

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

PUBLIC HEARING MINUTES
Monday, July 2, 2018

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:	Mrs. Kym Harley	(Ward 1)
	Mr. August A. Pugliese	(Ward 2)
	Mr. Michael D. Speelman	(Ward 4)
	Ms. Jane E. Haines	(Ward 5)
	Mr. Christopher J. McClure	(Vice President – 5:45p)
	Mr. John S. Roskovics	(Council President)

Member(s) Absent:	Vacant	(Ward 3)
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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)
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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 2019 City of Ashtabula Tax Budget.

WELCOME

No visitors present

DISCUSSION

The Finance Director reported:

- The Tax Budget (TB) is required by the Ohio Revised Code (ORC).
- It gives the County Auditor the amount of property tax we are eligible for and want.
- Included in the TB is a history of our expenditures and revenues and what we believe the next year will look like.

- The TB assumes:
 - 1.5% wage increases
 - Medical Insurance increase

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- The General Fund will assume the deficit in the Police Levy Fund (history tells us the levy funds do not generate enough to cover the full pay of the five officers and two dispatchers being paid from the levy funds.
- The levy funds have lasted five years because the first year it took a considerable amount of time to hire the five officers.

City Manager

- Overtime was not factored into the equation. He is currently negotiating with Kent State Ashtabula Campus to provide a Resource Officer; all Kent campuses are looking at doing the same; the arrangement will be similar to the one we have with Ashtabula Area City Schools in that 9 to 10 months they pay everything for an officer to be on campus; the City picks up the balance of the months; they work for our Department and may be called back at our service at anytime; it will be a new hire.

Finance Director

- Police and Fire Overtime budgets will have to be increased before yearend.
- We will spend what is currently encumbered.
- The TB leaves \$400,000 available in Permanent Improvement after debt service payment.
- There is no change in department budgets; they mirror 2018.

- The TB is the first snapshot of the 2019 budget.
- With the above assumptions, the General Fund will have expenditures in excess of revenues of \$300,000 and a projected December 31, 2019, General Fund carryover of only \$147,000.
- The budget process will begin next month.
- Operating budgets will have to be cut a bit and we will have to look for other ways to save
- The Tax Budget is able to be submitted, as is, but the 2019 budget will need to be trimmed.
- The estimated December 31, 2018, General Fund carryover is \$457,000.

QUESTIONS/COMMENTS – City Council/Administration

The 2018 estimated unencumbered cash balance carryover in the Capital Projects/Permanent Improvement Fund is \$364,643 and in 2019 is estimated at \$403,000.

Police

- **Levy Fund**
 - The 2018 balance is estimated at \$3,009 and \$2,000 in 2019; and that this is with the General Fund picking up the difference.

 - When asked why not enough funds are being generated, the Manager enumerated the following:
 - wages increased
 - overtime was not taken into account,
 - the department is short two officers

- we are experiencing difficulty with hiring
- only 6 persons took the last entrance test, two were eligible to hire, and one ended up taking a job in Chardon.

- There are now two possibly three hires needed (including the Kent State University Resource Officer). Lateral transfer qualifications and policies are being drafted. Lateral transfers will be implemented after exhausting the active Civil Service list of candidates. Lateral Transfer candidate require City Council Approval.

- **Retirements**
 - Two are eligible to retire at anytime; one more will be next year.
 - There is no age requirement to remain an officer.
 - There are some officers at the salary level that could employ two officers.
 - A buyout program was suggested as the only way to reduce the force who have retirement years of service; as was done in various departments several years ago at a loan cost of \$800,000; the annual loan payment was \$150,000, and the loan was just repaid. We do not have the funds, at this time, to offer the program again. The Ohio Fire and Police Pension is different than Ohio Public Employees Retirement System and not as easy to work with.

- The Nuisance Abatement Certification amounts that appeared in yesterday's newspaper are included in the estimated property tax revenues.

Parks & Recreation Levy

- \$56,981 was the final 2018 unencumbered cash balance.
- \$50,430 is the final projected 2019 unencumbered cash balance.
- 2019 projected revenue v. expenditure amount increased due to an increase in our valuation and because our tax base increased; the County Budget Commission certifies at 95% of the valuation, which is never attained, so during our budget process later in the year, we reduce the number.

Check and Balance

- Local government is prohibited from appropriating or spending any more than the County has certified we have in resources.
- We are prohibited from having negative cash balances.
- The TB is also used by the County to certify that requested millage for levies on property tax is needed.

Projected Budget

- Local governments are not required to have five year projected budgets, but the Finance Director would like to "proactively do that".
- The Manager said three year projections would be more realistic for us because our union contracts are reviewed every three years.

Bond Rating

- Our current rating is A-.
- We do not go out for bonds or do different types of financing, so the rating is not relevant.
- We are well within our debt limitations.

The Debt Schedule appears on the last page of the TB, which the County requested.

Next Steps

- Council enacts legislation approving the TB
- The Clerk issues a copy of the approved TB to the County
- The County issues certification of our tax money, and
- City Council will enact legislation certifying the amounts and rates the County certifies.

QUESTIONS/COMMENTS – Public

None

ANNOUNCEMENT

The President announced that, by law, no formal action may be taken at a public hearing; but that City Council is scheduled to vote legislation to enact the tax budget at this evening's Regular Council Meeting.

ADJOURN

Hearing no further business to come before this Council, the President adjourned the Public Hearing at 5:52 p.m.

DATE APPROVED: August 6, 2018

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

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