

**Minutes of the Ordinance Committee meeting**  
*Sheffield Lake, Ohio*  
**March 5, 2015**

This regular meeting of the Ordinance Committee was held Thursday, March 5, 2015. Chairman Kovach called the meeting to order at 7:23 PM.

**ROLL CALL OF MEMBERS:**

Present: Kovach, McCullough, Erdei, Mayor Bring, Law Director Graves

**MINUTES:** February 5, 2015, \*Motion by McCullough/Second by Erdei to accept the minutes with any corrections. Yeas All.

**PRESENTATIONS:** **None.**

**CORRESPONDENCE:** **None.**

**OLD BUSINESS:**

*Industrial District* – **None.**

*Subdivision regulations* – **None.**

**NEW BUSINESS:**

*Landlord/Renter; strengthening new code* – Councilman McCullough stated I realize we are doing the counties job and this is what I think and how it needs to be sold as. We as Sheffield Lake are trying to do something to assist in, even though we are going to get a small percentage of this – this is helping the schools more than anybody if we push this forward with you have to have the taxes paid current. Eventually, it is helping us because then they are going to have to charge a fair amount for rent. What I mean by fair is reasonable to what people are paying for their mortgages; these guys aren't just making a windfall off of not paying their property tax. What they are doing is they are buying these properties up, they are not paying the property tax and then renting them out for an absorbent amount of money to people with no credit. It is not just the people we have had in our neighborhood, it is other people and what do they care if it eventually gets taken – they got their back. I think it needs to be known that we are making this move and assist in the schools as much as anything. I wanted to know if we could write it legally that if their taxes aren't current that we could go to the tenant and say hey your landlord taxes aren't current – we have it right here in front of us. We are going to hold your rent, you are going to pay us rather than pay them. I think that would open up too much of a can of worms. We don't want to do anything where we are going to get challenged. So therefore rather than approach it that way, I would just like to see that somehow if a landlord knowingly doesn't pay their tax and knowingly rents a home that they can be charged with some type of harder than a misdemeanor. Law Director Graves advised we are not going to be able to make it a felony. You mean a minor misdemeanor. Councilman McCullough answered yes, it has got to have some weight to it. Not just, I'll pay a \$250.00 fine – no big deal. Otherwise, they are going to pay the fine rather than pay the tax.

Law Director Graves stated they wouldn't be able to rent the property – that is the thing. Mayor Bring explained we want them not to be able to rent the property unless the taxes are paid in full. Law Director Graves concurred. I want to take a look at the penalty phase, the penalty section under that. Councilman McCullough stated can you write that if they misrepresent it – not lying under oath but do you call that? Law Director Graves answered perjury or falsification. You know I think if we get into this too deep. Chairman Kovach concluded I think we are going to end up getting challenged. Law Director Graves stated I think that there is nothing wrong stiffening the penalty for either renting property without obtaining your rental license or somehow violating terms and having it revoked. So if the taxes aren't current, the city takes measures to revoke their rental license and then they continue to rent that property without a license currently they could be charged with a minor misdemeanor. What I wanted to check was whether that is in the penalties; is it each day is a separate offense, so that each day they continue to rent it without a license would be a separate minor misdemeanor charge. I don't remember if it says that, I would have to go look at it. I don't think there is any problem with increasing that penalty to make it perhaps a 4<sup>th</sup> degree misdemeanor punishable by up to \$250.00 fine. On the 4<sup>th</sup> degree misdemeanor actually carries up to 30 days in jail and you have to be careful with that because we only have a 12-day facility. If we get into a situation where start talking about incarcerating people longer than that and if they wind up in county jail then we have to pay for that. We can make it an unclassified misdemeanor punishable up to \$250.00 and make it a separate offense each day – something like that, we can stiffen that penalty. Councilman Erdei asked then they would be charged every day that they have people in there. Law Director Graves answered yes. Councilman McCullough stated the renter has rights too once they get in there. Law Director Graves stated we have to be careful not to interject ourselves in the middle of landlord/tenant contractual situation. The city can't just insert itself in the middle of that. They have a contract and if landlords start screwing up with the city, then the tenant may have recourse to the landlord. I think at the end of the day that is up to the landlord and tenant who have to just work it out. I think we need to just look at the landlord's ability to rent the property. Councilman McCullough stated I don't want to see it too cumbersome. I want people to not be these absentee landlords that have 1 rental property because they stole it during a bad market and then they didn't realize the expenses that go with renting a property. Law Director Graves advised what is going to happen is someone is going to have a lease with a tenant. They are going to have their single-family rental bi-annual license and they are not going to pay their taxes and we are going to revoke their license. Then they are still going to have tenants in there, those tenants have a lease or they have a right to be there – they can't just evict the tenants, it is not the tenants fault. So we have to be able to hold those landlords feet to the fire to get their license. What penalty, if I write this up do you think is reasonable? Minor misdemeanor is up to \$150.00 fine

