City of Ashtabula

Ashtabula City Council
Finance & Personnel Committee Meeting
Friday, July 17, 2026 at 8:30 AM
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 John Roskovics.

Roll Call

Members Present: Chair: President John Roskovics, Vice Chair: Ward 5 Councilor Jane DiGiacomo, Member: Ward 4 Councilor Jodi Mills
Absent: City Manager James Timonere
Officers Present: Finance Director Vladimir Kan, Clerk of Council Stacy Millberg
Visitors: Assistant Finance Director Carolyn Sheldon, Chief Geoff Cannon, Water Pollution Control Superintendent Mark Verzella, Jessica Hampton, Ward 3 Councilor RoLesia Holman

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 presented the income tax report, noting very positive trends in general fund collections. June collections exceeded those of any prior June on record, and he indicated this is consistent across other months as well. Some fluctuation was observed in JEDD revenues, which was attributed to an ongoing effort to clean up the income tax database. The goal is to add more accounts to the JEDD database by the end of the current fiscal year, at which point revenues are expected to stabilize.

Committee Chair John Roskovics asked about the possibility of a neighboring community potentially seeking a JEDD agreement in connection with a proposed data center. Water Pollution Control Superintendent Mark Verzella clarified that the JEDD districts are already established by prior agreements between the City and townships, and that the City and the township would need to agree.

Finance Director Vladimir Kan provided an update on the non-filer project. Of approximately 8,500 accounts identified as potential non-filers of City income taxes, approximately 600 courtesy letters have been sent to date. The department adopted a measured approach to assessments, using the U.S. Census median income for a single person in Ashtabula, $26,000, multiplied by the 1.8% income tax rate, rather than a large figure intended to shock recipients. This approach was chosen in recognition of Ashtabula's economic demographics. Following the courtesy letter, a 15-day waiting period precedes the issuance of a formal assessment notice. Currently, 110 accounts are in the assessment stage, with a balance due of approximately $172,000. After a 60-day period, unresolved accounts will be referred to the Ohio Attorney General's Office for collection. Early results are positive, with approximately five taxpayers having voluntarily come forward and made substantial payments. Finance

Director Vladimir Kan acknowledged that the bulk of collections is expected once the Attorney General's Office begins active collection efforts. Ward 5 Councilor Jane DiGiacomo asked about the Attorney General's percentage fee for collections. Finance Director Vladimir Kan indicated he would look into the exact figure. The committee also discussed that the look-back period for assessments was limited to three years, rather than the allowable six years, partly due to COVID-19-related circumstances.

Finance Director Vladimir Kan reported that three funds are currently showing negative fund balances. It was decided not to reduce encumbrances to bring the fund balances in to the positive area but rather to just wait for the revenues and let the fund balances heal naturally. He noted that it is the middle of the fiscal year and all revenues have not come in. Water Pollution Control Superintendent Mark Verzella expressed concern with Fund 504 (Water Pollution Control Capital Fund), which showed a negative balance of approximately $1.3 million. He stated that the Finance Director previously explained that this negative presentation is the result of a pass-through accounting treatment related to an OWDA loan, whereby project expenditures are recorded before corresponding loan proceeds are received as revenue. Finance Director Vladimir Kan confirmed that loan proceeds are a wash and do not ultimately affect the fund balance. The Department's practice is to receive loan disbursements before paying contractor invoices. He stated that department heads should monitor the budget line item rather than the fund balance at this stage of the fiscal year, and noted that encumbrances will be reviewed and liquidated as appropriate at year-end, with new purchase orders opened in the new fiscal year.

Committee Chair John Roskovics asked about the relationship between the negative $11,000 balance in the Sanitation Fund and the recent $300,000 transfer from the General Fund. Finance Director Vladimir Kan confirmed that the current balance reflects the Sanitation Fund's position after that transfer. It was also clarified that no actual transfer of funds to the Sanitation Fund had yet been made, only a budget supplement had been recorded. Ward 4 Councilor Jodi Mills asked whether the sanitation rate increases were structured as stepped increases or a one-time adjustment. Finance Director Vladimir Kan confirmed that trash fee increases were a one-time change, while the sewer rate increase, which is tied to capital projects, is scheduled annually through 2028. Projections indicate the sanitation fund will carry no negative balance in fiscal years 2026 or 2027, absent any catastrophic circumstances.

