



City of Ashtabula
Ashtabula City Council
Finance & Personnel Committee Meeting
Friday, November 21, 2025 at 8:30 PM
Council Chambers
4230 Lake Avenue

Minutes

Opening of Committee Meeting

Call to Order

The meeting of the Ashtabula City Council Finance and Personnel Committee was called to order at 8:30 a.m. by Committee Chair Kym Foglio.

Roll Call

Members Present: Chair: Ward 1 Councilor Kym Foglio, Vice Chair: Ward 5 Councilor Jane DiGiacomo, Member: President John Roskovics

Absent: None.

Officers Present: City Manager James Timonere, City Solicitor Cecilia Cooper, Finance Director Vladimir Kan, Clerk of Council Stacy Millberg, Assistant Finance Director Carolyn Sheldon, Water Pollution Control Superintendent Mark Verzella, Lt. Geoff Cannon

Visitors: Jessica Hampton

Sunshine Law Certification

A quorum was established as defined by the Ashtabula City Council Rules of Order. The meeting met the requirements of the Ohio Sunshine Laws Open Meetings Act.

Welcome and Acknowledgement of Visitors

Finance Director's Report

Finance Director Vladimir Kan reported that year-to-date income tax collections, including interest and account collections, totaled over \$875,000. He noted that the number of accounts currently in collection with the Ohio Attorney General's Office was 855, with an outstanding balance of \$566,000 in collections. The Finance Department started sending out assessments, having sent 25 assessment letters with a balance of over \$11,000. The cost of mailing was \$175, which is calculated as \$6.04 per assessment letter. The letters are sent via certified mail. Finance Director Vladimir Kan stated that for 2024 withholding account reconciliations, 953 accounts had been processed with total credits of over \$3 million. For 2024 tax filing data, 4,055 returns had been processed with an outstanding balance due on returns of over \$31,000. He noted there were 96 accounts currently on a payment plan, with the balance on those accounts totaling over \$118,000.

Finance Director Vladimir Kan mentioned improvements to the report, stating that he has asked the tax specialist to provide the total numbers of accounts, not just the number of accounts reconciled, as an example. He also requested adding data about taxpayers who live and work in the City, those who live in the City but work elsewhere, and the number of total net profits from businesses. He

noted those changes will be added beginning next year.

Finance Director Vladimir Kan stated that there are no major concerns regarding the cash position, except for the two negative fund balances. He explained that one issue with the ESID Special Improvement Fund showing a negative balance of \$21,000 has been resolved through working with the Ashtabula County Auditor's Office. Finance Director Vladimir Kan stated the biggest concern is the sanitation fund, which he described as being in very bad shape with a negative balance of \$31,000 as of that date. He explained that in previous years, the former finance director carried out deficits in the fund into the new fiscal years by manipulating purchase orders. Assistant Finance Director Carolyn Sheldon clarified that she believes it was only at the beginning of the new year that the encumbered balances would be reduced to keep the fund in the positive. She stated it was never done at the end of the year. She stated it was only the first few months of the year before the revenue came in. City Manager James Timonere confirmed this practice was for cash flow purposes and to avoid showing a negative fund balance.

Finance Director Vladimir Kan stated there were no major concerns with expenditures because they have been balancing intra-fund transfers. He stated that officials will have a better picture closer to the end of the fiscal year. He explained that the negative amounts on the revenue report are extra amounts that they need to report with the Auditor's Office.

City Manager James Timonere provided information on bed tax collected by the City. He stated that last year, the City collected about \$9,000 in bed tax. To date this year, \$38,000 has been collected and a third quarter check of \$27,000 is expected. He confirmed that these revenues come from all short-term rentals, including hotels, Airbnbs, and VRBOs.

