer Newsletter. Those were mailed out last week. If everyone has not received theirs yet, I am sure you will any day now. They should be on most people’s doorsteps. Thank you to not only Jen, but all our other department heads that were integral in getting that content out there to the community to showcase the amazing work of our staff.

Huron Public Library – I also wanted to, once again, congratulate the Huron Public Library on their ribbon-cutting ceremony held last Friday. This even celebrated the renovation of their child and young adult sections. It was a very well-attended event and it was great to see the newly renovated space.

Upcoming Meetings -We have a Planning Commission meeting on Wednesday, June 26th at 5pm in the Council Chambers; looking into July, we have a Utilities Committee meeting on Wednesday, July 3rd at 4pm in the main conference room; Board of Zoning Appeals is on Monday, July 8th at 5:30pm in the Council

Chambers; we will have a Council Work Session on ConAgra on Tuesday, July 9th at 5:30pm in the Council Chambers, to be followed at 6:30pm with the regular City Council meeting; we will have a Council work session, likely, on July 23rd on ConAgra (we will probably have to bump the other work session we have noted in the Manager's Report) at 5:30pm, as well, followed by the regular City Council meeting at 6:30pm; and the Planning Commission is on Wednesday, July 17th at 5pm in the Council Chambers.

Reminder to the public that City administrative offices will be closed on July 4th in observance of Independence Day.

Mayor Tapp asked, regarding the light trespass issue, can we make sure we let Mr. DeLuca know where we are going on this and that we are looking into this. Mr. Lasko asked Ms. Welkener to send him an email or call him with the content in the Manager's Report so they know we are working on it.

Mr. Dike asked when the website is coming out. Mr. Hamilton answered that the company is currently building the pages out and putting the content over from the old website. They are hopeful that should be completed in about 4 weeks, and then staff will start rewriting and putting new images on it. He is hoping they should be able to get the base offering out within a couple of months, and then they will keep adding features.

Mr. Biddlecombe commented that would like to find out more about the fire hydrant situation from Mr. Hamilton. Mayor Tapp added that picture #5 has him concerned.

Mayor's Discussion

Mayor Tapp said:

Congratulations to Officer Ritter. I hope he likes it here and he is working out great. It's great that we got the money to take care some of things that needed to get taken care of. It has been brought to his attention and Chief Graham may want to get with Mr. Steinwart, that he has received complaints that Adams Avenue has become a speedway for out-of-town visitors. Chief Graham agreed to adding more patrols to that street.

I want to thank everyone that has attended and are watching this meeting. We appreciate it when people come in to give us comments or questions. Thanks to the staff. You can tell by the agenda we had tonight (I don't know if that was set up on purpose because it's June) that it does get busy. They do a lot and there's a lot going on, and we do try to stay up on that of that. Thanks again for the public hearings and the hard work staff put in. Thanks to the Council for being here and taking care of things. That is all I've got.

For the Good of the Order

Sam Artino – I would like to welcome Officer Ritter and congratulate him and welcome to the best police department there is. That's it.

Mark Claus – I also give my congratulations to new Officer Ritter. As Mr. Dike said, it is great to see them come in and their families be able to experience that. I also wanted to say, I think this is Cory's last meeting

with us permanently, that I appreciate all of your efforts. We joke, but we hate to see you leave, but I am sure we will see you before things are over. That's all I have in the interest of time.

Joe Dike – I would like to say congratulations to Eric Ritter. Welcome to the Huron Police Force. Congrats. It's a really nice thing when we do this, so thanks to Mr. Lasko for doing this. I appreciate it. Secondly, there were several individuals that have passed that were either a big impact on my life or just great community members. I just wanted to give my deepest condolences to their families. Once was an old neighbor, Peggy Scott. Another neighbor was Ted Myers. Al Seima, who when I was a kid I can remember he was very active within the community. There is also Bruce Doukle and another individual who was a part of the schools and coaches for many years – Ed Behr. I just wanted to give my deepest condolences to all of them and their family members.

Matt Grieves – I have nothing for the Good of the Order.

