

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

Public Hearing

Wednesday, December 14, 2016

The City Council met in a **PUBLIC HEARING**. The President of Council called the hearing to order at 8:15 a.m.

Members Present: Mr. August A. Pugliese (Ward 2)
Mrs. Josephine Misener (Ward 4)
Mr. Kris E. Hamrick (Ward 5)
Mr. John S. Roskovics (Ward 1)
Mr. J. P. Ducro IV (Council President)

Member(s) Absent: Mrs. Alice T. Cook (Ward 3)
Mr. Christopher J. McClure (Vice President)

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

Officer(s) Absent: Mr. Michael Franklin (City Solicitor)

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 City of Ashtabula 2017 Appropriation Ordinance.

WELCOME

The President welcomed visitors.

DISCUSSION

City Manager comments:

- Thanked the Finance Director for the work and time put into the process
- Thanked department heads for making sensible requests and being upfront with their needs.
- There is an \$89,000 deficit between revenues and expenses.
- The projected 2017 balance is estimated at \$126,369.
- The different between the projected ending numbers in this version of the Appropriation Ordinance compared to the numbers presented at the Monday, December 12, Finance & Personnel (F&P) Committee meeting, is there were some line items that, after giving them some thought, we realized could be reduced due to actually expenses incurred, such as large income and property tax refunds paid out this year that we hope will not have to be paid out

again in 2017. Those type changes amounted to \$160,000, which was returned to the budget.

- The Appropriation Ordinance includes a 5% overall operating reduction. Last year the reduction was 10%.
- At the December 12, F&P meeting, Ashtabula Municipal Court (AMC) Judge Laura DiGiacomo and AMC Administrator Ms. Tonya Amato presented AMC revenue suggestions and hiring needs. They agreed to hold off on one full-time hire planned for April 2017, resulting in about a \$15,000 savings. He and the Finance Director were comfortable adding their revenue suggestions to the budget.
- He reached out to the unions for suggestions on ways to try to eliminate an \$89,000 revenue deficit.
- In order not to eat away at this year's carryover, he wants to keep a handle on this year's revenues and expenses. We need to build our carryover up. "The Finance Director is comfortable with a \$300,000 carryover. I start seeing a better light at the end of the tunnel that's not a train, at about \$500,000. This is our goal.
- Because of things City Council, the Administration and the staff put in place, we were able to fight off big unanticipated and unplanned items that came along this year and allowed us to financially absorb them.
- We need a break for one year so all the things we have been doing allows us to beef up our carryover balance and keep things moving forward.

At the request of the Ward 1 Councilor, the Finance Director gave the following overview of the "General Court" funds and "Other Court Funds" in the attached document titled, "City of Ashtabula Budget Estimate FY 2017 Fund Balance" – page 1:

- The top two lines represent the General Fund portion that goes towards the AMC.
- The "0" is because we supplement anything the AMC does not bring in.
- This year the top two lines were separated. This way Council will be able to see the difference the City pays, with tax dollars, from the General Fund, to make up the deficit in AMC revenues and expenditures. There is an assumption the AMC is funded with tax dollars. They definitely are not expected to completely fund themselves.
- At the F&P meeting, I said I'd like to see the "Difference" column closer to \$300,000 instead of \$500,000, which would result in a net zero.
- The deficit due to the GF's supplementing of the AMC is not new. Over the last five years, historically it has been \$400,000 to \$500,000.
- The "Other Court Funds" located at the bottom of the document represent the funds completely under the AMC's control. They can offer some of the fund balances back to the City. That's what we work with the Judge to do; and they did so this year.

CITY COUNCIL QUESTIONS and/or COMMENTS

President: Have we ever done a comparison with other municipal courts to see how much other communities fund the courts from their general fund.

Finance Director: When she inquired a couple years, the City's of Chardon and Bedford responded. They said their court sustains; that their general fund does not have to supplement a lot. The Finance Director will conduct research and report the findings.

President: It would be interesting to know what the difference is. Is it in fees collected, fees charged, the rates, do they have few staff, how does their case load compare to the staffing levels, etc.

