City of Ashtabula

Ashtabula City Council
Finance & Personnel Committee Meeting
Friday, July 21, 2023 at 8:30 AM
4717 Main Avenue, Ashtabula, OH 44004

Minutes

Opening of Committee Meeting

Call to Order

The meeting of the Ashtabula City Council Finance and Personnel Committee was called to order at 8:36 a.m. by Committee Chair Foglio.

Roll Call

Members Present: Chair: Ward 1 Councilor Kym Foglio, Vice Chair: Ward 5 Councilor Jane Haines-DiGiacomo
Absent: Member: President John Roskovics
Officers Present: City Manager James Timonere, Finance Director Marie Yvrose Augustin, City Solicitor Cooper, Clerk of Council McKenzie Burgan
Department Staff: Assistant Finance Director Carolyn Sheldon
Visitors: Ward 4 Councilor Jodi Mills

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

Chair Kym Foglio welcomed guest Ward 4 Councilor Jodi Mills.

Finance Director's Report

June month-end financial reports

Finance Director Augustin stated that Carolyn had prepared the end-of-the-month reports and she went through them to see if there was anything she needed to point out. She said we were on point except for two funds. The first is the Public Health Fund 208. She and Carolyn met with the Health Department's Christine Hill a few times to review this fund. The fund shows that they will have an ending balance of zero which does not leave room for the imponderable. Since the ending balance is based on expenses as of June 30, 2023, it is most likely the department will be in the negative by the end of the year. She, Mr. Timonere, and Carolyn discussed the fund and the reason this is happening is due to the amount that was budgeted for them being extremely low. The reason for this was before COVID the Health Department did not have a lot of funding. The Health Department received a grant for $360,000.00 and it seems like they will be okay but we cannot go by "it seems like". We may need to do some appropriation of funds to have the funds available for them so we do not have to close in the negative. Finance gave Christine the Health Department's financials and asked that she do an analysis of the numbers to see where she thought she would be at the end of the year. She may have plans to spend money we do not know about and there also could be some one-time expenses in the report that we cannot project on. She is working on this task now and they have a scheduled meeting with her today. Chair Foglio asked if Mrs. Augustin was saying we have a grant that is not coming in. Mrs. Augustin stated they had a grant for which they received $360,000, but it was not only for this year, it was a grant for, she believes, three years. So, only a portion is for July 2023- December 2023. Mr. Timonere stated that when they made the budget for them last year they were getting so many grants from either ODH or from the state through COVID funds. This year, they were supposed to lose two or three employees in the Health Department, and they were supposed to go back to part-time, and as the end of last year came after the budget was passed, they received more funding through grants. They had budgeted for less staff and fewer expenses, but since the grants are coming, this seems to be more of a timing issue. By the end of the year, an appropriation ordinance will need to be done. Some grants come through the state, through the county, and then to us and some come directly from the state to us. It has been very difficult to watch the Health Department's budget because there have been times when they receive money for no rhyme or reason. The funding has to be spent in certain ways and he has cautioned them that sometimes taking these grants is not the best thing especially if you are just spending it to spend it. They are doing a good job managing all that, but at the end of this year, we did not expect to have the number of employees we do in that department, which is why it's throwing off the budget a little bit. Mrs. Augustin stated they discussed that with these grants there are requirements that they have to meet and they are going through the grants to make sure they are in compliance. She said it was a pleasure to work with Christine.

Fund 804 is waiting to get the funding and it shows that we are in a deficit for this fund, but it is only because the money has not been received yet. Carolyn stated this is the ESID and the county made a mistake and did not assess the taxpayer for the loan payment, so it is being collected the second half of real estate taxes. Mrs. Haines-DiGiacomo asked what happens to the people who paid both their years' worth of real estate taxes when the first half was due. Carolyn said this was just one person. Mr. Timonere stated the ESID is the Energy and Special Improvement District, so that is the loan they received to make improvements. The auditor neglected to put this particular loan payment on the tax roll. We should see it when we get the second half disbursement from the county.

