

ASHTABULA CITY COUNCIL MEETING MINUTES
ASHTABULA CITY COUNCIL
CITY OF ASHTABULA – COUNCIL CHAMBERS
4717 Main Avenue, Ashtabula, OH 44004

PUBLIC HEARING MINUTES
Monday, December 4, 2017

The City Council met in a **PUBLIC HEARING**. The President of Council called the hearing to order at 5:15 p.m.

Member(s) Present:

Vacant	(Ward 1)
Mr. August A. Pugliese	(Ward 2)
Mr. Reginald M. Holman	(Ward 3 – arrived at 5:19)
Mr. Michael D. Speelman	(Ward 4)
Ms. Jane E. Haines	(Ward 5)
Mr. Christopher J. McClure	(Vice President)
Mr. John S. Roskovics	(Council President)

Member(s) Absent: None

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

SUNSHINE LAW: The Clerk of Council certified conformity to the Sunshine Law.

PURPOSE

The President announced the purpose of this Public Hearing was to give the public the opportunity to comment on the request of Mr. Ron R. Kister to partially vacate the alley between West 12th and West 13th Streets and to present and permit comments on the 2018 Ashtabula City Budget Appropriations.

WELCOME

The President welcomed visitors.

DISCUSSION

1. Partially vacate the alley between West 12th and West 13th Streets

Mr. Ronald R. Kister, 1444 Morton Drive, Ashtabula, OH

- The alley goes clear around
- The request is to vacate the portion that goes from 13th Street, half way across

- He would like to get it ready to build on if the opportunity arises, and
- His wife owns three lots there; NEO Development (Ron R Kister) owns two lots on the other side – so the Kister’s own land on each side of the portion he is requesting to be vacated.

QUESTIONS/COMMENTS - COUNCIL AND ADMINISTRATION QUESTIONS

The President asked if the portion of the alley requesting to be vacated goes up to Mr. Capos’ property. The Manager said it would go “approximately half way between West 12th and West 13th Streets – then the alley does run all the way back to Michigan Avenue – they are only requesting to the end of their property line off of West 13th Street.”

The Manager said the staff has no objection to the request and requests City Council’s approval.

The President asked if neighboring residents are notified of vacation requests so they may share their concerns. The Manager responded, yes.

The Ward 4 Councilor sought confirmation that if Council approves the vacation Mr. Kister will receive the land and will pay the property taxes thereon. The Manager responded, yes.

Mr. Frank Capo, Owner of Capo’s Pizza located adjacent to property in question

He said he received the public hearing notice, had difficulty seeing the map included with the notice, wondered how the request would affect him, and now knows the request will not affect his property, at all. The Manager shared a larger map with Mr. Capo to confirm he will not be affected.

The Vice President asked if the City maintains the alley from Michigan Avenue running east. The Manager said there is no maintenance required of the City.

The Manager said, “Because of the way the County Auditor’s Office requires vacations to be handled, a survey of the entire alley is required and then the owners have to have from the middle to their property surveyed and included in theirs. It’s become very expensive to do. So all those parcels would have to have surveys on their own, or somebody would have to pay for the entire survey of the alley, specifically, to have it recorded in Jefferson. Then when those properties would be sold, the individuals would have to have it surveyed to then have it included in their deed and make sure their deed is written up correctly. So, that’s the reason we’re not requesting the entire alley be vacated. At this time we could vacate the whole alley. We don’t plan on any development. There are no utilities; there’s no real need for it. We do not maintain the portion of the alley being requested for vacation – it is a paper street. The City has never plowed the portion being request to be vacated; Mr. Kister has.”

The President announced City Council would vote on this request at this evening’s Regular City Council meeting.

