
Ashland City Council

MINUTES FOR THE SPECIAL SESSION OF COUNCIL
Thursday, February 26, 2009
PUBLIC HEARING # 1

PURPOSE: Appropriations 2009

Council President Paul Wertz called the meeting to order at 8:00 a.m.

ROLL CALL

Ward 3:	Ruth Detrow	Present
Ward 4/President:	Paul Wertz	Present
At-large:	Stephen Stuart	Present
Ward 1:	Robert L. Valentine	Present
Ward 2:	Robert M. Valentine	Excused

*Move to excuse Robert M. Valentine W2 by Paul Wertz, seconded by Ruth Detrow.
Ayes: Ruth Detrow, Paul Wertz, Stephen Stuart, Robert L. Valentine W1.*

PLEDGE OF ALLEGIANCE

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Comments or questions?

Robert L. Valentine W1: We have nothing for General Fund?

Anna Tomasek(Musson): The General Fund is broken down by all the departments.

Robert L. Valentine W1: What is the money?

Anna Tomasek(Musson): Grand Total Appropriations for the General Fund and Grand Total Personal Service and other is (\$11,584, 235.00) eleven million five hundred eighty four thousand two hundred thirty five dollars.

Mayor Stewart: The new Ordinance came out last week.

Paul Wertz: The only change is in the Police Department.

Anna Tomasek(Musson): We had an increase in personnel to the Police Department from the Draft.

Paul Wertz: That was the only change.

Mayor Stewart: The reason for that was the Stipends that were re-incorporated in the other divisions had not been incorporated into the Police Division.

Anna Tomasek(Musson): That is correct. That was the change.

Paul Wertz: That was the only change from the original on the General Fund.

Robert L. Valentine W1: Otherwise, from what was originally given out in July? Is that what you are saying?

Anna Tomasek(Musson): No, what was originally given out a week ago.

Robert L. Valentine W1; Possibly a week ago?

Paul Wertz: A little bit more than that; about two weeks ago. Anna on the State Highway Improvement did you just up your estimate or is there a reason for the change?

Anna Tomasek(Musson): We increased the appropriation to allow more money to go for Street paving. There was balance. Basically the carryover balance and the estimated Revenue, we basically appropriated everything we have to that fund.

Mayor Stewart: It was around \$140,000.00 if I am not mistaken.

Anna Tomasek(Musson): Yes. Proposed.

Mayor Stewart: There was a proposed carryover balance with the reduction that we had to take in the street paving and repair, etc. We incorporated a proposed balance into; we appropriate the balance into the new balance of \$184,000.00.

Anna Tomasek(Musson): The carryover for that fund was \$116,072.87. We are estimating \$68,500.00 in additional Revenue for 2009 leaving a balance of \$184,572.00.

Robert L. Valentine W1: You were originally were going to have an assistant Finance Director; did you eliminate that position?

Anna Tomasek(Musson): At this point in time, because of the economy, finance has decided that we are not going to replace that position at this time, that we have created an Accounting Specialist III position to save the City of Ashland money.

Robert L. Valentine W1: I don't think the economics had anything to do with it because you talked about this months ago. At that time we weren't in that situation.

Anna Tomasek(Musson): Yes we were. We were facing hard economic times when that decision was made in December.

Robert L. Valentine W1: Well, no. This is going way back because I know you had said that. How much have you put into that category?

Anna Tomasek(Musson) Right now Mr. Rose is doing some finance and some income tax, so his salary is being split between finance and tax.

Robert L. Valentine W1: So his category went down then?

Anna Tomasek(Musson): No.

Robert L. Valentine W1: So otherwise he is going to get more money because he has more responsibility?

Anna Tomasek(Musson): No. He got no additional money.

Ruth Detrow: Who is going to pick the; your assistant finance director did quite bit of work and a great deal of expertise. Who is going to pick up that work?

Anna Tomasek (Musson): Larry Rose and myself have been as well as the rest of the staff. We have already delegated the duty effective in December 8, 2008 when the letter of Resignation came.

Robert L. Valentine W1: Well I guess; since his responsibility hasn't changed; well has changed somewhat, I'm sorry and since he has taken on additional responsibility, that means there is no change to the category which he is in the budget; what is the purpose of the \$25,000.00 then?

Anna Tomasek (Musson): That is half of his salary.

Paul Wertz: Half is coming from Income Tax and half is coming from Finance.

Anna Tomasek (Musson): Because of the purpose.

Robert L. Valentine W1: It has always been that way?

Anna Tomasek(Musson): No.

Mayor Stewart: Bob, if I may; in 2008 on the Assistant Director of Finance as the sheet shows it was \$45,379.00. In the tax budget that went to \$48,410.00. And then in this appropriation request it is \$25,000.00. Roughly half of what was appropriated last year on that line.

Robert L. Valentine W1: I understand that but I just don't understand if the category stays the same for income tax, all the money stays the same....

Anna Tomasek (Musson): His salary has been reduced in Income Tax.

Robert L. Valentine W1: But you didn't say that.