Mrs. Augustin stated she did an analysis of the county estate fees. The budget was $129,000. As of May 30th, we have already spent $108,000. She did a projection and at the end of the year, we will end at $216,000, so we need to make a decision as to where we are going to get this money from. She said she is not sure why this is so high. It may be due to all the projects we have going on. Mrs. Mills asked if anything had changed drastically or if the budget was just off. Mrs. Augustin stated she believes the fees have increased. Carolyn stated that she believes the last Finance Director must have planned to do some type of supplemental appropriation during the year because they were not even budgeted for the amounts that were paid last year. Mr. Timonere stated the other issue with this is the real estate dollar figures are higher, so they are collecting more, which is probably a percentage of the fees. He does not think it would go up that much more than what they budgeted for, but that is probably another reason. They would have added an ESID last year, so that would be why that is up. Mrs. Mills asked if we might need $87,000 as we were sort of off and Mrs. Augustin said yes. Mr. Timonere said we do have a high carryover balance for the General Fund, so it is just appropriating those funds.

Mrs. Augustin spoke about how the city seems to either keep assessing residents' taxes and sewer payments or lack thereof or write them off if the money is not received. She stated she is not in favor of writing things off and would rather put those accounts into an uncollectible account and if payments are received she can reverse this action. She said it is good to write these accounts off at the end of the year so you do not have a lot of receivables open, but what do you do when they pay after you write them off? She said after she learns more about the city she will be able to see what needs to be done from an accounting standpoint. Right now, what is being done is these accounts are assessed over and over, and at some point, it is decided to just write these off. Ms. Cooper stated if we are assessing against their property then it gets collected like the taxes due and it is on their tax bill. If they do not pay it, then eventually the county needs to foreclose. If they just pay the property taxes and not the assessment, then they haven't paid their property tax. If they pay their property taxes for 2010 but not the assessment, then they haven't paid their 2010 taxes and they are then considered behind. They can just pay the taxes and not the assessment, but the assessment does not go away. It is still against the property. Mr. Timonere stated that people forgo paying their sewer bills as the city does not have control of the water. If we had water and sewer, we could shut off the water. He stated that we have all seen how the state has forced its way into things with regulations such as you have to have a certain dollar amount and you cannot go after tenants or landlords. They are trying to do two things, one being making privatization look better and better to municipalities and two, the current property owner getting out of paying some of these things if it is a business, rental, etc. He said he believes what we have done in the past is that these assessments keep going on a property and someone comes along and is interested in purchasing the property and asks what can be done about the outstanding fees, etc. That is when we can decide what to do because at least the property will be back on the tax roll and paying income tax, etc. and they look at if they can forgive the outstanding fees on the property or not. We do the same with grass mowing and as this bill adds up, it gets certified to the Auditor's office for the taxes for the assessments. We assess sewer, trash, and property maintenance/mowing. Ms. Cooper asked if we had done a spot check to make sure these are all being added to the taxes. Mr. Timonere said he is not sure he believes they send a file over for the assessments. Ms. Cooper said it might be worth a spot check on a couple of them to make sure the assessments are being put on the tax bill. Mrs. Mills asked if the assessments have been being paid at a better rate over the last couple of years. Mr. Timonere said there has been a movement in the Treasurer's offices and they have put someone specifically on delinquents and they have gone after past taxes. This is another reason the property tax collections have looked a little bit higher as they have made payment plans and even foreclosures.

Carolyn stated when charges for sewer and trash are assessed they come off of the utility billing account here. A Tax Department employee is looking into when properties are transferred and if the charges weren't certified, then they have to be written off as you cannot give them to the new owner. Mrs. Haines-DiGiacomo asked how long an assessment stays on. Mr. Timonere stated it stays on the property until it is paid or the property is foreclosed upon. Carolyn stated they try to have a working relationship with all the title companies in the area, so they check with the city to see if there is any outstanding sewer or trash. She stated we must keep in mind that we bill every other month. So the billing done in July is only through May. So, if the property transfers this month, the charges for June and July may be lost.