William Biddlecombe – I apologize, I have my usual notes here. I would like to thank staff for their hard work and congratulate Officer Ritter. Takeaways from the last School Board meeting – they did show a plat layout for the proposed 6-12 building and remodel of Woodlands on the current Woodlands property to show how that would fit. Revised numbers for that plan would be \$67.9 Million, and due to their debt capacity, it could be fully funded by a bond issuance. The other options, which were keeping the 2022 addition of Woodlands, knocking down the rest and then building everything else new would cost \$90.5 million, and a K-12 whole new building would be \$94 million, both of which would require multiple funding sources. They also had a representative there discussing traffic from that property and they plan to conduct a traffic study for the Woodlands site. To be on the November ballot, they needed to pass their first resolution that night, which they did not. Most members feel that they are not ready and want another year to come up with a plan they can present to the public over just the number. Some members are in favor of the all-in approach when it comes to going to the voters. They are favoring the K-12 option. They will put together a group of a cross-section of people from the community to conceive this plan over the coming year, and as the Council liaison, I did volunteer to represent Council on this committee. They have a special meeting on June 27th at 5pm and their next regular meeting is July 8th at 6pm. The next large item garbage is Monday, July 1st. Some Boat Basin events coming up are the Rotary Festival with The Whiskey Kings performing on June 29th. Red, White & Blues Bang with Cleveland's Backstreet Blues Band and Blue Lunch will be on June 22nd with music starting at 6pm. Some other Parks & Recreation stuff coming up is the Cheer Camp on July 10 and 12, and don't forget Beach Yoga and Tai Chi are held on every Tuesday and Thursday through October 10 at 11am at Lake Front Park. I wish everybody a healthy Independence Day. Please come out and support our local events, programs and student athletes, and Go Tigers!

Executive Session

Motion by Mr. Claus to enter into executive session to consider the purchase of property for public purposes, the sale of property at competitive bidding, or the sale or other disposition of unneeded, obsolete, or unfit-for-use property in accordance with Section 505.10 of the Revised Code, if premature disclosure of information would give an unfair competitive or bargaining advantage to a person, whose personal, private interest is adverse to the general public interest, and to invite Mr. Lasko and Mr. Schrader.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Claus, Tapp, Dike, Grievess, Biddlecombe, Artino (6)
NAYS: None (0)

There being five or more votes in favor, Council moved into executive session at 8:24pm.

Return to Regular Session

Council returned to regular session at 8: 45pm.

Ordinance No. 2024-30

Motino by Mr. Dike to waive the 3-reading rule and place Ordinance No. 2024-30 (AN ORDINANCE TO REVISE THE CODIFIED ORDINANCES BY ADOPTING CURRENT REPLACEMENT PAGES; AND DECLARING AN EMERGENCY) on its first reading.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Dike, Grievess, Biddlecombe, Artino, Claus, Tapp (6)
NAYS: None (0)

There being more than five votes in favor, the motion passed and Ordinance No. 2024-30 was placed on its first reading. Mr. Schrader explained that they were re-reading this Ordinance to clarify an error made earlier in the meeting. Mr. Schrader read the Ordinance by its title only.

Motion by Mr. Dike to place Ordinance No. 2024-30 as an emergency measure.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Dike, Grievess, Biddlecombe, Artino, Claus, Tapp (6)
NAYS: None (0)

There being more than five votes in favor, the motion passed and Ordinance No. 2024-30 was placed as an emergency measure.

Mr. Lasko said they do this a couple time a year. This is accepting replacement pages to our Codified Ordinances for any changes Council has made through April 2024, and to also make sure we are up to date with any changes with the State Traffic Code or General Offenses Code through April 2024. If approved, they will revise the pages on their website and physically at the library.

The Mayor asked if there were any additional questions before final adoption. There being none, the Mayor directed the Clerk to call the roll on final adoption. Members of Council voted as follows:

YEAS: Dike, Grievess, Biddlecombe, Artino, Claus, Tapp (6)
NAYS: None (0)

There being more than a majority in favor of adoption, Ordinance No. 2024-30 was adopted. The Ordinance as adopted was signed by the Mayor and Clerk of Council and will take effect immediately.

Adjournment

Motion by Mr. Biddlecombe to adjourn the regular meeting of Council.

The Mayor asked if there were any questions on the motion. There being none, the Mayor directed the Clerk to call the roll on the motion. Members of Council voted as follows:

YEAS: Biddlecombe, Artino, Claus, Tapp, Dike, Grieves (6)

NAYS: None (0)

There being a majority in favor of the motion, the regular Council meeting of June 25, 2024 was adjourned at 8:47pm.

Adopted: _____

13 AUG 2024



Terri S. Welkener, Clerk of Council





INCOME TAX INCREASE CONVERSATION

SPRING 2024

HISTORICAL OPERATIONS

- **The City has several departments which are exclusively or heavily subsidized by the general fund and are not self-sustaining.**
These include:
 - **Police**
 - **Streets**
 - **Stormwater**
 - **Parks and Recreation**
 - **Fire**
- **These departments run very leanly and efficiently but are limited in their ability to generate departmental specific revenue to cover operating expenses.**
- **Over the next five (5) years, without major cuts to service/capital projects or finding additional revenue, the General Fund will fall into a deficit due to overly subsidizing these departments.**

INFLATIONARY TRENDS

Current inflationary trends are EXPECTED to further deplete budgets due to rising costs in the following areas:

Maintenance of Equipment & Facilities

Capital Equipment / Vehicle Replacement

Employee Costs (primarily healthcare)

Debt (borrowing for capital projects)

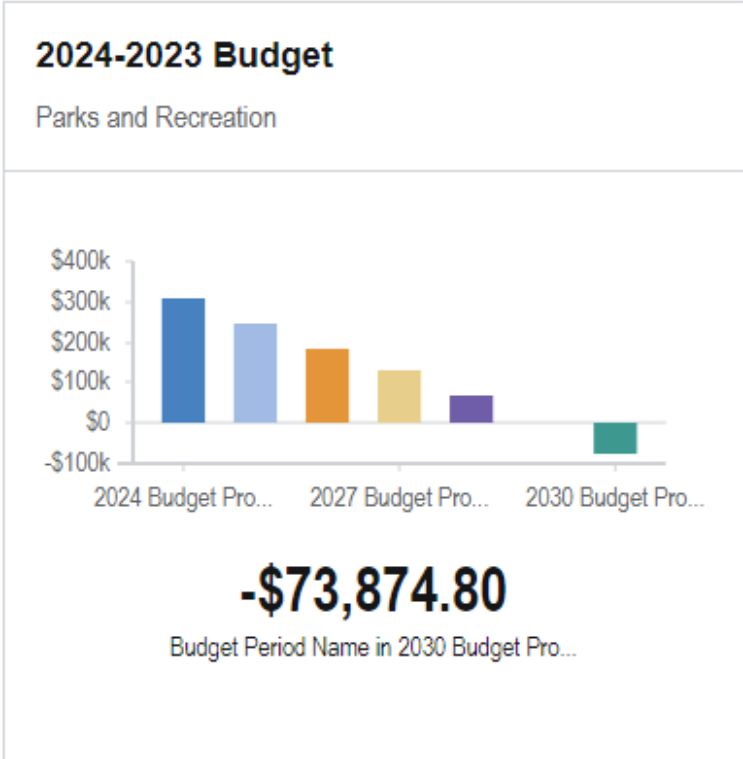
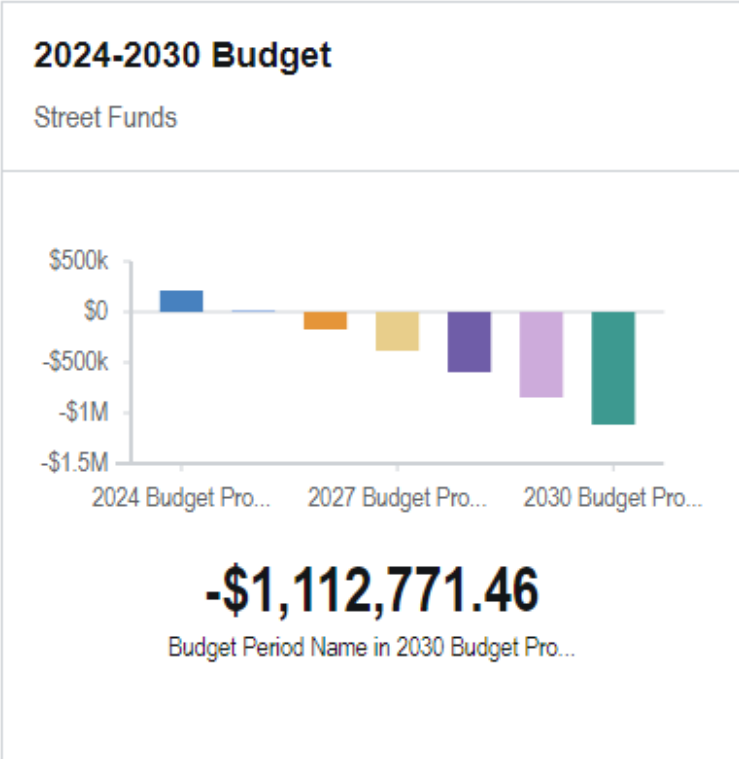
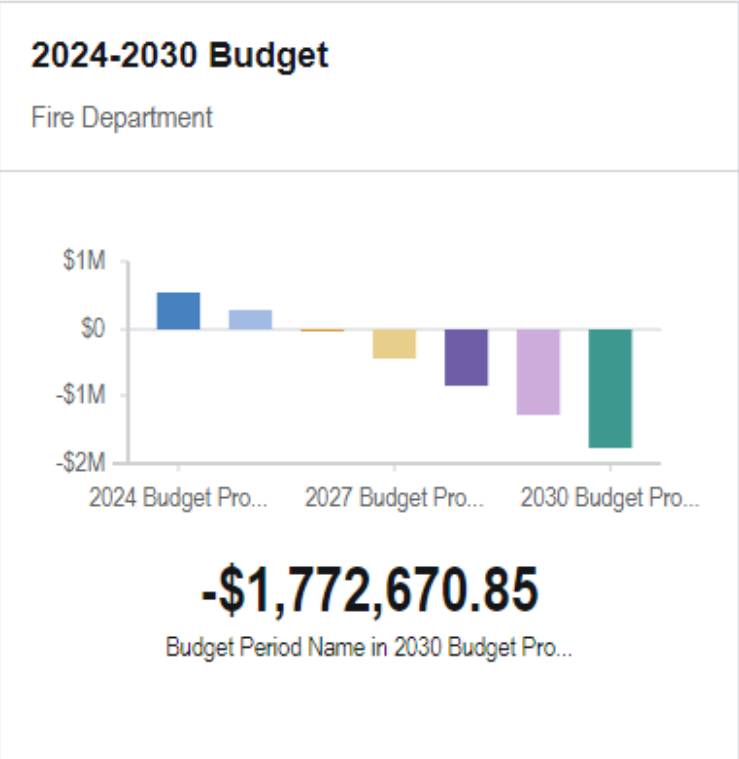




