

Service Committee Minutes

Honorable Council
City of Newark, Ohio
November 27, 2013

There was a meeting of the Service Committee in Council Chambers following the Finance Committee, on Tuesday, November 25, 2013. These members were present:

Jeff Rath, Chair	Bill Cost Jr. for Ed Houdeshell
Shirley Stare	Ryan Bubb
Curtis Johnson	

We wish to report:

1. **Resolution No. 13-100** authorizing the Director of Public Service to execute a contract for reimbursement of legal representation of indigent persons for calendar year 2014 with the Licking County Board of Commissioners for the City of Newark, Licking County, Ohio was considered.

Director Rhodes- this is something that we do every year and we are looking to enter into contract again so we can get reimbursement for legal representation

Motion by Mr. Bubb, second by Mr. Johnson to send to full Council

Motion passed by a 5-0 vote.

2. **Resolution No. 13-101** adopting a statement indicating what services, if any, the City of Newark, Ohio, will provide for approximately 0.275 acres, more or less, located in Newark Township, a territory proposed for expedited II annexation, and declaring an emergency was considered.

Director Rhodes- this basically stated that we will provide police protection, fire protection, emergency medical protection, sanitary sewer, water, street maintenance, highway responsibility, street lighting and animal control.

Mr. Rath- asked where the property is located

Director Rhodes- Deo Dr

Mr. Rath- what is the reason for the emergency?

Director Rhodes- by the time the legislation goes through the process and the Mayor signs it, it will be one day prior to the deadline with the emergency clause on it.

Motion by Mr. Bubb, second by Ms. Stare to send to full Council

Mr. Cost- where on Deo Dr, what property is this?

Director Rhodes- across from Kroger

Motion passed by a 5-0 vote.

3. **Resolution No. 13-102** regarding a buffer zone for the annexation of approximately 0.275 acres, more or less, located in Newark Township; and declaring an emergency was considered.

Motion by Mr. Bubb, second by Ms. Stare to send to full Council

Motion passed by a 5-0 vote.

4. **Ordinance No. 13-40** objecting to the annexation of certain territory, generally described as being 0.275 acres, more or less, located in Newark Township, to the City of Newark, Ohio, and declaring an emergency was considered.

Motion by Mr. Bubbs, second by Mr. Johnson to send to full Council

Motion passed by a 5-0 vote

5. **Ordinance 13-42** authorizing and directing the City of Newark Safety Director to certify to the Licking County Auditor, the sum of \$23,659.69 incurred by the Newark City Property Maintenance Department with respect to Property Maintenance violations to be placed as a lien upon certain parcels of real property situated in the City of Newark, Ohio was considered.

Director Spurgeon- explained that the Codified Ordinance allows him to come to Committee then full Council to ask permission to recover part of the public treasury that were expended to bring properties in the municipality into compliance. Exhibit A is attached of those properties

Motion by Mr. Bubbs, second by Mr. Cost to send to full Council

Lesia Best- thanked Director Spurgeon for his hard work; I want to acknowledge that, I think that you do work hard. In February this year you did a similar list for \$43,000.00, in June of this year another list for \$22,250.00 now this list is \$24,000.00, you are talking about \$90,000.00 this year. That would pay for an inspector would it not?

Director Spurgeon- probably, I would have to run the numbers but more than likely yes.

Lesia Best- of the \$65,000.00 of liens filed since June how much has been collected?

Director Spurgeon- 11 cents on the dollar and that is not the time period that you have asked because I haven't ran those numbers but from a historical perspective it is about 11 cents on the dollar

Lesia Best- how do you decide when to file a lien with the Auditor?

Director Spurgeon- I have discretion, what I don't do is ask the Committee every other week if you will. George Carter my administrative person upstairs has to assemble the list, Joe double checks the list to make sure that we have the documentation before we tag the property. I would say every quarter, 3-4 times a year. If I see something that is large for instance if you look at Exhibit A you might see something that sticks out then I say let's get that thing in there pretty quick.

Lesia Best- can liens be filed against people instead of properties?

Director Spurgeon- I don't know I would have to refer to the Law Directors

Assistant Law Director, Caroline Clippinger- I don't know but I will look into it and get back to Council

Lesia Best- how are the liens collected?

Director Spurgeon- through the County Treasurer, they are assessed by the County Auditor's office. The Treasurer actually collects the taxes. There is a 3% administration fee on exhibit A, from a historical perspective the County Auditor through the Ohio Revised Code has the discretion to negotiate somewhere between 3-5%, we have successfully negotiated the lower of the two which I think is a fair and reasonable repayment to the County Treasurer for their efforts.

Lesia Best- do you know how many properties have been foreclosed due to liens

Director Spurgeon- no I have no idea

Lesia Best- asked Director Spurgeon about original property owners being held accountable for liens when they sell their property for cash. She used the example of Mr. Marquez's property at 145 Railroad that he sold for \$5,000.00 but he owed the city \$2,000.00 in fines

that liens were placed for but now he doesn't have to pay those because the lien goes with the property.

Director Spurgeon- that would be a question for the County but for the record we have had settlements through the Law Director's office that come directly to use. They are put on monthly pay schedules.

Lesia Best- how is progress, the word progress in addressing violations documented?

Director Spurgeon- specifically what would you like me to

Lesia Best- that's the problem I don't see many specifics. She referred to the documentation progress being made at the time of an inspection

Mr. Rath- asked Ms. Best where she is seeing progress being made

Lesia Best- offered to bring in the documents

Mr. Rath- where in this ordinance are you talking about progress being made?

