

Special Council Meeting Minutes **October 4th, 2012**

Call to Order- 7:06 P.M.

Roll Call- Ben Prescott, Bill Zoller, Giles Seith, Linda Schilling, Paul Janson, Marty Hura.

Others: Mayor Linda Clark, Clerk-Treasurer Jenny August

Citizens: Les Hopkins, Pam Stebbins, Karen McKitrick for Benner & Hummel rentals, Cornelia Krohn, Yvonne Mihalich, Nicole Nairn.

Discussion:

AN ORDINANCE ENACTING SECTIONS 171.09(f) AND (g) OF THE VILLAGE OF MANTUA CODIFIED ORDINANCE IN ORDER TO ESTABLISH A RESIDENT REGISTRY FOR INCOME TAX PURPOSES.

Mayor Clark explained that the purpose of this registry is for any resident within the village that is a property owner or a landlord to register with the Income Tax Department. She feels we are missing out on about 20% of our income taxes. Regarding property owners, Council is asking that they are responsible for making their tenants aware of the registry, and that they have 30 days to comply or they could be charged a fee. It could be written in their lease.

Les Hopkins said according to the letter he got, it was his responsibility to inform the Village or he could be fined. The Mayor said if he chooses not to inform his tenants, then yes, he could be fined for not notifying the Village that he has new tenants. Les said he doesn't mind notifying the tenants or adding something to his lease, but he is opposed to being fined if they don't register.

Jenny said that she wrote the letter, but she basically took everything out of the ordinance. Mayor Clark said we are asking the property owners to take responsibility of notifying the renters. Les said if we have a form, he could give it to the renters every time he rents to someone. Jenny said she put together a basic form that would not take much time, and it will be on the website. The Mayor said if he puts a little paragraph in his lease, he has notified them. If he chooses not to add it to his lease, yes, he could be fined. Paul Janson said all we need is a signed paper that his tenant was informed.

Jenny said we are getting our list from water bills, and only one person has the bill in their name, and we are probably missing out on a lot of money that the Village needs. The Mayor added that if there is more than one person living there, we don't know about the others. Les asked what if someone moves in that he is not aware of. Jenny said Bill Zoller asked about that too. If you rent to someone and a few months later, the boyfriend or girlfriend moves in, you don't always know.

Cornelia Krohn said that could work against the owners because people are already complaining about living in Mantua because of the water bills. Mayor Clark said we already require them to pay tax and we are just trying to bring it up to the front.

Marty Hura said we know there will be problems, but we are only asking for the landlords help in distributing the information to the people they rent to.

As a citizen and a landlord, Bill Zoller has a problem with the contractor's contract. He does not think it should be the landlord's responsibility to turn over a list of everyone doing work on their property. We should just put a sign up that all contractors should register with the Clerk. Jenny said she actually intended for the contractor form to be along the lines of companies. An example she gave was when Compass Packaging moved in, they hired 10-15 different contractors to get the building ready for them to move in. Jenny said if they work in town for more than three days, they should register, and we can have signs made coming into town that they should register.

Karen McKitrick is here on behalf of Benner & Hummel rentals. She asked about the income tax. If someone lives in Mantua but works outside of the village, do they still have to pay, and what percent? Jenny said it is 1.5%, and yes they would have to pay, but if they are paying income tax elsewhere, they get a half percent credit, meaning they would only owe Mantua 1%. Karen asked if we will change #1 in exhibit A so land owners are not listed, and also in #2. Jenny said this is the reason for the hearing, to discuss, and the legislation has not passed. Karen wants it taken out that owners are responsible. The Mayor said we can't amend it here tonight, but it can be changed at the next Council meeting. Karen said a lot of people get a PO Box and we could check with the post office for new tenants. Jenny said she will talk to them, but there are a lot of people in the township that get a PO Box. The Mayor said even if Jenny went to the post office, they are not going to tell us where they live, which is why we need the property owners to help make them aware. Paul Janson said we will have another meeting about this and make the changes.

Mrs. Mihalich asked about the current renters. Do they need to fill out a form and does it have to have the date they moved in even if it is 6 years ago? Jenny said yes. Cornelia Krohn asked how they are supposed to prove that they gave them the form? The Mayor said that is why we are asking the property owners to give us a list. Jenny said that way we can verify that they are on our list. Les said he may know someone has moved in with a tenant, but he wouldn't know their name. They may say they are just visiting. Karen McKitrick said we ask the tenant to notify us when someone moves in, but many don't.

Nicole Nairn asked if we can put something together that they could include in their leases. Bill Zoller said we could ask our Solicitor to write up something.

Another property owner said when she lived in Kent, Kent got in trouble for taxing people that rented and the owners were taxed as well. Paul said this is an income tax. Mayor Clark said the renters must pay tax on their income, and the landlords must pay tax on the rental income. It is two separate things. Marty said we can run it past our solicitor.

Cornelia Krohn asked how we came up with the \$150 fine. Paul said it was just a figure. Marty added that we are not trying to put the onus on the landlords.

Mayor Clark said another municipality has introduced a tax registry and their Attorney has increased collections by \$50,000. Les asked what the size of their population is. The Mayor said probably double ours, but we have so many rental properties.

Jenny said at one time we were able to put 15% of our income tax money into the roads, but we have not been able to do that for a long time and we would like to get back to that. Linda Clark said at this time, we do not want to raise rates on any other avenues, which is why we were

meeting tonight so we could figure out how to cut anywhere we can. Giles said we were cut \$25,000 for next year.

Mrs. Mihalic said if we go back 6 years on her tenant, she is afraid they would move out. Marty said they would still have to pay. They do that with the water bill.

Karen McKitrick asked about the contractors. Does she have to do this form every time someone does work for them? Jenny said we would like to put signs coming in to town stating that all contractors must register.

Mrs. Krohn said tenants sometimes don't pay the water bill. The landlords end up having to pay. They would like to have the water turned off when it is \$200 behind. She got in trouble for shutting someone's water off. She thinks the owners should be allowed to have someone's water shut off, or the Village should do like Ohio Edison and the Village go after them for the money instead of the property owner having to pay. They used the water, she didn't. Mayor Clark said our legislation states that we bill your renters, when their payment is late you are also notified that they are late and will be shut off. We are letting you know so you can go up there and tell them to pay. Mrs. Krohn also said if the Village were to bill monthly, they would know by the second month to shut them off. Linda Schilling said we would have to change the computer system at the Service Department, and there is no money right now.

Les Hopkins said you can change your legislation any time you want. In his case, as far as shutting people off, you have threatened twice now to shut off Robinson's water and only given him a few days to pay it. Linda Shilling said it is ten days. Les said you can't shut Robinson's water off because of someone else. If you had individual shutoffs you could, but when they are all on one shut off, you can't shut Robinson off, because they are current. There is only one shutoff, and if you shut them off you are in for a lawsuit. Linda Schilling said this is a Service issue and they can attend a Service meeting and discuss it, or come to Council. This is for the tax registry.

Mayor Clark said we will address the questions with the Solicitor. Les asked how they will know when the changes are made and will be ready. The Mayor said at Council we will make amendments, and the next day we should have copies available for the amended legislation.

Adjourned at 7:43 P.M. by Linda Schilling, seconded by Bill Zoller. All ayes on vote.

Linda Clark, Mayor

Jenny August, Clerk-Treasurer