DISCUSSION

2. Budget Appropriations for 2018

The Finance Director noted:

1. A correction to Exhibit A was distributed
2. The original Exhibit A had the Self Insurance Fund being appropriated with a negative fund balance, which is prohibited. The adjustment was made, which the corrected copy reflects
3. The only change in this Appropriation Ordinance relative to the Budget Estimate the City Manager submitted to Council in October is, "\$175,000 due to you can only appropriate what the County has certified your Estimated Resources to be. We have the certificate, which is based on our Tax Budget submitted to the County in July. Our General Fund (GF) is actually going to have more of an ending balance in 2017 than was project in the Tax Budget. Because the County has already certified an amount, they won't change it until I give them our actual balances. So, that will go back in, but that's the only change if you pull the Budget Estimate up on the website and see that it does not mirror this Appropriation Ordinance; and that's why."

QUESTIONS/COMMENTS - COUNCIL AND ADMINISTRATION QUESTIONS

- In response to the President's inquiry, it was reported that the City's fiscal year is from January to December.
- December 2018, a carryover of \$377,000 is anticipated, provided we have no other appropriation changes.
- In response to the President's inquiry about the Police Levy Fund being in the red, the Director responded, "Historically we spend a little more than what is brought in each year. The difference column shows the deficit spending against the revenues received and expenditures. We use the carryover balance to keep the (5) officers and (2) dispatches employed. And, it is going to last us the five years (*length of the levy*) and we would have a small balance by the time the levy is scheduled for renewal."
- Next year is the 4th year of the levy, which is also the year officials have to consider putting it on the ballot to ask the electorate for a renewal. The Manager said, what was not taken into consideration when numbers were tallied for the Police Levy is overtime and raises over the existence of the levy, which has thrown the numbers off a bit. Regarding deficit spending versus revenue and expenses, we had a difficult time hiring officers once the electorate voted in favor of the 5 year levy. So, for a short period of time the money was not being spent on the (5) officers and (2) dispatchers.

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- The Manager said, “When it comes to the budget the goal is to try and not look at the beginning and ending balances, but at our expenditures versus the revenue. We are showing a \$32,318 difference, to the good, but we all know this balance could cover half of an incident and then there is no reserve.” He said he believes everything has been done on the expenditure side, but that more revenue is needed. This equates to more businesses or “whatever we have to do to keep money rolling into the City as far as the GF goes.” He said the projected start amount of \$345,000 is just about one payroll for us. He said there should be more in our carryover column, which the Finance Director has repeatedly said.
- The Finance Director pointed to other funds that show deficit spending. She said the deficits are reasonable and explained why.
- The Solicitor explained the Law Enforcement Trust Fund (LETF), are monies that have been forfeited to the City from criminal prosecutions by his office, the county prosecutor or by the U.S. Attorney’s office relative to drug traffic. While his office has custody of the funds, the Police Chief is the primary decision maker regarding how the funds may be expended. The law prohibits the funds from being expended on day-to-day department operations like salaries and supplies. They may be used for training, specialized investigative tools, and they have to have some sort of relationship to criminal investigation and prosecution. Previous uses of the funds have been on ballistic vests, special training, undercover drug buys and witness housing.
- The General Court Fund is in the red because it is based on Municipal Court expenditures that come out of the GF against the funds the Court disperses to the City out of their court costs and fines. There is a thought that the GF tax money is supposed to be used to support the Court. The Finance Director agrees, but would like to see it more to the tune of \$300,000 versus \$560,000. The Director said she and the Court are working on this. The Court funds found on a different line item are funds the Municipal Court Judge disperses at her request. The Court has enacted new funds over the last couple of years. They have allocated more to the GF out of some of their fines and forfeitures. They have also committed to permanent fund transfers into the GF from their carryover balances. The budget is formulated to show what tax dollars are supplementing the Court.
- This year’s city income tax collections compared to 2016 was very close. Last year we had higher than expected withholdings, partly due to cash flow because we had money coming in early in the year that would have been received at the end of 2015. This year we have increased “estimated payments” based on the law that says you have to make “declared estimated payments” if your tax due was more than \$200 last year. Next year’s collections have been projected on what we received, which is less than this, because it came in high this year.
- The Clerk of Council asked the Finance Director to explain what a Tax Budget, Budget Estimate and Budget Appropriations are, for the sake of the new members of Council:

