

BUDGET COMMISSION

The Geauga County Budget Commission met in special session on Monday, August 26, 2024 at 9:00 a.m. in the Auditor’s office at 215 Main Street, Chardon, Ohio. Present: Geauga County Auditor Charles E. Walder, Geauga County Prosecutor James Flaiz, Geauga County Treasurer C. P. Hitchcock, Chief Deputy Auditor Ron Leyde Also Present: Chief Compliance Officer, Kate Jacob-McClain (virtually), Deputy Auditor and Fiscal Office Manager Pamela McMahan, Deputy Auditors: Tammy Most, and Kristen Sinatra
 Special Meeting advertised: Reconvene 2025 Tax Budget Hearings & Regular Business
 The option of virtual viewing was offered to the public.

**Auditor Walder calls the Reconvened 2025 Tax Budget Hearings to order at 9:01 a.m.
 2025 Budget Hearings – Budgets presented for Budget Commission action:**

Chester Township – 2025 Tax Budget revisited 9:07 a.m.

| <u>2025 BUDGET HEARINGS</u> | | | |
|---|--|---|-----------------------|
| Chester Township | | | |
| August 26, 2024 | | | |
| <hr/> | | | |
| General Fund | Estimated 1/1/2025 Unencumbered Cash Balance | \$ | 1,314,538.19 |
| | Estimated Revenue | | \$2,024,338.00 |
| | *Estimated Expense | | \$1,948,300.00 |
| | Estimated 12/31/2025 Cash Balance | | \$1,390,576.19 |
| <i>Requested</i> | <i>\$2,023,381.01</i> | <i>Revenue Considered</i> | <i>\$2,024,338.00</i> |
| Expenses include \$17,500 noted as contingencies | | | |
| <hr/> | | | |
| Road & Bridge | Estimated 1/1/2025 Unencumbered Cash Balance | | \$610,279.15 |
| | Estimated Revenue | | \$2,328,562.00 |
| | Estimated Expense | | \$2,933,322.20 |
| | Estimated 12/31/2025 Cash Balance | | \$5,518.95 |
| <i>Requested</i> | <i>\$2,328,562.00</i> | <i>Revenue Considered</i> | <i>\$2,328,562.00</i> |
| Revenue includes \$600,000 transfer-in (GF) Expenses includes \$35,000 noted as contingencies | | | |
| <hr/> | | | |
| Police Fund | Estimated 1/1/2025 Unencumbered Cash Balance | | \$533,823.84 |
| | Estimated Revenue | | \$2,804,033.16 |
| | Estimated Expense | | \$2,592,950.00 |
| | Estimated 12/31/2025 Cash Balance | | \$744,907.00 |
| <i>Requested</i> | <i>\$2,804,033.17</i> | <i>Revenue Considered</i> | <i>\$2,804,033.16</i> |
| Revenue includes \$10,000 transfer-in (GF) | | | |
| <hr/> | | | |
| Fire Fund | Estimated 1/1/2025 Unencumbered Cash Balance | | \$1,518,155.29 |
| | Estimated Revenue | | \$2,048,487.84 |
| | Estimated Expense | | \$2,222,450.00 |
| | Estimated 12/31/2025 Cash Balance | | \$1,344,193.13 |
| <i>Requested</i> | <i>\$2,048,487.84</i> | <i>Revenue Considered</i> | <i>\$2,048,487.84</i> |
| Expenses include \$47,000 noted as contingencies | | | |
| <hr/> | | | |
| Debt Fund | No Debt | | |
| <hr/> | | | |
| Special Assessments | Sperry Road | Is this still active? | |
| <hr/> | | | |
| Total millage for Tax Year 2024 (2025 Collection) | | Levies on Nov. 2024 Ballot: | |
| 3.00 | Inside General Fund | | |
| 0.00 | Inside Road & Bridge | * .5 Renewal Police TY24CY25 continuing; Yield \$118,000 | |
| 0.00 | Inside Park | * 2.5 Renewal Police TY24CY25 continuing; Yield \$345,000 | |
| 5.00 | Outside Road & Bridge | * 1.5 Renewal Road TY24CY25 continuing; Yield \$306,000 | |
| 8.97 | Outside Police | * 2.5 Renewal Road TY24CY25 continuing; Yield \$937,000 | |
| 6.25 | Outside Fire | * Term Change | |
| 23.22 | Total Mills | | |
| Based on Tax Year 2023 (2024 Collection) values, 1.0 "New/Additional" Mill will yield approximately \$546,800 | | | |

