City of Ashtabula

Ashtabula City Council Public Hearing
Monday, June 15, 2026 at 5:30 PM
Council Chambers
4230 Lake Avenue, Ashtabula, OH 44004

Minutes

Opening of Public Hearing

Call to Order

The 2027 Tax of the Ashtabula City Council was called to order at 6:00 p.m. by President John Roskovics.

Roll Call

Members Present: President John Roskovics, Ward 1 Councilor Kym Foglio, Ward 2 Councilor Terence Guerriero, Ward 3 Councilor RoLesia Holman, Ward 4 Councilor Jodi Mills, Ward 5 Councilor Jane DiGiacomo
Absent: Vice President Russell Simeone, Clerk of Council Stacy Millberg
Officers Present: City Manager James Timonere, City Solicitor Cecilia Cooper, Finance Director Vladimir Kan

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.

Purpose of Public Hearing

2027 Tax Budget

Finance Director Vladimir Kan presented the 2027 Tax Budget. He explained that the tax budget is required to be submitted to the Ashtabula County Budget Commission by July 20, 2026, pursuant to the Ohio Revised Code, and is used by the Ashtabula County Auditor to fix property tax rates and certify levy millage for the upcoming fiscal year.

Finance Director Vladimir Kan described the budget as well-balanced and fiscally responsible, noting it is based on a combination of three-year actual data averages, through revenue and expenditure analysis, and anticipated increases in COBRA rates. Key provisions of the 2027 Tax Budget include: COBRA rate increases of up to 15 percent effective in the first half of 2027; CBA-scheduled wage, salary, and benefits increases; non-union salary and benefit increases and all operating and capital expenditures for fiscal year 2027. The General Fund is projected to absorb deficits in several funds, including food service, public works, police levy, parking deck, housing, court enforcement, fire pension, police pension, and street lighting.

Finance Director Vladimir Kan highlighted that the income tax revenue number is very optimistic. In 2025, income tax was 63.5 percent of the total General Fund expenses and 77.33 percent in 2024.

Regarding the City's fiscal position, Finance Director Vladimir Kan reported that fiscal year 2026 is projected to end with an estimated General Fund deficit of approximately $972,000, and that fiscal year 2027 is anticipated to carry an additional budget deficit of approximately $850,000, driven primarily by contractual union obligations and rising COBRA rates. He noted that the revenue-to-expense ratio across all funds appears to fall below 1.5, which is consistent with the provisions of House Bill 309.

Finance Director Vladimir Kan stated that the City uses its carryover balances to ensure that funds are available for large expenses and necessary purchases over the years. He noted that yearly revenue alone cannot cover large capital expenditures without proper planning. He referenced the City's paving plan, parks and recreation improvements, and the Permanent Improvement Fund, which is reserved for major equipment such as plow trucks and public safety vehicles. Items currently under consideration for purchase include a new street sweeper, a new fire department ambulance, and a new facility for the Public Works Department, which would likely require a mortgage financed through the Permanent Improvement Fund.

The formal budget process is scheduled to begin in August.

Ward 2 Councilor Terence Guerriero asked for clarification on the projected deficit figures, confirming with Finance Director Vladimir Kan that the City is expected to deficit-spend approximately $972,000 in fiscal year 2026 and approximately $850,000 in fiscal year 2027. Finance Director Vladimir Kan confirmed the figures, explaining that the 2026 number may shift as the year concludes but is unlikely to improve significantly given how lean the current budge already is. Ward 2 Councilor Terence Guerriero also asked about the projected decrease in the income tax revenue. Finance Director Vladimir Kan attributed this to the diminishing effect of Municipal Assessment System (MAS) certifications previously submitted to the Ohio Attorney General's Office. He explained that this collection is going away and would result in approximately $300,000 less in anticipated income tax revenue in 2027. President John Roskovics asked if something happened to cause such a significant deficit. City Manager James Timonere explained that the 2026 shortfall relates to several factors, including new wage obligations resulting from union negotiations last year, unexpectedly high diesel fuel costs, and a 12 percent increase in healthcare costs. He emphasized that the tax budget is a broad-stroke exercise and that a more granular review of each line item would be conducted beginning in August. He expressed cautious optimism that the final 2027 deficit would come in lower than $850,000.

City Manager James Timonere further noted that Finance Director Vladimir Kan has prepared a 10-year budget projection showing that the City is expected to experience two to three additional years of deficit spending before returning to a balanced position, contingent on continued economic stability and income tax growth.

Ward 5 Councilor Jane DiGiacomo asked about other sources of income the City has explored. City Manager James Timonere explained that supplemental revenue sources tend to be one-time or nonrecurring in nature, and that sustained revenue growth must come primarily from municipal income tax. Finance Director Vladimir Kan cited the restructuring of the income tax division earlier in 2026, adding a second income tax specialist, as a proactive step, noting that approximately 400 letters had already been mailed to residents who were previously aware of their filing obligations.

Ward 1 Councilor Kym Foglio asked whether the budget's fiscal trajectory was cause for significant concern. Finance Director Vladimir Kan stated that while the next several years will require careful discipline across all City and Court spending, the situation is manageable provided major purchases are approached cautiously and the General Fund surplus is preserved.

Welcome and Acknowledgement of Visitors

Discussion

Questions/Comments

Closing Remarks

President John Roskovics stated that Council will vote on the budget at its July 6, 2026 Regular Meeting, after which it will be sent to the Ashtabula County Budget Commission.

Adjournment

The Public Hearing was adjourned at 5:51 p.m. by Council President Roskovics.
Ashtabula City Council will meet again on Monday, July 6, 2026 in Council Chambers. The Pre-Council meeting will begin at 6:00 p.m. followed by the Regular Council Meeting at 7:00 p.m.

DATE APPROVED: July 6, 2026

ATTESTED BY: John S Roskovics

John S. Roskovics, President of Council

ATTESTED BY:

Stacy L. Millberg, Clerk of Council