

RECORD OF PROCEEDINGS

Minutes of

Minutes of the Vermilion City Council Work Session

Meeting

BARRETT BROTHERS - DAYTON, OHIO

Form 6101

Monday, February 22, 2021

Held

Videos and minutes of council meetings are available to the public to view online at [www.cityofvermilion.com](http://www.cityofvermilion.com) under 'meetings' tab (City Meeting Minutes or Videos).

**Vermilion City Council:** Steve Herron, Council President; Monica Stark, Council at Large; Emily Skahen, Ward One; Frank Loucka, Ward Two; Steve Holovacs, Ward Three; Barb Brady, Ward Four; Brian Holmes, Ward Five.

**Administrative Staff:** Jim Forthofer, Mayor; Tony Valerius, Service Director; Ken Stumphauzer, Law Director; Attorney, Ben Chojnacki; Chris Howard, City Engineer; Amy Hendricks, Finance Director

**CALL TO ORDER:**

Steve Herron, President of Council called the Monday, February 22, 2021 Vermilion City Council Work Session to order.

**Tabled - Third Reading – Ordinance 2020-44:** AN ORDINANCE TO AMEND ORDINANCE 2019-5 ADOPTED FEBRUARY 25, 2019 PURSUANT TO CHAPTER 873 ENTITLED "TRANSIENT ACCOMMODATION, ROOMING OR BOARDING HOUSES" OF THE CODIFIED ORDINANCES OF THE CITY OF VERMILION AND DECLARING AN EMERGENCY.

S. Herron said the last time Council met on this matter in November they discussed the cost of the permit, violations, structural integrity/safety of the house, fire safety, and knowing who is in the home. E. Skahen asked if he was talking about the people renting or owning the home. S. Herron said the owner would do the registration, but his position on the people staying in the home is they need to know who is staying in the unit, just like a hotel when you register your name. He said there is a lot of things today that goes on and all communities should know who is in there as it relates to safety.

B. Brady said she liked the paperwork from the City of Sandusky as it was clear the way it was laid out. She said they need to insist they have liability insurance. Other cities indicate they should have commercial liability insurance because this is a business. She said the property taxes should be paid and the utilities bills should be paid, so when they send this property to the Zoning Board of Appeals for a permit it does not have outstanding encumbrances to the city. She thinks they also need proof of ownership, so this is not a sub-rental situation. S. Herron agreed that homeowner's insurance should cover people coming in to stay during a weekend.

F. Loucka said he read over the legislation from Sandusky and felt it had detail as far as what is required. He wondered what their experience has been since this legislation went into effect in 2017. He noted that Sandusky has more personnel to handle this situation. He said he liked the permit application layout. He wondered how it compares to the City of Sandusky's rental apartment regulations – is it modeled on that. S. Herron asked if he was looking at a comparison of their Airbnb and long-term rentals. F. Loucka said he wonders how it compares to their apartments that are commercially rented.

G. Fisher said council discussed the permit fee, which was never finalized. F. Loucka said Sandusky's fee is \$500. S. Herron and other members of Council expressed they were not in favor of a \$500 fee. S. Holovacs agreed Sandusky had a nice plan but did not agree with the \$500 fee. He thought council was more comfortable with a \$200 fee with a renewal fee of \$100, and if the property needed to be reinspected again, they stick with the original fee. He addressed parking as they should allow one parking spot per unit, but if that property has more units and they can keep their vehicles in a parked hard-surfaced area, than he does not see why they cannot extend those regulations. He said he does not want them parked on the street or in front of somebody's else's house. E. Skahen asked if they can confine the parking to their parking spaces and not allow people to park on the street if it is permitted. S. Herron said sometimes people come with two vehicles for their convenience, but the concern would be if they have five vehicles or somebody has a party. He did not know if Council could control the number of vehicles that are parked if they are parked legally. S. Holovacs said it is addressed in the draft ordinance where it states that no required parking shall be provided in front of neighboring properties. He said they must follow current parking codes. S. Herron said he does not know if there is a right answer on controlling the parking for parties. A. Hendricks addressed street parking as there are buildings in the downtown area that have Airbnb units on the second floor, and they do not have any other place to park but in the street. B. Holmes said as far as safety, parking, and law enforcement issues – if you are a neighbor and you see something wrong then you should report to the police department as they rely on

**RECORD OF PROCEEDINGS**

Minutes of the Vermillion City Council Work Session

Meeting

BARRETT BROTHERS - DAYTON, OHIO

Form 6101

*Heid*

Monday, February 22, 2021

them to enforce the rules and regulations according to the ordinances on the books. He said when people call and come to the meetings to report on what is happening, then the police does not have a report on it, so it is hard to go off hearsay. Once this ordinance is finalized and somebody has an issue with a neighboring Airbnb whether it has to do with parking or noise, then he would encourage the citizens to call and report this to the police, as law and ordinances are on the books to help take care of these issues.