There were two changes to the submitted budget. The transfers in tax year 2024 were brought into balance by increasing the 2024 General Fund by \$4,500.00 and reduced contingency amount in Fund 2281 by \$15,000.00 per RC requirement. Mr. Purchase advised the Commission of the resolution passed by the Trustees creating reserve funds in the General, Road, Police, and Fire funds. Mr. Purchase confirmed the reserve funds will be initially funded by a transfer from the General fund. The Road department, he continued, will likely be funded at around 300k to start as there are significant repairs needed. Mr. Purchase agreed to provide more specific numbers as they become available. Mr. Hitchcock requested a copy of the certificate once the reserve funds have

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been created. The Budget Commission expressed disappointment that the approved resolution did not contain more specific numbers.

Motion made by Charles Walder, seconded by James Flaiz, to approve the 2025 Tax Budget, as modified, for Chester Township totaling: \$14,029,279.20.

Voice vote: Three ayes. Motion carried.

Geauga County – 2025 Tax Budget revisited 9:13 a.m.

It was previously agreed that the submitted 2025 estimated beginning cash balance was not accurate.

Mr. Gorton began by saying that he is concerned about not being able to transfer 10 million into the capital reserve fund and open an encumbrance to continue working on the project in order to pay the requests for this year. He had requested an appropriation transfer from salaries to certify the 10 million into the capital fund. Mr. Leyde said the conversation was to transfer from the ARPA fund and that was ruled to be improper. Mr. Gorton said there were emails from his counsel, contradicting what Mr. Walder asserted. Mr. Walder said initially he was opposed due to the funds going to a settlement. Secondly he suggested using the funds for safety forces salaries. Now the funds need to be spent. Mr. Gorton again said he had opinions saying it was permissible for the Commissioners to transfer appropriations from salaries to another fund. The Commissioners can't stop departments from using funds that have been appropriated to them, but they are permitted to transfer funds cooperatively with an understanding from both parties.

The estimated carryover from Mr. Gorton is at 8.5million. Mr. Walder questioned if the carry over is estimated at 8.5million, why was 2 million cut. Mr. Gorton wanted to get the ending balance to more closely align with what he had estimated. Additionally, sales tax is leveling off, so the financial future is uncertain. Mr. Gorton again stated there were many reasons why he decided to cut \$2 million from the budget this year. However, Mr. Walder said he was at every meeting of the Commissioners, and this was never brought up as a topic of discussion. The decision to cut the budget was unanimously approved according to Mr. Gorton. One of the Commissioners says he was never approached to discuss the matter. Mr. Morgan said previously that the Chase building was still a possible option at the last hearing, and the same Commissioner denies that to be the case. The budgets were changed outside of an open meeting.

Mr. Flaiz questioned how this is holding up construction across the street. The ARPA funds were encumbered and then it had to be changed replied Mr. Gorton. Now the funds need to be certified and the Budget Commission is holding up the process. Mr. Flaiz said he is concerned that there are meetings that are not being held openly and money is being taken away from elected officials after it has been properly approved. Mr. Walder took exception to Mr. Gorton's comment that the Budget Commission is in violation of its duties as elected officials and said the responsibility of elected officials is not taken lightly by anyone in this room.

Mr. Walder said the County Commissioners had no authority to change his REAF budget. Mr. Gorton said because it was for maintenance personnel, this was unlawful. Maintaining the building is to be done by the Commissioners. Mr. Walder and Flaiz said the buildings are not and have not been maintained since they began working here.

