

BUDGET COMMISSION

The Geauga County Budget Commission met in special session on Friday, August 30, 2024 at 3:30 p.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, 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 special meeting to order at 3:31 p.m.

2025 Tax Budget – Budgets presented for Budget Commission action:

Geauga County

The Budget Commission can accept what was submitted by the Commissioners as evidence and change the estimated beginning balance for 2025. Mr. Hitchcock said that he was pleased with the additional evidence supplied. Mr. Walder had 4 questions to the Budget Commission. 1) Is this submission compliant with the ORC statutes? Yes. 2) Does the submission contain false or misleading information? There were a few items that may be construed as false or misleading. Those items being the items that were initially approved then cut later. This is misleading as the public is not aware of the changes made. However, this is not material to the submission. 3) Next, was the budget submission approved in an open meeting? It became clear during the hearings that there were meetings outside the view of the taxpayers impacted the decision of the Commissioners. The Budget Commission is not given any authority to act on this item but rather this is anyone's option who was impacted by any of these decisions. Mr. Flaiz continued that it was clear there were violations of the open meetings act related to the adoption of the budget. However, the budget was adopted in an open meeting. The discussions about the budget occurred in closed meetings. 4) Mr. Walder continued, the final question is were there any modifications to the budget outside the purview of the public specific to funds, like the REAF fund, which are outside the Commissioners authority to modify. Again, the Budget Commission may not file a complaint against that but rather this is an option available to the Auditor to file a complaint with the tax commissioner. He continued that he heard from many at the fair that they are concerned about not being able to see the process of approving the budget and what is happening with their money. The State views the Budget Commission in Geauga County as the exception to the rule that follows the rule. Yet, within the county the Budget Commission is not viewed similarly. This Budget Commission is the only one in the state to return money to the taxpayers. He believes strongly that what is done in government should be viewed by the taxpayers. Mr. Flaiz asserted that the beginning balance for 2025 may be adjusted based on prior testimony. The estimated beginning balance has more than doubled. This speaks to the "need" which is what the Budget Commission is responsible for reviewing. He went on to read RC 5705.24 which speaks to the County's responsibility to provide for Children's services out of taxes within the 10 mill limitation but may supplement from the General fund. Therefore, he suggested changing the estimated beginning balance to the \$9,876,924.10 (revised figure provided by the Budget & Finance Manager for the County Board of Commissioners) and suspend collection of the non qualified 2015 JFS levy in the amount of 1million dollars. Mr. Walder continued, saying his problem is this is taking money that is currently promised through appropriations, it may all be spent. Mr. Gorton agreed. A budget is an estimate of future spending and revenue, the current year is already promised and therefore is not typically adjusted. He expressed concern that this is a bad precedent of accounting for the same dollar twice. If this is to be done correctly, the funds should be de-appropriated first. Mr. Gorton said they would have to de-appropriate 5.3 million dollars' worth of appropriations. Mr. Walder agreed. Mr. Hitchcock suggested giving the 5 million dollars back to the taxpayers. He would support just about any measure that would give money back to the taxpayer. His hope is that the problem will be fixed going forward and there will be a way to make this possible for the County's budget going forward. Mr. Walder said the only way is to de-appropriate so the math works.

2025 BUDGET HEARINGS

Geauga County

Adrian Gorton, Budget & Finance Manager, Gerry Morgan, County Administrator, and Linda Berhenne

August 30, 2024

attended the

Commissioners: Dvorak, Spidalieri, and Lennon

General Fund	2025 Submitted Tax Budget	2025 Budget Commission modified
Estimated 1/1/2025 Unencumbered Cash Balance	4,551,265.34	9,876,924.10
Estimated 2025 Revenue	47,118,065.00	\$47,123,674.00
Estimated Transfers In	100,000.00	\$100,000.00
Total	<u>51,769,330.34</u>	<u>57,100,598.10</u>
Estimated Expenditures	46,988,230.00	\$ 46,988,230.00
Transfer out to JFS as modified by BC 8-30-24		\$1,000,000.00
Revenue over Expenditures	4,781,100.34	9,112,368.10
Requested: \$47,218,065.00	Revenue Considered:	\$47,223,674.00

Motion made by James Flaiz, seconded by Christopher Hitchcock to approve the 2025 Tax Budget with the beginning balance adjusted to what was submitted, 9,876,924.10, certify revenue in the amount of 47,223,674.00, suspend \$1,000,000.00 of collection from the 2015 JFS levy with a transfer from the General Fund to supplement, with submitted General Fund expense estimates otherwise unchanged, and leaving the 2025 General Fund estimated ending balance at 9,112,368.10. 2025 Budget total certificate for Geauga County: \$231,946,752.46.

Voice vote: Three ayes. Motion carried.