Ms. Cooper stated if there is someone who has hundreds of dollars worth of assessments please reach out to Assistant Solicitor Colgan and get the name and property address to her. She has a really good working relationship with the people who do the tax foreclosures. It is the same thing with the grass assessments, as chances are they have not paid their property taxes either and if there is somebody that is thousands of dollars behind on these payments or they have assessments for years that they have not paid, the Assistant Solicitor can reach out to the tax foreclosure people and see if these can be moved up the list to be foreclosed upon if they are already on their list. Mrs. Augustin asked if when a property is foreclosed upon in Ohio do they put all the unpaid, delinquent charges on the sale price for the new owners to pay. Mr. Timonere stated the way he understands it is at the tax foreclosure sale, the minimum starting bid is everything that is owed.

Mrs. Augustin said the next thing they need to speak about is the income tax. She is wondering what they do with the pending, unpaid balances from 1998 to 2010/2012. She discussed with Carolyn whether these should be written off or if they should continue to pursue these. They brought Ms. Cooper and Ms. Colgan into the conversation to see what they advised to be done. They have the firm that the city works with and they currently have a few cases the city is paying them a fee to do. They asked Ms. Cooper if they should continue working with them and they have come to realize that it is a waste of money to continue the working relationship with said firm. Carolyn explained that she sent two files to the Attorney General's office. One she sent on June 30th for 2019-2021. These taxpayers did receive an assessment letter for $358,766.36. Since they received an assessment letter that is enforceable through court. The Ohio Attorney General initially stated they would take everything we have, but then when they found out she had accounts going back to 1980, they said no, just to give them accounts going back 10 years. So, the second file was for the tax years 2011-2018. Assessment letters were not sent for those tax years and that total was $593, 781.92. She knows they are sending letters letting people know that the debt was certified and they owe this delinquent tax.

Mrs. Augustin stated that one of her employees brought it to her attention that it may be a good idea to put a release in the newspaper to inform residents that the letters from the Attorney General are not a scam. Mrs. Haines-DiGiacomo stated that her accountant had contacted her regarding other clients contacting him stating they may have owed $18 and were unaware of this and did not receive any letters regarding this and now owe $200. They are paying this but, she wants to know what our procedure is if a resident owes more city taxes and how we notify them. Carolyn stated things had changed. She got involved in income tax last year. Prior to her involvement and after a past Finance Director, Marge, left a lot did not get done. There were accounts with balances that were not followed up on. They used to do billings where they would notify taxpayers about amounts due and past due. Billings have not been done since a previous Finance Director, Marge, left. All these balances are sitting there and accruing interest and they have late fees. She knows that as of this year, they are now doing a billing this month for the 2022 tax year to let people know they are delinquent in their account and owe such an amount. She is trying to get them on a schedule where they are dealing with one tax year at a time instead of three like they had to do with the first assessment. They send a billing in July and the individuals have 30 days to pay it. If they do not pay, then an assessment letter is sent and they now have 60 days to pay it. If they do not pay within those 60 days, we then certify their account to the Ohio Attorney General. We do this every year, but we are dealing with one tax year at a time. Carolyn said it is unfortunate that right now the question they are bringing to this committee is that we have accounts with balances from 1980-2010 that the Ohio Attorney General will not do anything with. She stated that she and Yvrose are asking whether they should write these charges off or put them in an archive status in the software. The software is not designed to handle all these accounts with balances going back to 1980. They need to be written off or archived. She stated she is unsure if legislation is needed to write these accounts off. Currently, they are still identifying accounts and putting them in a step called "Pending Write Off' and right now there are 126 accounts there which total roughly $82,000. The way this software is designed, the account can only be in one step. They are going through all the other steps and identifying accounts that need to be put into the "Pending Write Off" step and transferring them there. She said the council needs to decide whether they will be written off or whether they should be archived. If they archive them, it does not bog down the software, but if someone comes in and wants to pay on an account from 2010 they will then have to recreate the account. It would not be readily available.