- **Tax Budget:** This document is required by the Ohio Revised Code. It is a mid-year budget due to the County by July of each year. It is a preview and initial projection of the coming year's budget. Also required to be submitted to the County is the projected carryover balance, what will be collected in tax monies, projections in what our other revenues will be and what our expenses will be. The County uses this information to create a Certificate of Estimated Balances (CEB). The CEB is issued at the end of November. Any requests for adjustments to the CEB are unable to be made by the County until the beginning of the year. Because the CEB is used as the revenue estimates to create the first budget for the upcoming year, the numbers should be close to what you actually want them to be. "This is the document we use to begin our budget process."
 - **Budget Estimate:** Our Charter requires us to create a budget estimate inclusive of different columns and history. This document is what we post on our website.
 - **Appropriation of Budget Ordinance (ABO):** Once the City Manager presents the Budget Estimate to City Council, an ABO is created. It simplifies the Budget Estimate, does not have the history and is the budget by fund and activity.
- The Ward 4 Councilor said the important take away from this public hearing is that the City is not spending more than it has. The Manager said the 2018 Budget, as it appears today, shows we are not going to expend more than the revenue we will bring in by \$32,000. The carryover balance, ideally, should be closed to \$500,000 to \$700,000 range for us to really start to feel safe.
 - The Manager said there is nowhere to save on the expense side; the revenue has to be addressed in order to realize a larger carryover balance. The Vice President noted services could be sold off, but that is not what this budget proposes.
 - The Manager said department heads keep their Operating budget requests to a minimum. There may be hefty Permanent Improvement (P.I.) requests from year-to-year, but Operating budgets are reasonable.
 - Finance Director: The GF represents day-to-day needs. It represents everything but Sanitation, Code Enforcement, Water Pollution Control and a portion of Public Works (PW) because we do fund some of PW out of the GF. The GF and P.I. are your main source of tax monies. Sanitation and Water Pollution Control are Enterprise Funds; they have to support themselves. For instance, a new tax levy will not save the Sanitation and Waste Water funds. And, if sewer or sanitation rates are increased, you cannot use it to keep police and firemen working.
 - Manager: P.I. funds are used to purchases items with a (5) year or more life.

- Manager: Chapter 191, titled, Income Effective January 1, 2016, dictates P.I. and GF allocations, as follows:

191.013 ALLOCATION OF FUNDS.

(A) Ninety percent (90%) of the funds collected under the provisions of this chapter shall be allocated to the GF of the City.

(B) The balance, being ten percent 10% of the funds collected under the provisions of this chapter, shall be allocated to the Permanent Improvement Fund of the City.

- Manager: The cash carryover total for all funds combined is 3 million, seven-hundred and forty-nine thousand dollars (\$3,749,000.00).
- The Clerk requested an explanation of the Fire Escrow Fund be given for the sake of the new members of Council. The Manager said if a property burns, insurance companies are required to send the City a check. When the property is returned to code status or razed the funds are released to the property owner. If the owner does not do what is required the Fire Department will arrange for demolition using the funds placed in escrow.

QUESTIONS/COMMENTS – PUBLIC: None

ANNOUNCEMENT

The President announced that, by law, no formal action may be taken at a public hearing; that the 2018 Budget Appropriations will be on display in the Finance Department for 10 days for public review and inquiry; it may also be viewed on the City's website. City Council will vote to enact the Budget Appropriations at our Monday, December 18, Regular Council Meeting.

ADJOURN

Hearing no further business to come before this Council, the President adjourned the Public Hearing at 5:46 p.m.

DATE APPROVED: December 18, 2017

ATTESTED BY: John S. Roskovics
John S. Roskovics
President of Council

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