

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

Public Hearing

Tuesday, July 5, 2016

The City Council met in a **PUBLIC HEARING**. The President of Council called the hearing to order at 5:45 p.m.

Member(s) Present:	Mrs. Alice T. Cook	(Ward 3- arrived @ 6:05 p.m.)
	Mrs. Josephine Misener	(Ward 4)
	Mr. Kris E. Hamrick	(Ward 5)
	Mr. John S. Roskovics	(Ward 1)
	Mr. August A. Pugliese	(Ward 2)
	Mr. Christopher J. McClure	(Vice President)
	Mr. J. P. Ducro IV	(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 present the 2017 City of Ashtabula Tax Budget.

WELCOME: The President welcomed visitors.

DISCUSSION

The Finance Director reported:

- A tax budget is required to be submitted to the Ashtabula County Budget Commission (ACBC), annually
- The contents are in accordance with the ORC
- One change has been made since presenting the budget to the Finance & Personnel Committee, that being a notice from the Municipal Court to commit to a \$57,500 transferred from their funds into the General Fund; expenditures were not increased but the General Fund's projected balance was amended
- The tax budget serves as a request to the ACBC for our real estate tax revenues
- Pages 2 thru 5 are the detail of the funds that receive real estate tax; the balance of the pages are the funds that do not but a projection is still given to the ACBC so they may certify our revenue so we may start our budget process; City Council legislates the expenditure side of the budget in November; and

- A debt listing is recorded on page 10 because the ACBC gets a listing of all our “general obligation” debt, as well.

CITY COUNCIL QUESTIONS and/or COMMENTS

Clerk: Asked if the \$57,500 commitment from the Municipal Court changes the need to reduce all departments’ operating funds by 15%

FD: Expenditures were not increased. It was reported to the Finance & Personnel Committee that the Tax Budget assumes: contracted pay raises, no new hires, no retirees, increased license tax fees, and to balance on the expenditure side there’s a 15% decrease in departmental operating funds. “This was done because the Tax Budget may not be submitted to the ACBC with a negative General Fund balance. So, we know that at budget time, when the departments look at their Operating, everything that is not contracted or personnel, we are going to have to find some answers there.”

Ward 1: Asked for an explanation of “Personal Services” and commented on the General Fund revenue amount.

FD: That’s all wages and benefits – anything personnel related.

President: Asked if it is “Personal” or “Personnel”.

FD: It is “Personal”. It’s a term used in the ORC We are not mandated to use it, but it does let people, such as Auditors and the county, know what expense accounts it entails.

Ward 1: Asked for confirmation that the projected difference in General Fund Revenue vs. Expenditures is \$64,000.

FD: Confirmed this is true. She said the 2017 Projected Unencumbered General Fund Cash Balance is \$175,000 but was lower prior to receiving the Courts \$57,500 commitment. The projected final General Fund Unencumbered Cash Balance is \$110,000.

Ward 1: Asked if this budget is likened to a school budget (which he is used to working with) where there has to be a certain carryover percentage.

FD: No, but Council may enact legislation requiring that specific carryover percentages be met. Cities do it and have set the percentage anywhere from 5% to as high as 18%.

Ward 1: Commented that in 2014, the Actual General Fund revenue was \$9,487,225. In 2017 it is projected at \$9,031,600.

FD: Primarily we have reduced property tax. Our actual is higher than what we are projecting in 2017 in income tax.

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Ward 1: Commented that property tax went down less than \$40,000, representing about a 5% decrease. Income tax is down about \$100,000. The big one was "Charge for Services" and asked what this revenue is.

FD: She will have to look at it closer; but it could be just posting something in another category, or moved down to other income just based on its classification.

President: Asked the FD to send an explanation to the members of Council.

Note: On July 6, the FD emailed members of Council the following explanation: The difference in charges for services from year 2014 was due to creating a separate fund for Street Light Assessments. The collections are now accounted for in the Street Light Assessment Fund 202; page 7 of the Tax Budget.

Vice Pres: Commented that the Police Levy has its own line item.

Ward 4: Are equipment purchases planned.

Manager: Yes. A couple small $\frac{3}{4}$ to 1 ton dump trucks need to be replaced. The purchase is being looked at for this year, but awaits new State Purchasing numbers. He said now that some of the initial big purchases of police cruisers have been made, he would like to make it a habit of replacing at least 3 per year, beginning 2017, which would put our police vehicle fleet in pretty good position. These purchases would be made from our Capital budget, which is pretty good.

Ward 4: Is there a plan to purchase Police body cameras.

Manager: The Police Department continues to look into the purchase and to secure vendor information. Once it is received body camera purchases may be added as an expenditure. They, too, would be a Capital purchase.

Ward 1: Asked if our property tax revenue decrease due to valuation. He also asked why the income tax revenue decreased.

FD: Lower property tax revenue is because of a decreased valuation. In 2015, we had lower collections because the County gave a big refund to a corporate employer, "and it came right off the top of our property tax". The fact that this was coming was not known – it surprised us last year. In 2014, we saw some delinquents that the former City Treasurer initiated in 2013, come in. We are actually projecting more from 2015 to 2016 and 2016 to 2017, but are being conservative.

Manager: We also had a few corporations use some federal and state loopholes to offset income taxes that would have been owed to the City, but ended up not having to pay.

The President acknowledged the presence of the Ward 3 Councilor at the meeting. He asked the Councilor if she had questions or comments about the Tax Budget; she did not.

PUBLIC QUESTIONS and/or COMMENTS - None

CLOSING REMARKS

The President announced that, by law, no formal action may be taken at a public hearing. The ordinance enacting the Tax Budget is scheduled for a vote of Council at this evening's Regular Council meeting scheduled to begin at 7:00 p.m.

ADJOURN

Hearing no further business to come before the Council, the President adjourned the Public Hearing at 6:05 p.m.

DATE APPROVED: July 18, 2016

ATTESTED BY: J. P. Ducro IV
J. P. Ducro IV
President of Council

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