

**ASHTABULA CITY COUNCIL MEETING MINUTES
CITY OF ASHTABULA, OHIO
4717 Main Avenue, Ashtabula, OH 44004**

Public Hearing

Monday, June 19, 2017

The City Council met in a **PUBLIC HEARING**. The President of Council called the hearing to order at 5:30 p.m.

Member(s) Present:	Mr. John S. Roskovics	(Ward 1)
	Mr. August A. Pugliese	(Ward 2)
	Mrs. Kristy L. Hosken	(Ward 3)
	Mr. Michael D. Speelman	(Ward 4)
	Mrs. Josephine Misener	(Council President)

Member(s) Absent:	Mr. Kris E. Hamrick	(Ward 5)
	Mr. Christopher J. McClure	(Vice President)

Officer(s) Present:	Mr. James M. Timonere	(City Manager)
	Mr. Michael Franklin	(City Solicitor)
	Mrs. Dana D. Pinkert	(Finance Director)
	Mrs. LaVette E. Hennigan, MMC	(Clerk of Council)

Officer(s) Absent:	None
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SUNSHINE LAW: The Clerk of Council certified conformity to the Sunshine Law.

PURPOSE

The President announced the purpose of this Public Hearing was to present the 2018 Tax Budget for the City of Ashtabula and give the public the opportunity to comment.

WELCOME

The President welcomed visitors.

DISCUSSION

The Finance Director reported the Tax Budget (TB):

- Is a preliminary financial plan for 2018 City operations
- Is the first step in the overall budget process
- Is required by the Ohio Revised Code
- Once enacted, is submitted to the Ashtabula County Budget Commission (ACBC)
- Tells the ACBC, based on our valuation, that the City wants all the property taxes we are to received

- Reflects what the ACBC certifies the City will realize in property taxes; and it reflects what we want of that certified amount (page 1)
- Lists the funds that will receive property tax revenue (Permanent Improvement, Police and Fire Pension, Police Levy, and Parks & Recreation Levy), details other revenue listed in each of those funds and lists a breakdown of each fund's expenditures (page 4)
- Gives the projected 2018 ending unencumbered General Fund cash balance, which is \$162,109; this number reflects the starting point for our 2017 fall budget process, as well
- The remainder of the document is a breakdown of the other funds and the revenue sources and projected expenditures for 2018
- Provides a preliminary Permanent Improvement list (page 9)
- Shows the City's debt, including the outstanding principle, as of January 1, 2018, as well as Principle and Interest payments that will be made (page 10)
- Is a mirror of the 2017 budget and assumes a couple small items, including:
 - A 3% less operating for all departments in the General Fund
 - \$60,000 less than this year because the City's long term debt to the Ashtabula Area City Schools is paid off, which lessens Settlements and Refunds
- Shows differences in the Transfer Out lines because they were reallocated into the Personal Services line for Medical Insurance and Worker's Compensation
- Overall tells us we are looking at a less than \$200,000 carryover this year, unless we see a lot more revenue generation or less expenditures; and reflects a less than \$200,000 2018 carryover, as well, which will have to be considered during the 2018 budget process that begins in the fall; and
- WE HAVE SOME WORK TO DO.

QUESTIONS/COMMENTS - COUNCIL AND ADMINISTRATION QUESTIONS

Red Flags: The President commented on "red flags" that are already in existence. The Finance Director reported the current red flags do not include the 2016 ending balance, which was a high cash balance, and should alleviate some of the red flags. The FD reported the carryover balance was spent on addressing items that were taken out of the 2017 budget, during the 2016 budget process, for balancing purposes. The Finance Director reported progress is being made on the red flag items.

Carryover: The Ward 1 Councilor questioned the "Projected Final 2017 Revenue v. Expenditure amount of (\$363,600). The FD said it reflects we are spending that much more than what is being brought in; which spending is part of the 2016 carryover funds noted in the "red flag" section above; the amount is \$523,029. The Councilor noted $(363,600) + 523,029 = 151,981$ Projected Final 2017 ending cash balance.

Property and Income Tax Revenues: The Ward 1 Councilor asked if the FD believes these revenues will remain "flat" in 2018. The FD said the Property Tax amount is based on an amount the ACBC gives us; that they will only certify a certain amount, and our valuation did not change. We budget at a lesser amount than the ACBC will certify.

Capital Projects: The Ward 1 Councilor asked why there is no Intergovernmental (grants) project revenue amount listed for 2018, while 2017 is \$481,000. The FD replied they are loan revenue amounts from the State and the 2018 'grant' funding amounts are not yet known.

Contract Negotiations: The President asked for the status of contracts. The Manager reported 2018 will be the end of the current 3 years period; talks will reopen next year.

Capital Projects: The Ward 1 Councilor asked what accounts for the expenditure decrease in the Equipment/Improvements line. The FD reported it is partly due to expended grant and loan funds, such as, street improvements and, some larger 2017 purchases, and that we do not yet know what they will be in 2018.

Retirements: The President asked how far in advance employee retirements are known, given some result in large payouts. The Manager said it is rare for there to be short notice; that usually 90% of the staff gives notice prior to the beginning of a budget process. He said there is a provision to allow for an extra percentage on sick time payout if an employee informs the city of their retirement by September of the year prior to the retirement. The Manager reported there are a minimal number of staff members eligible to retire within five years.

Sidewalks: The President asked if all the funds allocated to our Sidewalk Repair/Replacement Program are used each year. The Manager responded, yes; and that \$10,000 was originally budgeted, but was increased to \$20,000 for some time.

QUESTIONS/COMMENTS – PUBLIC: None

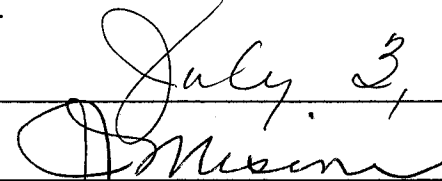
ANNOUNCEMENT

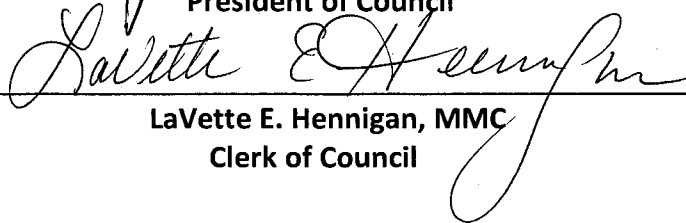
The President announced that, by law, no formal action may be taken at a public hearing. The Tax Budget will be on display in the Finance Department, Monday through Friday, from 9:00 a.m. until 4:00 p.m. and on the City's website at www.cityofashtabula.com, and will continue in both locations until it is enacted by City Council on Monday, July 3.

ADJOURN

Hearing no further business to come before this Council, the President adjourned the Public Hearing at 5:47 p.m.

DATE APPROVED: July 3, 2017

ATTESTED BY: 
Josephine Misener
President of Council

ATTESTED BY: 
LaVette E. Hennigan, MMC
Clerk of Council