

ASHTABULA CITY COUNCIL COMMITTEE REPORT

NAME OF COMMITTEE: Finance & Personnel

DATE: Tuesday, March 09, 2010

TIME & PLACE OF MEETING: 9:00 a.m. - Municipal Building 2nd Floor Conference Room

MEMBERS PRESENT: Ms. Betty Kist (Chair/Vice President), Mr. August Pugliese (Ward 2)
Mr. James Trisket (Ward 5), Mr. Charles Brockway (President/Ex-officio)

MEMBERS ABSENT: NONE

OFFICERS/

ADMINISTRATION/

COUNCIL/DEPT HEADS: City Auditor Michael Zullo, Clerk of Council LaVette Hennigan
Ward 1 Councilor Joseph Rose, Fire Chief Ron Pristera
Police Chief Robert Stell

SCHEDULED GUESTS: NONE

UNSCHEDULED GUESTS: NONE

VISITORS: Fire, Police, and 1197 Union Members, Citizen

MEDIA: Star Beacon (Shelley Terry)

REPORT OF BUSINESS CONDUCTED

1. CITY AUDITOR’S REPORT

The City Auditor reported the following February 2010 end of the month numbers:

EXPENDITURES

Expenditures: Projected = \$895,106
Actual = \$770,708

Auditor Deductions: Projected = \$105,000
Actual = \$ 3,082

(\$90,000 in scheduled tax refunds for February will not be paid until March)

General Services: Projected = \$ 91,854
Actual = \$ 50,719

(\$45,000 payment due to Ashtabula Area City Schools will be paid in March – there are a few more payments to be made)

REVENUES

Intergovernmental: Projected = \$170,235
Actual = \$120,967

(Actual number represents 100% less Local Government Funds than anticipated in February)

Municipal Income Tax: Projected = \$433,000
Actual = \$364,908 (we did not fare well)

CASH BALANCE

Projected = \$ 89,682

Actual = \$119,752

(includes \$250,000.00 Workers' Compensation cash transfer; had the transfer not taken place the fund would have ended February in the negative)

HEALTH INSURANCE FUND

“One of the bright spots this month was our Health Insurance Fund. This month we transferred in, as we do every month, \$220,000.00, between the General Fund, Sanitation Fund, the Water Pollution Fund, and our bills only came to \$121,000.00 this month. Now what I perceive happened was anyone that's on the HSA insurance plan (most people who have the plans that have deductibles), in December everybody said well I've already met my deductible, I've already maxed out my fee, so let me go get taken care of what I have to. And that's why our bill was so humongous in January. And then what we seen in February was not much usage because everyone had either bought the drugs, went to the doctors, got their test done in December. And, that's what I think happened. And, I hope the trend continues because it was a bright spot in not a good picture.”

2. LOCAL PREFERENCE LEGISLATION

The Committee Chair reported she reread the proposed legislation (see attached), believes too many stipulations would have to be enacted, and said she is not in favor of its passage. The Ward 5 Councilor concurred. The City Auditor reported a previous concern of the Manager and Solicitor was the enforcement of the legislation.

ACTION: The Committee agreed that the proposed legislation is not in the City's best interest at this time. Mr. Trisket moved, Mr. Pugliese seconded, to remove the item from the Committee's agenda roster; motion CARRIED.

History:

(7/20/09 Pre-Council chair requested this go back to committee)

8/12 – Randy Bates scheduled to meet with City Solicitor in afternoon; will ask Solicitor to relay outcome to Clerk of Council; Committee asked that item be placed on Council's August 17 Pre-Council agenda

8/17 – Discussed at Pre-Council meeting; Solicitor to draft legislation for review by Committee in September

12/10 – Clerk sent last proposed legislation draft; Council input sought; Committee to discuss in 1/2010

REPLIES: Councilor's Lattimer and Stranman are for moving forward

3. RESTRUCTURING

ACTION: Due to the absence of the City Manager from the meeting, and no receipt of a written or verbal status report, the Chair suggested this item be removed from the Committee's agenda roster. Mr. Pugliese moved, Mr. Trisket seconded, the Chair's request; motion CARRIED.