Finance Director Vladimir Kan presented a draft of the 2026 budget to be presented to Council on December 1. He highlighted several key provisions:

- Elimination of the 5% pension pickup for all City and Court employees, including non-union employees
- Wage increases for the next three years are currently being negotiated with the unions, with estimated increases for both union and non-union employees
- Various hourly rate increases of up to 4% for Court employees
- A 10% decrease in medical insurance for the first half of 2026
- Increases in the General Fund personnel category due to the ongoing transition in the Finance Department and recruitment of a new Assistant Finance Director
- Increases in the General Fund, Water Pollution Control, and Sanitation funds for the governmental portion, including increased costs for the audit and GAAP conversions in 2026
- A decrease in the serious claims settlement account
- Increased salaries in the Public Works fund due to salary weight reallocations from the Sanitation fund
- Court funds are experiencing decreases in salaries due to reallocation to the General Fund and more active use of grants

Finance Director Vladimir Kan noted the Court revenue accounts in the General Fund are expected to experience a significant increase due to the collection of fines through the Attorney General's Office as well as revenue from court costs. He also stated that the Solicitor and City Manager have decided to start actively using the Opioid Settlement Fund, allocating Lt. Michael Palinkas's full salary and benefits to that fund.

Finance Director Vladimir Kan reiterated concerns about the Sanitation Fund stating that the fund will continue to experience shortfalls in both operating and capital needs.

Finance Director Vladimir Kan also stated that increased funding will be needed for infrastructure needs with a total increase of 43.4 percent from fiscal year 2025.

City Manager James Timonere stated the Public Hearing on the budget will be held on December 1, and then it will be presented to Council for passage on December 15. He also addressed a suggestion to use permanent improvement funds for street paving. He stated that the projected ending balance in the permanent improvement fund is \$44,000, and he does not like having the fund balance that low. There may be projects that cannot be completed.

Discussion took place about the Public Works building with committee members noting it as a priority. City Manager James Timonere stated that the City will need a mortgage rather than using the Permanent Improvement Fund. He stated that they are actively looking for existing buildings to purchase, but it is difficult to find buildings with a 14-foot door that can store the City's large vehicles.

City Solicitor Cecilia Cooper asked for clarification on the elimination of the 5% pension pickup, questioning if non-union employees were included in that. City Manager James Timonere confirmed the elimination included non-union employees. He explained that a new pay rate would be determined without the pension pickup, so their take-home pay would be the same.

Statement of Cash Position Report

Expense Report

Revenue Report

Income Tax Report

City Manager's Report

City Manager James Timonere provided the report. He presented spreadsheets showing proposed rate increases for Sanitation. He stated that the current rate for trash pickup is \$15.50. He explained that the current rate has been in place since 2018 or earlier. He noted that a 2020 ordinance only increased the amount of garbage that wards 3,4 and 5 could put out due to lack of recycling. City Manager James Timonere presented multiple rate increase scenarios, from \$1 per month (\$78,000 additional revenue) up to \$4 per month (\$300,000 additional revenue). He suggested planning a rate increase over the next three years, starting with \$2.50 to \$3 and going up from there. City Manager James Timonere stated that even with the rate increase, the City rates would remain significantly lower than for private haulers.

After some additional discussion, City Manager James Timonere recommended increasing the rates \$3 per month for 2026. He explained his previous hesitation to raise rates was because there was no plan in place to expand the recycling program to the rest of the City. He discussed the EPA grant application for recycling containers, with the entire project costing approximately \$300,000. City Manager James Timonere also presented proposed dumpster rate increases, noting the last increase was in 2019, and bulk drop-off rate increases from 10 cents to 12 cents per pound, which would generate approximately \$65,000 in additional revenue. The rate increases will be presented to Council on December 1 with two readings suggested.

City Manager James Timonere stated that staffing is holding strong. The new sewer jet arrived last week, and he plans to assign two specific people to operate the sewer jet after the first of the year. He mentioned only three people showed up for the police entrance test, with more retirements expected next year.

Finance Director Vladimir Kan requested approval to pay Assistant Finance Director Carolyn Sheldon a one-time performance bonus for this year. He explained that Mrs. Sheldon has been very helpful with the transition in the Finance Department, noting that she was not able to use 62 hours of vacation time.

Ward 5 Councilor made a motion to recommend to Council a one-time performance bonus for Assistant Finance Director Carolyn Sheldon; seconded by Committee Chair Kym Foglio.

New Business

Jessica Hampton, administrative assistant to Chief Rob Stell, raised a question about meal reimbursements. Currently, the rate for meal reimbursements is \$45 per day for three meals. She stated that it is difficult to stay under that amount for even two meals. City Manager James Timonere agreed to look at the policy for next year.

Next Meeting

The committee agreed to cancel the December 19th meeting.

December 19, 2025

Adjournment

The meeting was adjourned at 9:12 a.m. by Committee Chair Kym Foglio.