B. Brady said since the building inspector will oversee making this work, she wondered if he had suggestions on what will or will not work. B. DiFucce said he did not go through the City of Sandusky's legislation, but he would review it. G. Fisher said she could send him a copy. B. DiFucce said from a building department standpoint they are concerned with the hazards and condition of the interior/exterior of the property. The city has existing ordinances on the books for exterior property maintenance regardless of whether it is a rental or not. This just gives them an opportunity to meet with the owner and tell them this is their expectations right from the beginning. He said they do not get this opportunity with every owner - only if they are in violation does the building department stop and advise them of the issue that needs to be taken care of. He said going into transient rentals they will be able to make that known from the beginning.

B. Brady asked if the city could insist that properties have fire extinguishers, fire alarms, and CO2 detectors. B. DiFucce said he does not see why they could not. He said the unit must meet the requirements to be a rental unit, and smoke alarms and CO2 detectors are in the current code, so there is no reason to say that these must be in place in a transient rental.

S. Herron asked the building inspector if anything comes to mind that he may find extremely difficult to enforce in terms of anything he has heard. B. DiFucce said it is code interpretation and it is taking what the code was intended to do - it is clear cut and there is not a lot of gray area in the code. For the building department - it is just the ability to get inside these structures. He said some of the structures they are not allowed in unless they are invited in, so if you are to operate a business and you are going to register your house - the requirement is they are going to come inside to make sure it is safe. E. Skahen asked if they need to come up with a specific age to rent transient rentals and whether abutting property owners need to be notified by certified mail of the proposed use as a Transient Accommodation. G. Fisher said there is no need to require the certified mail and the age requirements are usually regulated by Airbnb. B. Brady said VRBO says the age requirement is 18. G. Fisher said the owner must follow the guidelines put forth by Airbnb/VRBO.

B. Brady said on the New York site the Airbnb/VRBO collect the taxes when they bill for the owners. She understood that Erie County collects for Vermillion, so would there be any reason to look at those organizations (VRBO or Home Away) to do this. This way they would send the city a check. A. Hendricks said she would do some research on this to see how it works. Currently, Erie County has eliminated the fee for that service. B. Holmes said he just rented an Airbnb, and it was affordable. He said Vermillion is a vacation town, so he does not want to gouge folks as he wants people to come to Vermillion to enjoy their beautiful city, so the \$500 fee that Sandusky charges is a bit much, but he asked the finance director to investigate fee structure with these organizations. A. Hendricks said as far as the taxes and the rate that comes to the city, it is the same across the board through most of the communities, and it is something that is paid by the visitor and not the operator of the unit.

S. Herron asked Council to consider where they are with the fees. He said they did discuss \$200 for the first initial fee and then \$100 for the renewal. He said he is not willing to go over \$200, but they do need to pay for the work the city does, so he is thinking \$100 across the board as they do not want to gouge people. Additionally, he said most cities have first-degree misdemeanors as their penalty, which means they can go to jail for six months with a \$1,000 fine. However, he would like to look at a fourth-degree misdemeanor - 30 days in jail and \$100 fine per day. He said any punishment is up to the court as council would not mandate it, but he does not think it needs to be anything more than this, or they can look at a minor misdemeanor.

Mayor Forthofer understood the intention to have reasonable fees. The city wants to cover their operating costs and they need to remember that the sentiment to reduce fees not to gouge the taxpayers - the only money the city has is taxpayer money. If they have fees that do not cover the costs that is assessed to

# RECORD OF PROCEEDINGS

Minutes of

Minutes of the Vermillion City Council Work Session

Meeting

BARRETT BROTHERS - DAYTON, OHIO

Form 6101

Monday, February 22, 2021

*Held*

one taxpayer for this rental, then other taxpayers will need to make up the difference. He said it is up to council to set the fee level, but not covering the costs by the person that is doing the renting leaves it up to other taxpayers to make up the operating difference.

B. Brady said there will be a lot more work during the initial application and renewals are simpler because they will have history good or bad, so keeping the initial fee and reducing it for renewal for following years is reasonable. F. Loucka said none of these fees must be set in stone as they can be changed. He suggested sticking with the \$200 and \$100 fees and monitoring it for a year to see if there is a huge loss. They can make the adjustment at that time.

M. Stark agrees \$500 is way over the limit of what they want to charge, but they need to remember this the cost for doing business. These are business owners, and they are running a business. They buy a house to rent out and a majority of these are people who do buy homes to rent them out, so it is a full-time business for them in the community. She suggested they start at \$300 and go down to \$150 for renewals. She said communities around them are charging \$400 - \$500 and this would be a good deal at \$300. It will cost our employees the time and energy in doing inspections and paperwork to keep these up to date. The city is allowing them to run a business in a residential neighborhood and this is the cost of business.

S. Holovacs said he would like to stick to the fees they proposed previously which is the \$200/\$100 fee. S. Herron said they do not have to make this decision tonight, but asked Council to be ready to make this decision at their next meeting.

G. Fisher suggested working with the building inspector and service director to incorporate some of the legislation that Sandusky has in place with Vermillion's current draft, so they can present it at the next legislative committee meeting on March 8. S. Herron said this was a good idea and they can review it at that meeting.

B. Brady said she would like to see the check boxes from Sandusky's legislation incorporated into Vermillion's ordinance. G. Fisher said this is the permit application, so they can identify this in the ordinance as Exhibit A.

**Adjournment:**

S. Herron adjourned the meeting upon no further discussion.

*Transcribed by Gwen Fisher, Certified Municipal Clerk*