History:

10/19/09 – Council asked Manager for complete outline of restructuring process, including what has and will take place, and submit it to them prior to the Committee's November 11 meeting

10/24 – Chair agreed to cancel the November meeting at the Clerk's request

Restructuring (cont'd)

11/2 – Manager submitted 1.5 page document addressing two departments; document was void of details necessary for a thorough review by Council; Council asked for flow chart, salaries, & job descriptions related to restructuring document

11/9 – Manager presented flow chart for his overall suggested restructuring; Councilor Lattimer noted document is good to have, requires changes, but is not what Council requested in light of what Manager presented on 11/2; this Committee Chair asked Manager for job descriptions and salaries in relation to his 11/2 document; Councilor Lattimer asked for flow chart; Council also desired that the process of restructuring be done in an orderly manner with all components in place, including Council's review of such, prior to executing changes

12/14 – Chair advised Council & Manager that requested information has not yet been received

4. \$25,000.00 UNPAID SAYBROOK TOWNSHIP TAP-IN FEE

ACTION: The Committee Chair reported Council is unfamiliar with the nature of the discussions the Manager reported he is having in the 1/19/2010 History entry below. At the suggestion of the City Auditor, the Committee would like this item to remain as a part of their Committee agenda roster.

History:

11/2/09 - Manager reported his Saybrook tap-in fee file does not disclose that any City official waived the fee. He said the only thing he has seen is repeated request from Saybrook that there be a waiver and repeated request for payment from the City.

11/09 – Manager to present City's request for payment to Saybrook Township Trustees

1/19/2010 – Discussed at Pre-Council Meeting; Chair asked status; Manager replied Saybrook has not responded, and suggested the City not pursue collection of the unpaid amount for the next couple of months because he is in discussion with them about one or two items; no details were provided; no further comments were made nor questions asked

5. UNION INDUSTRIAL REIMBURSEMENT (for AAA Pipe Company change order)

ACTION: The Committee agreed this item should remain on their Committee Agenda roster.

History:

11/2 - The Chair reported sometime ago Council requested the Manager write Union Industrial Contractors, the company he felt was responsible for reimbursing the City for a change order performed by AAA Pipe Company. The Chair reported a copy of the correspondence has not yet been provided; sought a status report; and asked the City Solicitor if he had any follow up on the pursuit of the funds. The Solicitor replied no, but that he could address some of the other points. He stated there is an open purchase order for the assistance of Ulmer and Berne regarding the Regional Sewer Agreement negotiations and their participation in that was authorized by Council. He reported the Saybrook Tap-in file does not disclose that any City official waived the fee. He said the only thing he has seen is repeated request from Saybrook that there be a waiver and repeated request for payment from the City.

1/19/2010 – Chair asked if payment received; Manager replied UIC has not responded and suggested the best course of action is to contact them, and if not satisfied with the outcome have the Solicitor make contact.

6. Harbor Coal Dust

ACTION: The Committee agreed this item should remain on their Committee Agenda roster.

History:

1/19 – Chair asked for status; Manager replied he is in negotiations with defendant about the lawsuit, and that he has been asked not to discuss the details outside of the discussion setting, but at the rate things are going he should have a report to Council in 6/7 weeks

7. Purchase of Service Credit / Early Buyout

ACTION: Mr. Trisket moved, Mr. Pugliese seconded, to convene into Executive Session for the purpose of discussing compensation. On the roll call to convene into Executive Session: Ms. Kist, Mr. Pugliese, Mr. Trisket, Mr. Brockway voted yea; motion CARRIED.

The Clerk announced the following:

“The Finance and Personnel Committee are now back into open session. The Committee asked that I announce to the visitors that the Committee’s recommendation is that they take their decision to the full Council, City Solicitor and the City Manager, and that’s going to be done as soon as possible, and the full Council will discuss this at Monday’s Regular Meeting on the 15th.”

Mr. Trisket moved, Mr. Pugliese seconded, to adjourn the meeting at 10:09 a.m.; motion CARRIED.