Lesia Best- I am asking Mr. Spurgeon questions along the lines of Property Maintenance which is what he deals with and liens and fines.

Mr. Rath- I just want to make sure that the questions stay pertinent to the legislation at hand

Lesia Best- you mean Property Maintenance?

Mr. Rath- no, I don't mean Property Maintenance. I mean placing a lien on these people in exhibit A

Lesia Best- since liens are a result of fines I would think that is pertinent. Do you want to not allow me to ask my question?

Mr. Rath- as long as you are staying on this ordinance that is fine but if you want to have a Property Maintenance discussion with Mr. Spurgeon we can do that outside of Committee in his office, over the phone, via email. I just don't want to take up the time of this Committee if it's a discussion not pertinent to this particular legislation.

Lesia Best- but since it does relate to the result of having to put a lien on a property it is relevant

Mr. Rath- it is a stretch

Lesia Best- do you document how progress is being made?

Director Spurgeon- progress is a subjective term. Do you want to know how many trash complaints we have mitigated? How many, what is it I don't understand what you want me to tell you

Lesia Best- I guess when Joe Paul writes on a violated property "progress being made" so there are no more fines or anything like that, is that documented? Is the process documented or is it just a loose term?

Director Spurgeon- they are allowed to apply discretion. The law says you have a property maintenance violation you must give us a compliance plan. For instance, someone has chipping paint and they say they want to start painting in May, sounds reasonable, so we will document in the software that has a work order to go back out in May to make sure they are painting.

Lesia Best- that answers my question, I appreciate that. As far as the liens go have you ever considered contracting with a collection agency?

Director Spurgeon- I have not

Lesia Best- while they may charge a percentage 20-30% instead of going to the Auditor which is haphazard or they could charge the violator a fee.

Mr. Rath- I am going to stop this, it is a procedural question. While it is a good idea, a good suggestion

Mr. Marmie- no, no, stop it is not a good idea, can I comment?

Mr. Rath- let me finish my comment. The point is that is has nothing to do with this legislation at this point and time. What we are doing now is putting liens on properties and what we do in the future can be discussed in the future.

Mrs. Loomis- liens actually work very well; we use them where I work. Yes we only collect twice a year because the Auditor only pays out twice a year but they are very effect because no matter who buys that property the liens have to be paid on that property first.

Mr. Marmie- a lien has to be paid, if you send it to a collection agency it is subject to bankruptcy laws, other laws and collection obligations and negotiation so you end up collecting less in the majority of situations.

Mr. Greene- regarding the question as to whether a lien could follow a person rather than a property, I would just urge consideration into the investigation of this because there are several examples of liens being gotten but landlords or owners' not paying because they sold their property or it was taken over. So the violations that lead to the fines that lead to the liens don't have any effect. We keep talking about putting teeth into the Property Maintenance Code to deal with landlords that are neglectful and I think if we are serious about doing that I think that we have to follow the person. The violations are issued for safety reasons but the liens are issued for compensation to the City from the landlord so they are different things.

Mr. Cost- asked how you get a clear title if there is still a lien on the property.

Mr. Rath- you don't.

Mrs. Loomis- when you are talking about person versus property all the City is concerned with is recouping their money. I understand where you are coming from but if what happened was all the liens they could no longer afford their property tax because the amount of liens on there then you have one slumlord down and many properties to go.

Lesia Best- I have a procedural question. Property Maintenance is safety correct, it falls under safety.

Director Spurgeon- it falls under my office

Lesia Best- then why are we in Service?

Mr. Rath- that is where it was assigned

Lesia Best- how come?

Mr. Rath- you would have to take that up with the President but not at this time because it doesn't have anything to do with this legislation.

Mr. Greene- he stated that this was not an argument against the lien proposal but a questions to what the results are and what is the most fruitful. I am just going to use the two examples that I know more familiarly. Jeff Crabill and Greg Marquez who had property liens against them, had violations, then fines then had liens right? They were fined and didn't pay their fines because the property went to other hands, how did that happen?

Mr. Rath and Director Spurgeon- stated without knowing if there were liens on their property that question couldn't be answered

Mr. Greene- then just to add to that question why weren't there liens on the property?

Director Spurgeon- stated that his testimony stands for itself. I can spend money today, I am not coming two weeks from today I tend to for efficiency bundle these together with the strategic plan of coming to Committee/Council 3 or 4 times a year. I don't know that it is advantageous unless it is a big one, which I said earlier get it on there quick but you can fall through the cracks although that would not be my personal preference. I don't know that it serves taxpayers well to come here every Committee and say let me tag 200-300 bucks of grass cutting or trash collecting.

Motion passed by a 5-0 vote

6. **Ordinance No. 13-44** changing the zoning classification of certain real property, generally described as 343 Eastern Avenue, City of Newark, Licking County, Ohio, from that of Single-Family Residence District to MFR (Multi-Family Residence) District.

Director Rhodes- this is the beginning of a process of a zoning change. If you pass this on to Council, Council will refer it to the Planning Commission, Planning Commission will hold a public hearing at the close of that I will take a month and decide whether I agree with the zoning change or not, I will make a recommendation that will go back to Planning Commission to be voted on to then come back to Council. I am just asking you to pass this on to Council so the process can begin.

Motion by Mr. Bubb, second by Ms. Stare to send to Council

Mr. Rath- asked who's Ward it was in

Director Rhodes- 1st Ward

Mr. Rath- then this will come into vote well after the new Councilmember comes in.

Jeff Rath, Chair