– no jail. I think that is alright if you make it a recurring thing, each day that you lease property without a valid license can be considered a separate offense. Councilman McCullough stated you're not allowed to write its own fine? Law Director Graves answered we can but it would be an unclassified misdemeanor. Councilman McCullough stated 1% of the home's market value for each month, so if it is a \$70,000 home it is a \$700.00 fine. If it is a \$100,000 home it is a \$1,000 fine. Law Director Graves advised then we would get into a debate of what the market value is, unless you want to say as determined by the county auditor. Councilman McCullough stated, we can do that. Law Director Graves stated you could get into a whole debate about that especially if it starts to add up to big numbers. I think a straight dollar amount. Mayor Bring stated I think a straight dollar amount and the fact that would have to spend time in our jail. Our jail is a huge deterrent and I will tell you that that is why we don't have a lot of crime from over there because they are afraid to come here because they don't want to spend time in our jail. If you put somebody in jail for not paying their property taxes for 10 or 12 days, I guarantee you they are not going to like it. Law Director Graves stated, we are not going to jail people for not paying property taxes, we would impose a penalty for renting property without a license. Councilman McCullough stated one of those things that we are going to add to is property taxes must be current. There was a brief discussion on situation of property owners not paying property tax. Law Director Graves advised for single-family rentals it is bi-annual. For all multi-family it is annual, even the duplexes are supposed to be annual. If you get a bi-annual rental license, single family home – you are going to rent it out; you can move tenants in and out as much as you want within that 2 years. Mayor Bring advised didn't we have an ordinance that every time you moved out there is supposed to be an inspection. Law Director Graves answered yes, that is a re-occupancy permit. Mayor Bring stated that is the way it was always stated that if you changed. Law Director Graves stated yes there is supposed to be a re-occupancy inspection. So technically there should be a re-occupancy inspection for \$27.50 each for every time a new tenant moves in. There was a brief discussion on monitoring those situations. Mayor Bring stated, we are not going to be able to catch everybody, but that is kind of what I have been working on. Law Director Graves stated yes we can try and keep up with these re-occupancy, but there are a lot of tenants that are moving in and out. We have a record of who has the license and every 2 years those license expire and in order to get that new license there has to be an inspection. So I think the bottom line is regardless of whether we are catching them moving in and out, these rental houses should be inspected at least once every 2 years. At least once every 2 years there should be thorough inspection of that property. Councilman McCullough stated so your writing this thing, to give it some teeth that when they do get their bi-annual, if there is not a record of that new tenant in there then that should also be a charge that they didn't come through and get a re-occupancy permit. You could write that teeth in there too. Law

Director Graves stated I don't know if you want to get into monitoring like this. Councilman McCullough stated David this is my point, when I ran for Council the one thing that I wanted to do is make my house worth more money and to make my house worth more money everybody's house has to be worth more money. What I am getting at is, the more we let this stuff slip through is, the more it drives down the price of all of our homes. Law Director Graves stated I agree and I also think that most of the time when you have problems that the answer is better enforcement – not passing more legislation. That is an opinion and I think it is correct. I think that we have ordinances on the books right now that do what you want to do. With the exception of strengthening the penalty. Councilman McCullough stated do not have ordinances to pay their property tax. Law Director Graves stated you have one in front of you, the ordinance tying the rental license to paying property tax. Better enforcement, we are taking some measures to make a more effective Building Department. If the Building Department can enforce what we have, we can accomplish exactly what you are talking about. Councilman McCullough stated it has gotten out of hand, it really has. Law Director Graves stated there is a lot of people that have not had the inspections that they were supposed to have had – that is true. Councilman McCullough stated there is one more thing and I know it is not on the list that as these homes get older, is there any way when it comes to occupancy and I know there is a list – is there any way that we can get CO-2 monitors added? Law Director Graves asked as part of the point of sale? Mayor Bring stated most all the cities follow ORC when it comes to that stuff and don't know if that is required. Councilman McCullough stated it is not on ORC. Law Director Graves advised it is probably part of the International Code which we have not adopted the International Property Maintenance Code. It is very strict and we have considered that through the years. Councilman McCullough stated you can't enforce what we have now, how are you going to enforce that is what you are saying. Law Director Graves advised we are one of the only communities in the area that still does point of sale inspections, almost every other community does not. Sheffield Lake still does and all the title companies and real estate agencies know that if you are dealing with property in Sheffield Lake you got to get that inspection. We tie it to the sidewalks that have to put in. Again, we have had 1 person over there trying to do everything and I think that we have a lot of rental property so it is tough to keep up with. The Mayor is looking at some other options to make that department more effective. Again, as far as the penalty, what do you guys think the recommendation from the committee should be? How do you want me to write this up. Councilman McCullough stated this is my thought, make it as strict as you can make it and as iron clad that you don't have to spend any time going to Elyria to fight anything for somebody challenging it. As strong as you can make it without creating more work. Law Director Graves advised since most rent is paid monthly, each month that you are renting without a license would be up to a \$500.00 penalty per month. You still might have an issue