Scribe: LaVette E. Hennigan, CMC, Clerk of Council
(minutes/committee meetings/finance & personnel/2010/03 09 2010 finance & personnel committee minutes)

**AN ORDINANCE ENACTING NEW SECTION 109.03 OF THE
CODIFIED ORDINANCES OF THE CITY OF ASHTABULA, OHIO,
TITLED “LOCAL PREFERENCE PROGRAM”**

WHEREAS, the daily operations of the City of Ashtabula and the City Manager’s Department require the enactment of this ordinance; and

WHEREAS, City Council is authorized by Section 1 of the Charter of the City of Ashtabula, Ohio, construct, regulate, and maintain all things of the nature of public works and improvements;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Ashtabula, Ohio, that:

SECTION 1. That new Section 109.03 of the Codified Ordinances of the City of Ashtabula, Ohio, titled “Local Preference Program”, is hereby enacted.

SECTION 2. For the reasons stated in the preamble, this ordinance, if approved by the votes of five (5) or more members of Council, shall take effect immediately, otherwise 30 days thereafter.

PASSED: _____

K. Rodger Altier
President of Council

Vote:

	Yea	Nay
Altier:	___	___
Kist:	___	___
Rose:	___	___
Roskovics:	___	___
Severino:	___	___
Lattimer:	___	___
Trisket:	___	___

ATTEST:

LaVette E. Hennigan
Clerk of Council

APPROVED:

Anthony J. Cantagallo
City Manager

Approved as to form and correctness this _____ day of April, 2009.

Michael Franklin, City Solicitor

(legislation requests & drafts/2009/co 109 03 local preference bids)

109.03 LOCAL PREFERENCE PROGRAM.

(a) Definitions. As used in this Section, the following terms shall be defined as follows:

(1) Local Business. An individual or business entity located within the City of Ashtabula, or the Townships of Saybrook, Plymouth or Ashtabula, that has (i) filed income tax returns with or paid income taxes to the City of Ashtabula in both of the past two (2) successive years, and that (ii) has submitted a bid to the City of Ashtabula to provide materials, supplies, equipment or services. When proof of a bidder's address or location is required for purposes of this Section, authorization must be given to the City Income Tax Department to release relevant portions of said tax records.

(2) Non-local Business. An individual or business entity that does not meet the definition of a Local business.

(3) Bid. The price or prices quoted to the City by a Local or Non-local business in response to an advertisement for bids, invitation to bid, or request for proposals.

(b) Local Preference. In evaluating bids as defined herein, the City Manager may consider a bid from a local business as being the lowest bid if it is less than five per cent (5%) higher than the lowest bid from a non-local business for the same or equivalent materials, supplies, equipment or services.

(c) Requirements. To qualify for the local preference, a bidder must include the following in its bid or proposal documents:

(1) Certification that "The bidder hereby certifies the bidder's principal place of business is within the City of Ashtabula [or Saybrook, Plymouth, or Ashtabula Township], and the bidder has filed income tax returns with or paid income taxes to the City of Ashtabula in both of the past two (2) successive years."

(2) Addresses of local and other offices;

(3) Date of business establishment and state of registration/incorporation (if applicable);

(d) Limitations.

(1) Local preference may be applied in determining the lowest bid but shall not be deemed to waive or nullify the requirement that bids be responsive and responsible.

(2) Local preference shall not be applicable to contracts for supplies, materials or services that exceed one hundred thousand dollars (\$100,000.00).

(3) In the event the bid is to supply a City vehicle or accessory, the bidder's price must be the same as or lower than the then-prevailing State Purchasing Program price for the same item.

(4) Local preference shall not be applicable when prohibited by state or federal law, or to projects funded in whole or in part by any grant, loan, or contribution from Ashtabula County, the State of Ohio, the United States of America or any department or agency thereof.

(5) Nothing within this Section shall be construed to create any private rights, claims or causes of action on behalf of any person, including but not limited to bidders, proposers and contractors.

(6) If a project meets the requirements and limitations of the local preference program contained herein, the advertisement for bid, invitation to bid or request for proposals shall include the following language: "The City of Ashtabula has created a local preference program which permits a credit of up to 5% on a responsive bid from a responsible local business as that term is defined in Section 109.03 of the Ashtabula Codified Ordinances. For further information contact the office of the City Manager prior to submitting your bid or proposal documents."

(7) The City Manager or designee may promulgate rules, regulations and procedures to implement this Section.