Ms. Cooper stated that the answer to Mrs. Haines-DiGiacomo's accountant's question is those individuals are right, assessments or notices were not being sent out. The problem has been discovered and corrected, so going forward they will get notices. Mrs. Augustin stated they also discussed if there is a way, within income tax software, that when you are doing your taxes and owe money to the city, it can just be subtracted from your federal and/or state tax refund. Ms. Cooper said like putting a line in there that says "apply to back due taxes". Mrs. Augustin said she was told that the amount that they owe has to be done manually. Her thoughts are that technology is growing and there has to be something that can be done. Carolyn said to move between tax years it is a manual adjustment.

Mrs. Foglio asked if they would like this to be discussed at a council meeting about writing off the accounts from 1980-2010. She said writing these off would get them off their computer system and lighten that up. Ms. Cooper said they are uncollectible legally. Mrs. Haines-DiGiacomo stated that going forward the certification process looks very different, so this is a problem that existed in the past. In regard to notification to taxpayers, that is also a past problem that will not exist going forward. Mrs. Augustin said yes because there are corrective actions being done. Carolyn stated they are trying to use the software the way it was designed to be used, which is step processing. When you are in step processing, you are taking a bulk of accounts and moving them through the steps. Ms. Cooper stated they have been working with Assistant Solicitor Colgan to make sure all the steps are compliant so if they get in a position where the Attorney General or we have to we can file a complaint of some sort.

Chair Kym Foglio made a motion to bring to the council that the income tax from 1980-2010 be written off.
Motion: Chair Kym Foglio moved to bring this to the city council; Vice Chair Jane Haines-DiGiacomo seconded.
Discussion: None.
VOICE VOTE
Yeas: Chair Kym Foglio, Vice Chair Jane Haines-DiGiacomo
Nays: None
Motion passed.

Carolyn stated that Weiner and Associates is the law firm that a past Finance Director, Marge, used to work with for delinquent tax accounts. They still have seven accounts of ours. They recently sent an email asking if we wanted them to file a continuation of the judgment liens and that it would cost the city $66. They identified the seven accounts and only two of them are still receiving payments. One is through a garnishment and the other is through a consent judgment. Talking with Ms. Cooper she stated that we do not need to continue paying this firm because these liens will never go away. Speaking with Weiner, he said after five years they go dormant and after ten years they die and that is why they renew them in court. She wants to know what they do in regard to the seven accounts that they have. The firm is trying to get us to continue working with them, but they collect 30%. Carolyn asked how they are to respond to Weiner and Associates. Ms. Cooper stated to tell them to send us our files.

Vice Chair Jane Haines-DiGiacomo made a motion that we would like our files back from Weiner and Associates.
Motion: Vice Chair Jane Haines-DiGiacomo moved to request our files back from Weiner and Associates; Chair Kym Foglio seconded.
Discussion: None.
VOICE VOTE
Yeas: Chair Kym Foglio, Vice Chair Jane Haines-DiGiacomo
Nays: None
Motion passed.

City Manager's Report

City Manager Timonere stated that we are holding our own staff-wise. We sent two more people through the CDL class and they went for testing. That has worked out pretty well. The company we found comes here and does some classroom sessions and then some training in the parking lot and on the roads. They do have to go to Pittsburgh to take their tests, but it has been working out well.

There has been some movement within the city's different departments. It has been a continued struggle to get entry people in. We did not get as many part-time summer helpers as we wanted, but we are getting by with the amount of people we have.

They had a re-take of the lieutenant's test in the Police Department. There were two people who passed the written portion, so now it goes on to the interview portion and then they will get a recommendation from the Civil Service Commission on who gets the lieutenant's spot. Lieutenant Dibble retired. Mrs. Foglio and Mr. Timonere agreed that a resolution should be completed for him.