GRAPHS / FORECASTS

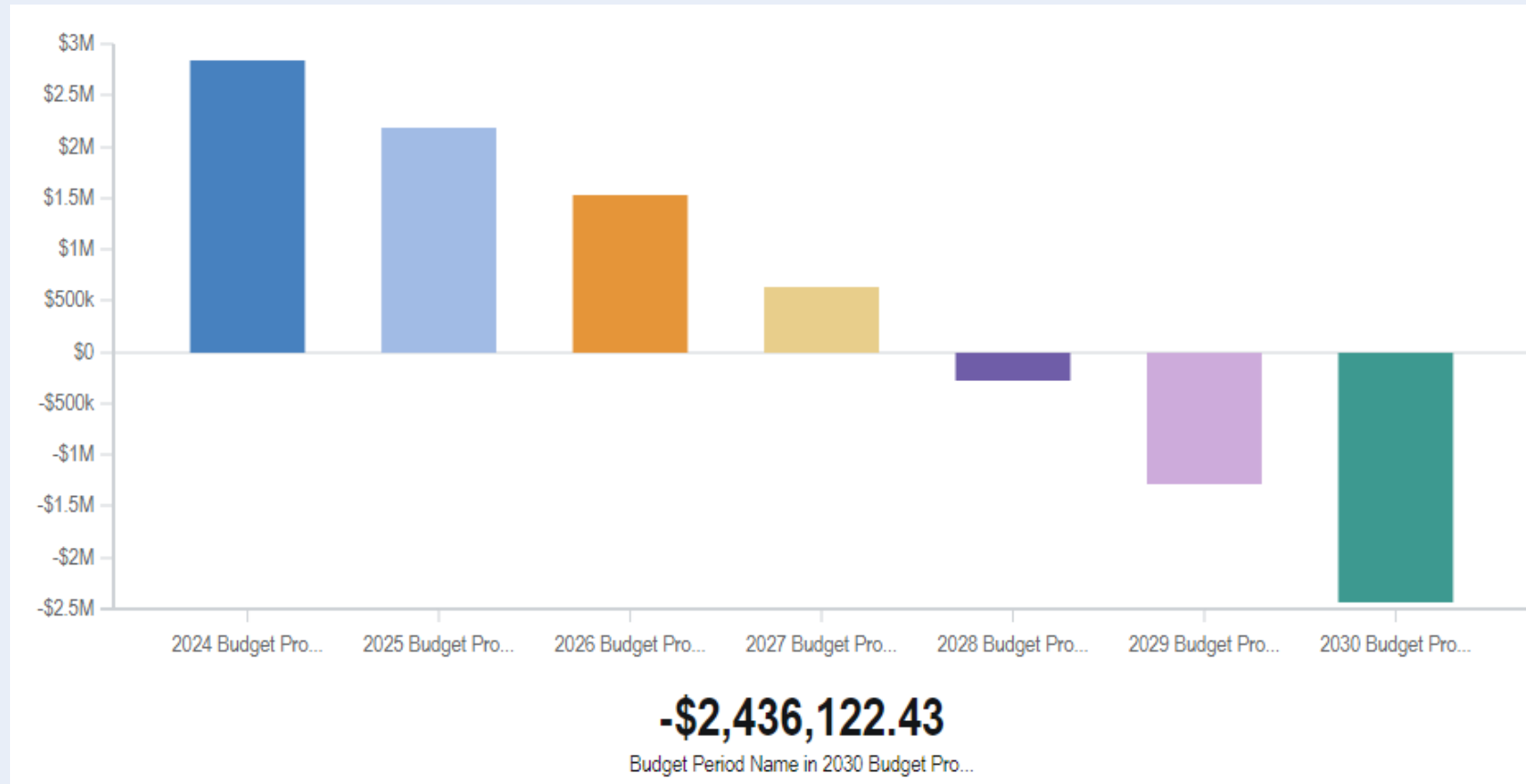
Operational Fund Projections

- The below graphs provides a 7-year fund balance projection for Fire, Street, and Parks and Recreation. Without substantial General Fund subsidy and cuts to services, these funds will have a deficit fund balance 2027.