Anna Tomasek (Musson): Half of his salary is being charged Income Tax budget and half to Finance. His salary got reduced in the Income Tax and shifted to the Finance because now he is picking up finance duties.

Robert L. Valentine W1: Well that makes more sense.

Stephen Stuart: Question, Anna, on the tangible personal property tax and I know the State has eliminated that as a tax source; I thought when that legislation took into effect it was going to be offset by State Funds and that seemingly didn't happen, did it?

Anna Tomasek (Musson): No it did not.

Stephen Stuart: The other thing it looks, and I know what we are working with on the Revenue projections for Property Tax; our figures that are certified by the County; but there is something that doesn't look right on the Homestead exemptions; there again that was..

Anna Tomasek (Musson): Versus our actuals in 2008, it looks like a very conservative low number, but that was the number certified by the County Auditor. I agree, it was low. What we can do is when I look at the Revenues when they come in, if we have to adjust that, we will. I will be talking to someone.

Stephen Stuart: Okay, thank you.

Paul Wertz: Anna, I know I have talked about this prior, 444 and 445 accounts.

Anna Tomasek (Musson): The Issue II funds have changed, there are currently 7 Issue II projects starting with Fund 444 going to Fund 450, basically finalizing the numbers Tuesday and Wednesday, we had some changes in the Engineering estimates and so that is why there are some changes with 445. Basically all that is left is \$28,032.00 and originally when we got the estimate from Engineering, we thought it would be \$50,000.00 so that number is going to be adjusted on Revenue and Expense.

Paul Wertz: Then if that changes, the bottom line down where it says, \$1,780,544.00; 50 and 50 is \$100,000.00 and 61 and 28 doesn't come up to that \$100,000.00, so that number has to be different. It is still the same number; you might want to check that to double check. I cannot be the same.

Anna Tomasek (Musson): Thank you, that is correct.

Paul Wertz: Fund 601; is they just more carryover? It is like \$7,000.00 dollar difference there too.

Anna Tomasek (Musson): The changes that we are getting in the Water fund had to do with the City share and Issue II projects. The same with the Sewer Fund.

Paul Wertz: Okay. Any other questions on that? Anybody else?

Robert L. Valentine W1: This information we have received was sent to us yesterday if we wanted to run it off. Now to take all of this and to go through this from yesterday to today, I don't know how that is really possible.

Anna Tomasek (Musson): This is Public Hearing, it is part of the process to pass the Appropriations; we have until April 1st to get this passed by law.

Mayor Stewart: Bob I would like to respond to that too if I may. We all know we have been working on this for some period of time. I felt personally, and I won't speak for Anna, but I think it was appropriate that all of us that could be here, should be here on our first hearing so that there were some areas identified. There is a 2nd, per Rick Wolfe; there is a 2nd Hearing necessary and we can have that hearing at either another meeting, or we can have it at a Regular meeting before we pass it. So there is another week if you choose to, the 3rd of March, I think is next Tuesday. We don't have to pass it next Tuesday; it could be passed on the 17th, on a Regular meeting.

Paul Wertz: It basically has to be done by the 17th or a Special meeting after that.

Mayor Stewart: I was probably an instigator in trying to get this information out and I did not print my copy off until 7:00 p.m. last night. Paul has set in the meetings with us and has some awareness of what we are doing and what we are going through. There are numerous areas that there are increases. I am going to just say that many of the increases relative to personnel are due to we now have to record the employees share of the health insurance up in the employee's, so it goes in and out so the bottom line in the personnel has been increased by the employees share all the way through. In years past, it fell down in a common category so those increases, many of them are driven by having to put the employees contribution up in the Revenue side and then taking it out down below.

Robert L. Valentine W1: I think one of the problems we probably run into is that we as Council don't deal with this all of the time, everyday and you people do. It is just the assumption that you understand everything that is going in and out and you don't. That is all there is to it. And that is why, since this is certainly important as far as we are concerned and as far as the city is concerned and it is our job to be on oversight here, then that is why and I appreciate this. I realize we are going to have another hearing but I guess this idea of getting a one-day notice. When I get 23 pages, I am not going to run it off of my printer.

Mayor Stewart: Well, here is the whole thing.

Robert L. Valentine W1: Well, I understand that, but that isn't the point.

Mayor Stewart: I know, I understand.

Paul Wertz: If you are not comfortable with it on the 3rd, we can do the 17th or a Special meeting after that, but it has to be done before April.

Robert L. Valentine W1: I understand that.

Mayor Stewart: I would like to be here when it is passed. I leave the 18th of March and I won't be back until after it has to be passed. If we can work through it and get something sometime in the next two or three weeks, it would be beneficial. In the next two weeks actually. I am only suggesting, I am not demanding.

Questions or comments?