there where when did they come in and when did they go out. There was a brief discussion on wording for penalties and options. Law Director Graves continued he advised the license is an escalated fee based on the number of units, so there is a range – 1 is the bi-annual, 2 – 10 and then all the way up to the big ones like Mariners and Erie Shore Landings – they pay more. Did you want to increase the penalty as well. Law Director Graves stated I have to admit when I was talking \$500.00 I was just thinking about the single-family rentals but if you get like Erie Shore Landings that gets behind on their taxes. Councilman McCullough answered \$500.00 a unit and that will get paid. Councilman Erdei stated unless you want to do half? Law Director Graves stated maybe 400 units. Councilman McCullough stated there is not 40 a floor, that place is not that big. He gave example 1 family home not paying taxes to 400 units in a complex not paying taxes – they are individually responsible for them. What is the highest you can charge for a misdemeanor? Law Director Graves advised you can charge more and just make it unclassified misdemeanor. He advised current code reads shall be not more than \$100.00 for each violation and each violation is separate and distinct and a separate violation shall be deemed for each day of the failure of any person to comply. So every day would be a separate \$100.00 fine currently. So it would be \$100.00 per day per violation per entity. So for example Erie Shore Landings if they were for some crazy reason to have their annual rental license revoked, it would be a \$100.00 per day. Councilman McCullough stated for the entire place, not per unit. Law Director Graves advised right but they have a lot more work to do. He gave the breakdown; single family it is \$100.00 bi-annually, 2 to 10 units is \$200.00 annually, 11 to 25 is \$375.00 annually, 26 to 50 is \$550.00 annually, 51 to 99 is \$750.00 annually, 100 to 149 is \$900.00 annually, 150 and up is \$1200.00 annually. I think currently Mariners and Erie Shore Landings are the only that are over 150 and they are paying \$1200.00 a year to the city for their rental permits. Councilman McCullough stated plus their occupancy permits? Law Director Graves answered I don't know if they are doing that? That is something that I don't think that we have really addressed that in apartments. Councilman McCullough stated maybe we should look at having a Housing Manager. Law Director Graves stated I think there has been interpretation over the years where things have kind of gone back and forth but that occupancy is for the first time unit is occupied and then it didn't follow every time it turns over. Mayor Bring stated I know for a while when I first started doing that rental properties I was getting charged every time. I know that has not happened for a while but a number of years ago. Law Director Graves advised by the way that penalty section is for the entire Chapter 1395 – the real property maintenance code. There is no specific penalty for rental permits, it is the general penalty so we could write a specific penalty which would probably be better. Then \$100.00 per day per unit. It is currently \$100.00 per day per unit. Councilman McCullough stated somebody that has 1 unit – 1 house then everybody should be charged then because that house is making actually less per