Operational Fund Projections

- The below graph provides a 7-year fund balance projection with the General Fund subsidizing the deficit balances for Fire, Street, and Parks and Recreation. This shows current General Fund revenue, mostly funded through income tax cannot sustain future operational expense.



CURRENT REVENUE



Revenue Actuals and Projections:

The table below includes current revenue supporting Fire, Street, Stormwater, Parks and Recreation from 2019-2026

	2019	2020	2021	2022	2023	2024	2025	2026
State Taxes	\$592,800	\$658,037	\$689,520	\$683,474	\$682,329	\$729,000	\$729,000	\$729,000
Fire Levy	\$581,791	\$608,811	\$605,692	\$601,988	\$611,205	\$602,023	\$602,023	\$602,023
Other Revenue*	\$685,037	\$650,764	\$748,367	\$698,838	\$760,782	\$670,649	\$670,649	\$670,649
Total	\$1,859,628	\$1,917,612	\$2,043,579	\$1,984,300	\$2,054,316	\$2,001,672	\$2,001,672	\$2,001,672

*Other Revenue includes:

Stormwater Fee, EMS Billing, Parks and Recreation fees.

Operational Fund Reserves



Fund Balances on Current Projections :

The tables below include current revenue and expenses for Fire, Street, Stormwater, Parks and Recreation from 2024-2030.

Fire Department Fund

	2024	2025	2026	2027	2028	2029	2030
Revenues	\$2,928,071	\$2,956,373	\$3,074,307	\$3,086,959	\$3,329,417	\$3,201,773	\$3,299,123
Expenses	\$3,128,561	\$3,214,155	\$3,371,388	\$3,482,154	\$3,719,864	\$3,657,898	\$3,796,270
Surplus/(Deficit)	(\$200,490)	(\$257,782)	(\$297,081)	(\$395,195)	(\$390,447)	(\$456,125)	(\$497,147)

Street Department Fund

	2024	2025	2026	2027	2028	2029	2030
Revenues	\$919,649	\$919,649	\$919,649	\$919,649	\$919,649	\$919,649	\$919,649
Expenses	\$1,037,403	\$1,121,625	\$1,127,292	\$1,147,977	\$1,168,692	\$1,189,434	\$1,210,203
Surplus/(Deficit)	(\$117,754)	(\$201,976)	(\$207,643)	(\$228,328)	(\$249,043)	(\$269,785)	(\$290,554)

Parks and Recreation Fund

	2024	2025	2026	2027	2028	2029	2030
Revenues	\$636,192	\$644,239	\$656,283	\$664,732	\$677,596	\$686,385	\$700,208
Expenses	\$830,300	\$828,557	\$825,824	\$835,090	\$859,726	\$875,417	\$901,141
Surplus/(Deficit)	(\$194,108)	(\$184,318)	(\$169,541)	(\$170,358)	(\$182,130)	(\$189,032)	(\$200,933)

In 2024, the General Fund will provide approximately \$500,000 in subsidy to the Fire, Street, and Parks and Recreation Fund for operations, and deficit is still budgeted for each department.

ADDITIONAL REVENUE NEEDED



- **Currently, Huron only collects a state minimum income tax of 1%. The highest amount allowed by law without a vote from residents.**
 - **City residents pay the City 1% of wages regardless of where they work.**
 - **Non-residents working in the City pay the City 1% of wages.**
 - **Businesses in the City pay the City 1% of net profits.**
- **Recent income tax growth from the additions at Ardagh and Sawmill Creek Resort is expected to level off.**
- **The City only has a single levy (for fire/EMS services) created in 1999 which has never been increased. Funds from this levy are stagnant and only generate enough to pay for 50% of fire/EMS operations.**
- **Most cities in the area have a higher income tax rate and multiple levies.**



ADDITIONAL REVENUE NEEDED

- Over the past 3+ years of budget meetings, staff has raised concerns over the financial sustainability of critical City services and related funds.
- Staff has taken action to cut costs and maximize revenue over the years to balance the operating budget.
- The City has exhausted new sources of departmental specific revenues (i.e. permissive tax).
 - Permissive tax is a fee paid on vehicle registrations and used by cities to maintain local roads.
- Additionally, the City has secured record levels of federal, state and county grant funding to undertake capital projects – limiting local tax-payer contributions.
- To continue to operate at a high level, the City must investigate additional revenue in the coming months/year without impacting services to City residents in the near future.