Mr. Flaiz pointed out that the option to reduce the County’s share of Undivided Local Government distribution in the future in response to Commissioner Spidalieri’s inquiry on whether there are any options the county may exercise to reduce the tax burden on the taxing districts in the County. Mr. Walder pointed out this may not be done until next year in July. There is no immediate way to distribute additional monies to the districts. Mr. Hitchcock pointed out there are some districts who do not need extra cash. He suggested to reach out to the state for remedies that may be available before 2026. Mr. Walder said there is a DTE26 form that has been distributed to all the districts to allow their residents the ability to request relief from damage on any taxed asset. Mr. Spidalieri expressed concern that the modifications may prevent performing projects for this year. Mr. Walder and Flaiz said there is nothing preventing the County from spending additional funds this year.

Ms. Berhenne commented that the meetings that are conducted in the Commissioners office are completely legal. Mr. Flaiz said during testimony, the way the meetings were described, as being that of closed meetings with no public discussion. Ms. Berhenne went on to say that if information is presented to the Board and they make decisions and choose not to discuss those decisions in a meeting that is “their call”. Mr. Flaiz said “that is illegal, don’t do that”.

Regular Business:

2025 Certificates

Russell Township – Original re-sign

Russell Township’s Official Certificate of Estimated Resources to reflects the following changes to revenue previously certified:

Decrease Fund 4401 other source revenue 350,000 from 350,000.00 to 0.00

New Capital Fund Total:	\$ 1,924,775.09
New 2025 Certificate Total:	\$12,230,376.44

Voice vote: Three ayes. Motion carried.

The corrected 2025 Tax Budget for Russell Township is totaling: \$12,230,376.44

Mr. Hitchcock left the meeting at 4:21pm

Geauga County – Amendment #7

Motion by Charles Walder seconded by James Flaiz to amend the 2024 Geauga County Official Certificate of Estimated Resources to reflect the following changes to revenue previously certified:

Internal Service Funds

Increase 1005 Sheriff Fair Rotary Fund other source revenue 10,000.00, from 50,000.00 to 60,000.00.

New Internal Service Funds Total:	\$ 1,449,886.67
New 2024 Certificate Total:	\$237,048,008.52

Voice vote: Two ayes. Motion carried.

General Discussion:

Mr. Flaiz wanted to mention there were 4 levies submitted to the Board of Elections for the upcoming November ballot, which the Secretary of State flagged as problematic and sent to the Board of Elections to decide. The State approved as to form 2 to due to clerical errors, and 2 were not approved. Burton Village and Huntsburg Township, both expiring this year, were those that were approved by the state and ultimately permitted to be placed on the ballot by the Board of Election after testimony. The JFS child services levy and Hambden Township’s road levy, which both were submitted 1 year early, had fatal flaws and were not permitted to be placed on the ballot by the Board of Elections. Mr. Flaiz noted that there is no primary election currently scheduled for next year.

A comment was made that the next meeting scheduled will be September 30th for review of Rate Resolutions.

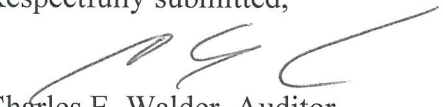
Public Comment:

Mr. Gorton advised that he has reached out to the contractor for the courthouse project to get an estimate for the expenses for the remainder of the year. He will need additional revenues certified into the Capital Reserve fund for this purpose. Mr. Flaiz asked about the City of Chardon’s contribution. Mr. Gorton said they have not seen any of those funds yet. Mr. Flaiz agreed to reach out to get an update. Mr. Spidalieri asked about where the ceiling is on the courthouse project.

There have been significant over-runs already. He said the City of Chardon is rumored to be pulling back on their commitment to the project. He is frustrated because he did not support this project from the beginning. The responsible thing for taxpayers would have been to put the county into one building instead of constantly putting money into these buildings. Understanding that was not agreed upon by the Treasurer and former Auditor. Mr. Walder questioned why he can't spend his own funds to do the minimum maintenance and repairs. Mr. Spidalieri continued that he does not want to spend money on these buildings. Mr. Flaiz said that even though the Commissioners don't want to spend money on these buildings, we have to work in these buildings. Mr. Walder said it feels like a punishment. Mr. Spidalieri assured him, it is not punishment. "The buildings have not been maintained for the 12 years I have been here" said Mr. Flaiz. Mr. Spidalieri agreed that the Commissioners will do what they can. Mr. Walder said there was an employee who fell through the stairs due to faulty maintenance and construction and was out of work for 9 months with pay. He was concerned about a possible lawsuit. Mr. Walder wanted to use REAF funds where he could to do the minimum amount to make the buildings operational. There are 40 employees working out of these buildings and he feels responsible for their health and safety.

Being no further business to conduct, a motion was made by James Flaiz, to adjourn the August 30, 2024 special meeting at 4:41 p.m.

Respectfully submitted,



Charles E. Walder, Auditor
Secretary/Budget Commission