capita then an apartment is. The people that have the apartments are getting the cash which is fine it is their investment and I totally understand that just live by our laws. We never foresee one of these apartment houses doing something stupid, like I said they are going to pay their rents and stuff like that. It has got to be in there so that when these people come in and buy a unit or a house or two and then pull what they pull. The people that rent the apartments go through the background and credit checks, they go through where you lived before and they call the references. The problem that we are having is all of a sudden since 2008 we have had empty houses and banks giving them away so the banks don't have to pay the taxes on them they are giving them away. Now we have this influx of Lenny in a closet looking all this stuff up and he is finding more and more and more that there is stuff that we have no clue about. What it is is people just being opportunistic. Mayor Bring stated you will have a hundred honest people and you are going to 20 dishonest people. Councilman McCullough stated when I used to teach management classes and you take 100 people, 10% are going to steal from you no matter what you do – you could lock them in a room and tie their hands behind their back and they are going to get you. 10% you could lay \$1000.00 on the table and not know about it and they will pick up and chase you down. The 80% are going to get away with exactly what you let them get away with. They want to do good but if you let them do something and you turn a blind eye to it they are going to take advantage of you. So it always you never worry about the 10% that is going to be honest and you never worry about the 10% that is going to dishonest, you try to hold the 80%. I will guarantee you that we can write all these ordinances and Lenny can go through the city and stop and go through the city again, there is still going to be somebody out there that snuck through a crack and they are going to avoid it. Mayor Bring stated if you did \$500.00 a month for a house and if you did \$100.00 a unit for the apartments, you are almost going to have to keep it separate to make it an easy way for him to write that. Councilman McCullough stated since the fee schedule slides up then the fine schedule can slide down accordingly. Alright so you get to Erie Shore Landings where you got 400 units – it is \$10.00 a unit per month or whatever. Mayor Bring advised I think we could \$500.00 per month for duplexes and single family and then apartments are \$100.00 per unit. There was a brief discussion on sliding scale for penalties based on number of units. Law Director Graves asked where do you feel comfortable with the single family and then I will gradually increase based on units. Councilman McCullough stated \$500.00 per month for single family. Law Director Graves advised I will start from there and will draw a table up for number of units. Mayor Bring asked did that one ordinance conflict that we had on the books about the fees and it kind of ties into what we were talking about and that is occupancy permits or on the permit fee schedule show \$40.00 under 1113.09 but this is for new structures and the re-occupancy inspections; anytime there is a re-occupancy it is supposed to be \$27.50. It has been confused, let's just put it that way. The question would be is

that \$27.50 for the re-occupancy which was passed in June of 1991. Did you think you want to change that so that all occupancy inspections are \$40.00? Councilman McCullough asked Dennis, how long does it take the inspector to do an occupancy permit on a new construction? Mayor Bring answered probably ½ hour or 45 minutes. The thing of it is because they have already had all their inspections before hand on new construction. So basically all he is doing is going back there and making sure there is no alterations to what was originally done which is checking a wire and looking at plumbing but it is basically a quick glance and making sure some things are tidied up. Check gfi's, water and stuff like that. It is a pretty quick run through – final. Councilman McCullough stated you know my house, how long would it take them to go through that for a new occupancy permit. Mayor Bring answered that is not new construction. Law Director Graves stated that is re-occupancy, asked point of sale? Councilman McCullough answered yes. Law Director Graves answered he is pretty quick, they know what they are looking for - maybe 15 or 20 minutes. Mayor Bring stated it takes them a little longer then that, theoretically through the whole thing – it is a half hour at least. Councilman McCullough stated plus the time from leaving the office, setting up the appointment. Mayor Bring stated you got an hour's time. Councilman McCullough stated okay, we are not charging enough is what I am saying. What benefits, say it's the Building Inspector for instance; with benefits that we are paying for him and salary we are not charging enough. Mayor Bring stated I have a company coming in that I am going to interview and I am going to ask them all those questions and get a direction and I think that we should let me discuss that with them to find out what their thoughts are before we do anything. This is what I did I went to a different city the other day and this company was there and they handle all of that and some of the fees did go up when they came in. I would like to talk to them and see what their direction is. Law Director Graves advised just keep in mind what I said before I think we are the only city that are still doing these point of sale inspections at all. The re-occupancy, we are like the only ones that are still doing that. Everybody else just does the new construction. Yes, we are still doing them but we charge \$27.50 and I am not saying that we shouldn't. Councilman McCullough stated keep in mind this, we have one of the lowest fire insurance underwriting in the area and it has to do with 2 things; our Fire Department and our occupancy checks. Mayor Bring advised just give me a little bit because I am going to bring that to you guys on Tuesday.

**CITIZEN'S COMMENTARY: None.**

**All ordinances before Council at this time: None.**

**MEETING ADJOURNED:** With no further business before this committee,  
\*Motion by Erdei/Second by Kovach to adjourn at 7:52 PM. Yeas All.

**CLERK OF COMMITTEE AFFIRMATION:**

This Meeting of the City Committee of the City of Sheffield Lake, Ohio, was held and conducted under all Rules and Regulations Governing the Sunshine Laws of the State of Ohio as they may apply. All meetings are recorded and available in Council's Office.

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**CLERK OF COUNCIL/COMMITTEES**

*Kay Fantauzzi*

I, Kay Fantauzzi, duly appointed Clerk of Committee Of Sheffield Lake DO HEREBY CERTIFY that this Is a true and exact copy of the Minutes of the Ordinance Committee of March 5, 2015.

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**CHAIRMAN**

*Chairman Steve Kovach*

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**COUNCIL PRESIDENT**

*Rick Rosso*

*and/or*

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**COUNCIL PRO TEM**

*Alan Smith*