Based on the above factors and inflationary trends, during the 2024 budget cycle, both the Finance Committee and City Council approved the budget with a recommendation that staff explore options to increase revenue to ensure the stability of our operations and high level of service provided to our residents.

REVENUE ENHANCEMENT OPTIONS

INCOME TAX VS. LEVY

INCOME TAX

- An income tax is a tax on earned wages of individuals living and working within a City; and a tax on business net income.
- Retirement wages are not taxed by the City, including social security benefits, 401(k) and pensionable wages. Investment income is not taxed, including capital gains and dividends.
- Income tax revenue generally increases in line with inflation over the years.
- Cities may offer a reduced tax rate (credit) for residents working in another taxing municipality, reducing the tax burden for some residents.
- Income tax revenue is generally unrestricted and may be allocated to departments based on budgetary needs.
- [RITA Website - Individual FAQs - Taxable / Nontaxable Income](#)

LEVY

- A levy is a charge applied to property taxes imposed via voter approval on residents and/or properties; to be used for public purposes.
- Levies are generally a static amount and do not increase without voter approval.
- Levies can be a safe, consistent revenue source for a specific function or project.
- Multiple levies may be needed to fund various operational needs (i.e.. parks and recreation, streets, and police).

INCOME TAX VS. LEVY



INCOME TAX:

- Currently, only 25% of income tax revenue received by the City is paid by residents and local businesses.
- Currently, 75% of income tax revenue received by the City is paid by non-residents.
- Any proposed income tax increase would overwhelmingly be paid by non-residents, saving most of our residents from shouldering the burden of a tax increase. Yet all residents will benefit from the improvement in services and facilities resulting from the rate increase.
- Cities can offer credits with income tax further benefitting residents*

LEVY:

- A new levy or levy increase would financially impact every single property owner in the City.
- Additionally, multiple levies may be needed to cover the needs of multiple departments and projects.

** An explanation of what a “credit” is and how it works is on future slides.*

Goals of any proposed revenue increase:

- Minimize the financial impact on residents and local businesses.
- Ensure long-term stability of City operations and capital project planning.
- Securing revenue enhancements that are very flexible in how they can be used to benefit multiple departments and capital projects.



RECOMMENDATION

**City Administration is considering a recommendation
to City Council to increase the current state minimum
income tax of 1% (with no credit)**

TO

1.75% (with a 100% credit)





WHAT IS A CREDIT?

Huron residents will always owe income tax to the municipality where they work if that municipality has an income tax.

- Cities can grant a **CREDIT** to its residents who pay income taxes to other municipalities.
- This **CREDIT** reduces the income tax residents owe to the City of Huron when they work in another municipality with an income tax, such as the City of Sandusky.
- With the staff's recommendation of a **CREDIT of 100%**, residents will see a reduction in the amount of income tax owed to the City of Huron, if working in another city with an income tax.

The credit would save approximately \$200,000 in aggregate for residents

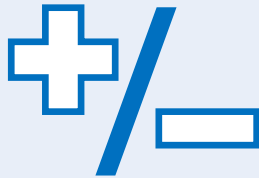
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- The **CREDIT does not apply** to residents:
 - Working in the City of Huron.
 - Working in a jurisdiction that does not have an income tax, such as Perkins Township.

INCOME TAX IMPACT



Those POSITIVELY impacted by **INCREASE**:

- People who **LIVE** in Huron but **WORK** outside of Huron in a jurisdiction that has an income tax (i.e.. Sandusky, Vermilion, Cleveland).



Those NOT impacted by **INCREASE**:

- Retired individuals who live in Huron collecting social security benefits, pensions or 401(k)s.
- Individuals earning investment income, including capital gains and dividends.



Those NEGATIVELY impacted by **INCREASE**:

- People who **LIVE** in Huron, **WORK** in Huron
- People who **LIVE** in Huron, **WORK** in another non-taxing jurisdiction
- People who **LIVE** outside of Huron and **WORK** in Huron*

▪ **75% of income tax generated by NON-RESIDENTS (based on 2023 Income Tax Collections)**

INCOME TAX IMPACT



Assuming Huron's Income Tax is at 1.75%, with a 100% CREDIT:

	If paying 1.75% or more in another INCOME TAXING jurisdiction	If paying 1.25% in another INCOME TAXING jurisdiction	If paying 1.00% in another INCOME TAXING jurisdiction
Effective Income Tax % paid to the City of Huron	0% (1.00% reduction) (Based on current income tax)	0.50% (0.50% reduction)	0.75% (0.25% reduction)

Current State: If a Huron resident (paying 1% to Huron) works in the City of Sandusky (paying 1.25% to Sandusky) the resident will pay a total of 2.25% income tax.