Mayor Stewart: If there are no questions, I would like to shed some light on the 2009 as it is coming. The prospects of having, well in my view, this is a beginning of a very tight budget year. The prospects of having more income in 2009 that is projected at this time is not realistic from my view. That is a very pessimistic outlook, but with what I see and some of our local industries that is gone, is what I base it on. We have in fact allocated income tax to make up short falls in various general funds funded departments for 2009. We have operated on what we thought were tight budgets for several years, but seem to generate carry-overs that helped us out in the following years. The requests that came in the beginning of this budget year have been reduced by approximately \$3,000,000.00 dollars from the very initial requests. The census of the city employees has dropped. There are four positions that have become open in the last few months at this point time we have no plan to fill them. The Police and Fire Divisions are both down from an optimal number. We have been working with that for some time. That probably is not going to be increased. I don't see a significant income changes that will impact us this year in what we do for the balance of 10 month of this year is going to have a significant impact on where we are for 2010.

Robert L. Valentine W1: You said the initial request is around \$3,000,000.00 otherwise is what they proposed for the budget for this year as compared to what? For instance, if you compare that to the year before.

Mayor Stewart: We can do that. The numbers that I have for 2008, those expenses for that year were \$10,973,854.00. The expenses as we project this year and this may not be right to the penny of what Anna just suggested but it is \$11,584,000.00 this year. I am within \$2,000.00 dollars on my comparison sheet here but so we are up \$600,000.00 dollars. Again, Anna if I am right, the employee portion of their Health-care is not in the General Fund? It is an expense of the General Fund that showed up down in one of the other accounts.

Anna Tomasek (Musson): It is an in and out.

Mayor Stewart: So that did not impact the bottom number of the General Fund?

Anna Tomasek (Musson): Not overall impact.

Stephen Stuart: Does it inflate the \$11,584,000.00?

Mayor Stewart: Yes it does.

Anna Tomasek (Musson): It inflates the Revenue as well as ..(inaudible).

Paul Wertz: While we are on this, Health Insurance, 705 is new this year, can you explain why?

Anna Tomasek (Musson): It is an old account. 705 is an internal Revenue Service that we use internally to basically when city employees got their Insurance monies taken out of their checks as well as the city of Ashland and the budgets went to 705 and that is because we were self insured. We had to show exactly how much Insurance was cost us. At the end of the 2007 audit, the Auditors said why do you have this internal Revenue service when you are no long self-insured, please stop doing the transfers. It needs to be charged directly out of each fund. So that is the reason for the change.

Robert L. Valentine W1: The initial request, 3 payments, does that mean

Mayor Stewart: Over where it is today. In the General Fund.

Robert L. Valentine W1: It worked out at \$600,000.00?

Anna Tomasek (Musson): Correct.

Robert L. Valentine W1: Of course those things happen a lot of times anyway when you initially ask.

Mayor Stewart: Well, it is a little bit like your Christmas wish list. I could go back and look at all of those. If funds were available, all of those requests have validity and then you start prioritizing, what do you really have to have vs what you need vs what you want and it has been an agonizing process. I committed to this Council that we would have this to you in late December.

Stephen Stuart: It is kind of like survival vs desires.

Ellie Grubb: If I could, one of the things that we have no control over is the utilities. And we have to increase Electric at 30% and Gas by 20%. So when you do that in all of these budgets for all of these buildings, all these divisions, the general funds are, that is a big chunk.

Mayor Stewart: As Ellie pointed out our street lighting has gone up significantly and I don't recall for sure and it is a dumb thing for a Mayor to say but there is a contract with First Energy that started I think three, possibly four years ago that they annualize and increase and it wasn't an opportunity to contest it. They came in and told us what it was going to be, so our street lighting has gone like this. This maybe the last year, but again there might be one more year of that.

Robert L. Valentine W1: This was from a past contract, is that correct?

Mayor Stewart: It is from the PUCO that allows them to put the contract together for you.

Robert L. Valentine W1: We are talking about wish lists, you have that everywhere.

Mayor Stewart: Yes it is healthy. It is healthy for everyone to go through it and review it. And then you get down to what you can work with.

Larry Paxton: I have one item before you adjourn if you would please? This is just to inform you that on March 9, 2009, Morgan Avenue will be closed for the installation of a water line. We will be in the neighborhoods of that, we are working with the street department with the Police and Fire division as well as other organizations to come up with an acceptable detour but we would let you know ahead of time that it will be closed for approximately one month during the installation of water line.

Stephen Stuart: Now what about Residents, how do they have access to their homes?

Larry Paxton: The Residents will; it will be a one-way street on Morgan. We will maintain that in the evening. There will be no parking on that street. Probably the southbound lane will be one way either east or west so the Residents will still be able to get out of their driveway. In the evening, the trenches will be plated so that no one will be harmed by that. But is going to take; we have had a lot of water breaks on that line and we are finally; it is part of our EPA Water Grant to replace that but unfortunately it is going to take a period of time to get that done.

Mayor Stewart: They figure they can do about 180 feet a day. You have to haul dirt out and fill back in.

Larry Paxton: We are going to come up with an alternative route and try to accommodate everybody. It is going to be little work in progress.

Questions or comments?

Motion to close the Public Hearing by adjournment by Paul Wertz, moved by Ruth Detrow, seconded by Paul Wertz.

Ayes: Ruth Detrow, Paul Wertz, Stephen Stuart, Robert L. Valentine W1.

Adjournment at 8:28 a.m.

Submitted by
Valarie Bishoff
Clerk of Council