Ms. Burheine asked how they can get to an approved budget. Mr. Walder said "stop lying to us". He went on to explain that he has submitted a budget every year for the past 6 years and it has been revised without his knowledge each year. This process is wrong, for transparency and the taxpayers. Mr. Hitchcock said the County's budget practices have been a 'joke'. The estimated versus actual balances from 2023 are off by a factor of 34,000%. Mr. Gorton asked again for an endorsed method to address the problem and has not been given a solution.

The cuts amounted to \$2.1million in various departments for various purposes. Mr. Walder asked how those cuts were determined? Mr. Gorton said he was instructed to suggest cuts in payroll, equipment, and contract services. Mr. Walder asked whether the Commissioners were the ones directing him. Mr. Gorton assured him they were aware. The Board of Elections was cut 89,000 in equipment. Mr. Gorton said much of those items were put back into their budget. Mr. Walder asked whether they were aware of the cuts. Mr. Gorton said they were. Mr. Flaiz asked why are they (County Commissioners) 'playing games'? Mr. Gorton said they are trying to get away from zero based budgeting. Mr. Flaiz continued that they have operated this way for many years and Mr. Gorton agreed.

It seems disingenuous that the county won't maintain the buildings they currently own but have now built new ones. Mr. Gorton said it was the Commissioner's intent to build a building for the whole county but that did not work.

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No action was taken by the Budget Commission on the 2025 tax budget for the county.

Close Hearings:

Motion by Charles Walder, seconded by James Flaiz, to adjourn the 2025 Budget Hearings at 9:56 a.m.

Voice vote: Three ayes. Motion carried.

Regular Business:

2024 Certificate Amendments

Hambden Township – Amendment #3

Motion by James Flaiz, seconded by Christopher Hitchcock, to amend the Hambden Township's Official Certificate of Estimated Resources to reflect the following changes to revenue previously certified:

Special Revenue Fund

Increase #2274 ARP Grant Fund (new) other source revenue 20,880.00, from 0.00 to 20,880.00.

| | |
|--|-----------------------|
| <u>New Special Revenue Fund Total:</u> | <u>\$3,313,552.32</u> |
| New 2024 Certificate Total: | \$4,683,237.69 |

Voice vote: Three ayes. Motion carried.

**Appropriation form GCA-006 dated 6/25/2024 does not exceed estimated revenue.*

Public Comment:

No comments were voiced or typed.

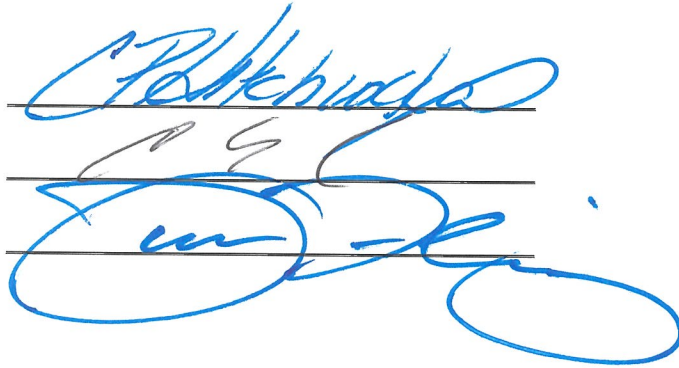
Prosecutor Flaiz exited the meeting at 9:58 a.m.

Being no further business to conduct, a motion was made by Charles Walder to adjourn the August 26, 2024 special meeting at 10:00 a.m.

Respectfully submitted,



Charles E. Walder, Auditor
Secretary/Budget Commission



The block contains three blue ink signatures, each written over a horizontal line. The top signature is a cursive name that appears to be 'C. Palkovits'. The middle signature is a stylized 'C' followed by a flourish. The bottom signature is a large, bold, cursive signature that is difficult to decipher but appears to be 'C. Walder'.