Proposed State: With the proposed 100% CREDIT on a 1.75% rate in Huron, the same resident would now pay Sandusky's 1.25% tax and Huron's 0.50% with the credit for a total income tax liability of 1.75%. This would be a tax savings of 0.50%.



TAX INCREASE SCENARIO #1

Huron resident working in the City of Sandusky
Assuming annual wages of \$65,000

CURRENT

Income Tax Rate is 1.00%, with no credit:

- Pays 1.25% of Earned Income to the City of Sandusky
 - Annual Tax Liability = \$812.50
- Pays 1.00% of Earned Income to the City of Huron
 - Annual Tax Liability = \$650
- Total Tax Liability
 - Total Rate: 2.25%
 - Total Amount Owed = \$1,462.50

RECOMMENDATION

Income Tax Rate of 1.75%, with 100% credit:

- Pays 1.25% of Earned Income to the City of Sandusky
 - Annual Tax Liability = \$812.50
- Pays 0.5% (1.75%-1.25%) of Earned Income to the City of Huron
 - Annual Tax Liability = \$325
- Total Tax Liability
 - Total Rate: 1.75%
 - Total Amount Owed = \$1,137.50

***Estimated Annual Tax
Savings of \$325***



TAX INCREASE SCENARIO #2

Huron resident working in City of Cleveland
Assuming annual wages of \$65,000

CURRENT

Income Tax Rate is 1.00%, with no credit:

- Pays 2.50% of Earned Income to the City of Cleveland
 - Annual Tax Liability = \$1,625
- Pays 1.00% of Earned Income to the City of Huron
 - Annual Tax Liability = \$650
- Total Tax Liability:
 - Total Rate: 3.50%
 - Total Amount Owed = \$2,275

RECOMMENDATION

Income Tax Rate of 1.75%, with 100% credit:

- Pays 2.50% of Earned Income to the City of Cleveland
 - Annual Tax Liability = \$1,625
- Pays 0% (2.50% is greater than 1.75%) of Earned Income to the City of Huron
 - Annual Tax Liability = \$0
- Total Tax Liability:
 - Total Rate: 2.50%
 - Total Amount Owed = \$1,625

***Estimated Annual Tax
Savings of \$650***



TAX INCREASE SCENARIO #3

Huron resident working in Huron or a Township
Assuming annual wages of \$65,000

CURRENT

Income Tax Rate is 1.00%, with no credit:

- Pays 1.00% of Earned Income to the City of Huron
- Total Tax Liability:
 - Total Rate: 1.00%
 - Total Amount Owed = \$650

RECOMMENDATION

Income Tax Rate of 1.75%, with 100% credit:

- Pays 1.75% of Earned Income to the City of Huron
- Total Tax Liability:
 - Total Rate: 1.75%
 - Total Amount Owed = \$1,137.50

Estimated Annual Tax Increase of \$488

*(equating to \$18.77/paycheck
assuming a bi-weekly pay period)*

NEIGHBORING COMMUNITIES

Municipality	Tax Rate	Credit Factor	Credit Rate	Levies	Other Taxes
Huron	1.00%	0%	0.00%	1	
Milan	1.00%	0%	0.00%	2	
Monroeville	1.00%	100%	1.00%		SD 1.50%
Oak Harbor	1.00%	0%	0.00%	2	
Sandusky	1.25%	0%	0.00%	1	
Clyde	1.50%	100%	1.50%		SD 1.50%
Fremont	1.50%	100%	1.50%		SD 1.25%
Norwalk	1.50%	100%	1.50%		SD 0.50%
New London	1.50%	100%	1.00%		SD 1.00%
Vermilion	1.50%	100%	0.50%	5	
Port Clinton	1.50%	50%	0.75%	2	
Elmore	1.75%	0%	0.00%	4	
Willard	1.75%	100%	1.38%		SD 0.75%
Tiffin	2.00%	100%	2.00%		
Bellevue	2.00%	100%	2.00%	4	SD 0.50%



FINANCIAL IMPACT



Revenue

- If approved, the City is estimated to generate an additional \$1.8M annually.
 - 25%, or \$450,000, would be paid by City residents.
- Will take up to three (3) years to see full impact of increase.