Ward 4 Councilor: Sought confirmation that the \$227,952 listed in the "Ending Balance" under "Other Court Funds" may be used at the Court's discretion and is not included in the 101 General Fund line items funds for the AMC. The Finance Director direct confirmed this to be true. The Councilor asked what the funds are spent on. The Finance Director said mandates, such as are listed in the line item descriptions. She reported that in 2017, the Security Fund would be used to pay for a part-time security officer instead of charging it to the GF. They are also giving portions of the fund balances from Municipal Probation, Computer, Security and the Court Special Projects to the City. The \$646,805 listed at the top of the document would be the carryover balance without the AMC factored in. With them being factored in, our projected GF carryover is \$126,369.

Ward 4 Councilor: Commented on road salt purchases in light of a \$126,369 projected carryover. The City Manager said Public Works is only supplemented by the GF if they run short. A lot of overtime has been put in since last Thursday. He anticipates the same will happen tonight and through the weekend. The FINANCE DIRECTOR said those costs are budgeted through the end of the year - the salt is purchased and the overtime is budgeted in the 2016 and 2017 budgets.

Ward 1 Councilor: Had it not been for the 2015 carryover, we would be \$89,000 in the red? The Finance Director confirmed this to be true. He asked what accounts for the \$89,000 deficit. The Finance Director responded, primarily personnel expenses. She said our revenues are pretty static. This year our income tax came in a couple hundred thousand dollars higher than budgeted, which saved us. She said when it comes to known increases, it is standard always have contractual increases for personnel. The Councilor asked what percentage of the budget is personnel. The Manager and Finance Director agreed it is 70% or more. The Finance Director reported the City has \$7 million in personnel expenses, overall. She said a few personnel lines found in the GF are, Police Levy, PW and Sanitation.

Ward 4 Councilor: Was this the year the City took a hit due to the closure of Norfolk/Southern Railroad's Harbor operations? The Manager said the loss is about \$100,000 in income tax revenue per year. They kept employees on a lot longer than first reported so this year was okay. Now they are down to six employees and most of them are part-time security personnel. It will be noticed next year if their operations remain closed. This, too, is factored into the appropriations.

Ward 1 Councilor: What is the \$70,000 difference reported in the Police Levy line item? The Finance Director said it is the difference in the projected income tax revenue and the cost of those personnel. She reported personnel wages are all that is paid out of the Police Levy line item. The Councilor asked if the revenue is down. The Finance Director said overtime was not factored in to the cost of hiring the additional staff members if the levy passed, because it was thought they would not have overtime. Another part of it is that the original projection for what we would received in property tax was more than we actually received, based on what the County certified.

Ward 2 Councilor: Have we begun to collect the revenue from the \$5.00 Permissive Auto License Tax fee? The Finance Director said payments totaling about \$700 were seen in October.

She thought the revenue would begin coming in January 1, and thought perhaps the October revenues are 2017 renewals being paid early.

Finance Director: The budget has a positive carryover, as presented, and is permitted to be passed. Last year's Appropriation Ordinance ending balance was around \$200,000. All of this year, I specifically said we could not have any GF increases and we didn't. We'll have a small increase for this year's last appropriation ordinance. The \$126,000 projected carryover is allowed, but we'll still have to make some adjustments throughout the year. If we don't find some increased revenue or savings and really watch those lines every month, it will not end up good. Normally we look at the monthly reports and we're within our budgeted amounts and we're fine. At the monthly F&P meetings I will report when savings need to be found. And, if anything comes in less than projected, we have to find the savings because we won't be able to absorb it. I just wanted to make those comments. Again, it's an acceptable budget and is allowed, but we really do still need to be finding those savings.

President: Does the budget include 'sick-time buyout' requests. The Finance Director said yes. The President confirmed this will be part of the City Manager's options discussion with the unions. He then asked if the one full-time versus two full-time hires, with levy proceeds, is going to be a part of the discussion. The City Manager said no.

PUBLIC QUESTIONS and/or COMMENTS

None

SPECIAL MEETING

In accordance with Ashtabula City Charter Section 49, City Council will convene a Special Meeting on Wednesday, December 28, at 8:00 a.m., to vote on the 2017 City of Ashtabula Appropriation Ordinance.

ANNOUNCEMENT

The President announced that, by law, no formal action may be taken at a public hearing. The ordinance to enact the 2017 City of Ashtabula Appropriation Ordinance will be voted on as noted above.

ADJOURN

Hearing no further business to come before this Council, the President adjourned the Public Hearing at 8:37 a.m.

DATE APPROVED: _____

December 19, 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