Chair Kym Foglio made a motion to draft a resolution for Lieutenant Dibble.
Motion: Chair Kym Foglio moved to have this resolution drafted; Vice Chair Jane Haines-DiGiacomo seconded.
Discussion: None.
VOICE VOTE
Yeas: Chair Kym Foglio, Vice Chair Jane Haines-DiGiacomo
Nays: None
Motion passed.

Mr. Timonere stated they would have to do entrance exams for both the Police and Fire Departments at some point.

New Business

Reimbursement for Traci Welch

Chair Kym Foglio stated that Traci came in to help Finance Director Augustin. Mrs. Augustin said she helped her on two separate Sundays, from 10:00 a.m. to 2:30 p.m. on both days. Mrs. Augustin stated Traci has been very helpful and there has not been one time where she has called her and she has not answered. Mrs. Foglio stated she believes she should be sent a stipend for the eight hours she helped Mrs. Augustin. She asked how much per hour and asked what Carolyn thought. Carolyn stated they could use her hourly rate from when she worked for the city. Mrs. Foglio asked what that rate was and Carolyn said she would have to look it up. Carolyn stated that Traci's hourly rate of pay was $37.56. Mrs. Foglio stated they would just make it $38 per hour. Carolyn asked if she wanted it to be $38 times 16 and Mrs. Foglio said no 8 hours as that is the number of hours she came in and helped. Carolyn said that would be $304.

Mrs. Foglio made a motion to send Traci Welch $304 for her help with training Mrs. Augustin.
Motion: Chair Kym Foglio moved to approve the request to send the $304 to Traci Welch for her training assistance; Vice Chair Jane Haines-DiGiacomo seconded.
Discussion: None.
VOICE VOTE
Yeas: Chair Kym Foglio, Vice Chair Jane Haines-DiGiacomo
Nays: None
Motion passed.

Carolyn asked how they would be paying her, through accounts payable. Ms. Cooper stated she is an independent contractor so they can do that and then send her a 1099, but she is not at the 1099 level, so it would be her responsibility to report this. Carolyn said so, through accounts payable.

Temporary fill-in for Clerk of Council

Chair Kym Foglio stated that Phyllis stated she would come in and fill in starting in September for the Clerk of Council's maternity leave. Mrs. Foglio asked Clerk of Council Burgan when she was due and Mrs. Burgan said her due date is September 15th, but she could be induced on September 8th.

Finance Director's 90 day evaluation

Chair Kym Foglio stated that Finance Director Yvrose's 90-day evaluation would take place around August 15th. Mrs. Foglio, Mrs. Mills, and Mr. Roskovics will schedule a date for her review and let her know what day her evaluation is scheduled for.

Next Meeting

Friday, August 18th, 2023

The next meeting will be held on August 18th at 8:30 a.m.

Executive Session

Request Executive Session

Chair Kym Foglio requested an Executive Session prior to the meeting adjournment for the purpose of Personnel, Leave, and other matters.

Motion: Chair Kym Foglio moved to adjourn into executive session for the purpose of personnel, leave, and other matters; Vice Chair Jane Haines-DiGiacomo seconded.
Discussion: None.
ROLL CALL VOTE
Yeas: Chair Kym Foglio, Vice Chair Jane Haines-DiGiacomo
Nays: None
Motion passed.

Chair Kym Foglio, Vice Chair Jane Haines-DiGiacomo, Finance Director Augustin, City Solicitor Cooper, Clerk of Council Burgan, and Visitor Ward 4 Councilor Jodi Mills were invited to attend the executive session.

Committee Chair Kym Foglio announced the executive session would convene off camera. After the executive session was over, Committee Chair Foglio reconvened the public portion of the meeting, with no action taken.

Adjournment

The meeting was adjourned at 10:08 AM by Committee Chair Kym Foglio.

Attested By: McKenzie Burgan, Clerk of Council