Finance Director Vladimir Kan presented the quarterly investment report. Key macroeconomic highlights included the headline consumer price index at its highest level since 2023, driven primarily by energy price increases; Q1 2026 GDP revised upward from 1.6% to 2.1%; Q2 2026 GDP projected by Bloomberg at 2.5%; and the Federal Reserve projected to hike rates later in the year, with futures markets pricing in approximately 2.5 quarter-point cuts by December 2026. The recent decline in oil prices was noted as likely to moderate near-term inflation. As of the end of June, the City's investment balances were reported as follows:

- KeyBank: approximately $1.2 million
- Star Ohio: approximately $4.3 million
- Ugent Institutional Trust: approximately $11.6 million

In response to Ward 5 Councilor Jane DiGiacomo's question about whether the funds were restricted or unrestricted, Finance Director Vladimir Kan explained that the restricted or unrestricted nature of the funds depends on the individual fund type (general, special revenue, enterprise, fiduciary, or self-service) and that a fund-by-fund review of carry-forward balances would be required to determine the exact restricted amounts.

Income Tax Report

Statement of Cash Position

Statement of Cash Position with MTD Totals

Revenue Report

Expense Report

Expense Report with Encumbrance Detail

Quarterly Cash Basis Investment Report

City Manager’s Report

In the City Manager's absence, Executive Assistant Kelli Jones conveyed that an ordinance is being requested for passage at Monday's meeting authorizing the application for an OWDA loan for the next phase of the Water Pollution Control Plan update. The ordinance does not contain a specific dollar figure; however, the City Manager indicated he would present an estimate at Monday's meeting. The committee was advised that passage on a single reading was being requested in order to preserve the application timeline for the next OWDA loan.

Unfinished Business

New Business

Developing a Policy on General Fund Borrowing Practices

Committee Chair John Roskovics raised the need to develop a formal policy governing when it is appropriate to draw from the General Fund, noting that members of the public had posed questions following the recent use of General Fund surplus to purchase a garbage truck and recycling containers. Finance Director Vladimir Kan confirmed that the draft policy is currently under review by the City Solicitor, with presentation to the committee anticipated at the August meeting.

Finance Director Vladimir Kan provided context on the policy's framework, noting there are two proposed levels of safety cushions for the General Fund surplus. He indicated that any draw into those reserve thresholds should trigger a formal obligation to replenish them. He referenced comparable communities, noting that a similarly sized Connecticut community maintains $10 million in general fund surplus, and that the City of Ashtabula's current surplus stands at approximately $6 million as of 2026, a figure that has been carefully built following the City's prior period of fiscal emergency. The exact proposed minimum threshold is currently under review by the City Manager and City Solicitor. The Finance Director offered to share the finance department's recommendation with committee members by email in advance of the August meeting.

Committee Chair John Roskovics expressed appreciation that the safeguard is being formalized. He also addressed the question of the appropriate role of the Finance Director, expressing the view that direct inquiries from Council members to the Finance Director regarding the affordability of specific purchases are inappropriate. Finance Director Vladimir Kan noted that the response provided in the recent instance of the recycling project had been a coordinated effort with the City Manager. Ward 3 Councilor RoLesia Holman raised a broader structural question about departmental accountability. It was noted that under the City's organizational structure, the Finance Director and Clerk of Council are appointed by and accountable to Council, while most other departments report to the City Manager with the Solicitor's Office and Municipal Court acting independently.

Next Meeting

August 21, 2026

Adjournment

Committee Chair John Roskovics acknowledged that the meeting marked the final attendance of Assistant Finance Director Carolyn Sheldon, who is retiring, and expressed appreciation for her.

The meeting was adjourned at 9:07 a.m. by Committee Chair John Roskovics.