Budgetary Impact

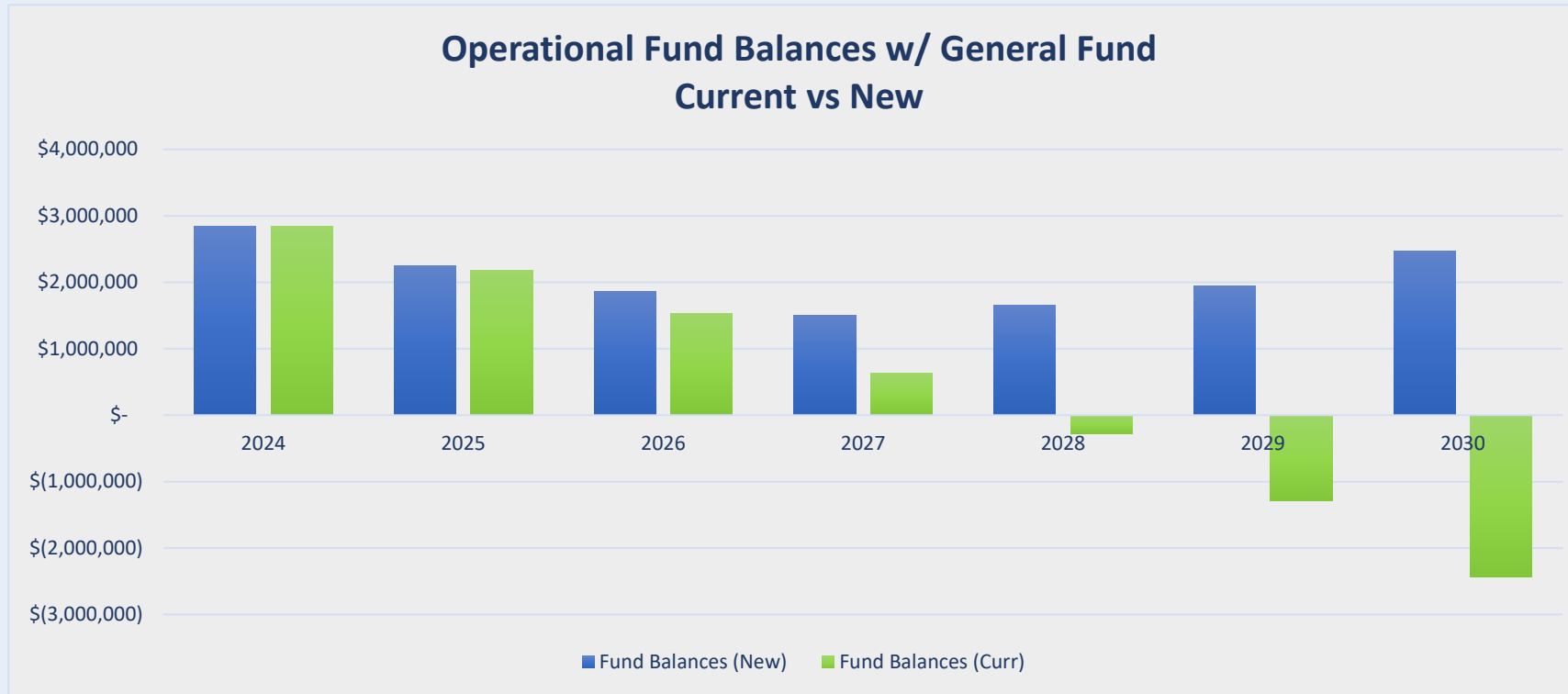
***\$1.8M annual levy would cost each property owner
in the City \$235 per \$100,000 of value***

- Increased income tax revenue will be allocated to Operations, Capital Equipment and Capital Projects.

Examples include:

- Enable the City to maintain current staffing and service levels of Fire, Police, Parks and Recreation, and Streets and Stormwater
- Offset inflationary increases in Fire, Police, and Street and Stormwater related to capital equipment and vehicle costs
- Support stormwater maintenance & improvements
- Tree and sidewalk improvement program
- Invest in street resurfacing
- Capital Projects and Debt

FINANCIAL IMPACT



Operational Fund Balances include the Fire Levy Fund, Street Maintenance Fund, Stormwater Fund, and Parks and Recreation Fund

OUTREACH & EDUCATION

Conversations & Presentations Timeline

- **April – May: Community Introduction and Public Outreach Conversations**
 - Detailed Sandusky Register Article
 - 4 Community Public Outreach Conversations – Yielding 70+ residents in attendance
 - Direct invite to all HOA's and Community Organizations
 - Rivers Edge neighborhood requested independent conversation – June 17
 - 15+ Social Media Posts (Facebook, X, and Instagram)
 - City's text service was used to remind residents of the public meetings
- **May 13: Presentation to Finance Committee for review**
 - Finance Committee Meeting – OPEN to the public.
 - Unanimous support from the Finance Committee
- **June – July: Presentation to City Council for potential consideration**
 - Presentation to City Council June 25, 2024 – OPEN to the public.
 - Staff may propose a first reading to City Council during the June 25, 2024, meeting.
 - Potential income tax increase would go through three (3) open public readings.
 - If approved by Council, the City will need to seek resident approval in November.
- **August – November: Renewed Community Outreach**
- **FAQ's and Income Calculator – publicized and published on City's website!**