

BUDGET COMMISSION

The Geauga County Budget Commission met in special session on Tuesday, August 30, 2016 at 1:30 p.m. in the Auditor’s Appraisal Conference Room at 231 Main Street, Chardon, Ohio. Present: Geauga County Auditor Frank J. Gliha, Geauga County Prosecutor James R. Flaiz, and Geauga County Treasurer C. P. Hitchcock. Also Present: Deputy Auditor Beverly Sustar

Prior Minutes

Motion by Frank J. Gliha, seconded by C. P. Hitchcock, to approve the minutes of the August 1, 2016 regular session.

Voice vote: three ayes. Motion carried

Resign Geauga County Amended Certificate #8 due to clerical error and State Auditor Adjustment

General Fund

Reduce Beginning Balance by \$800,000.00 per State Auditor Adjustment recommendation.

Capital Project Funds

Increase 4018 Engineer Construction Beginning Balance \$800,000.00 per State Auditor Adjustment recommendation

General Fund Total:	\$ 32,645,687.92
Capital Project Funds Total:	\$ 9,223,278.67
Total 2016 Certificate Total:	\$152,806,789.41

2016 Amendments

Berkshire L.S.D. – Amendment #2

Motion by C. P. Hitchcock, seconded by James R. Flaiz, to amend Berkshire LSD’s Official Certificate of Estimated Resources to reflect the following changes to revenue previously certified:

Special Revenue Funds

Increase Student Activities other source revenue 10,000.00, from 70,000.00 to 80,000.00.

Special Revenue Fund Total:	\$ 1,134,962.55
Total 2016 Certificate Total:	\$22,070,926.94

Voice vote: three ayes. Motion carried.

Auburn Township – Amendment #4

Motion by C. P. Hitchcock, seconded by James R. Flaiz, to amend Auburn Township’s Official Certificate of Estimated Resources to reflect the following changes to revenue previously certified:

Debt Service Funds

Increase 3101 USDA loan repayment other source revenue 152,123.04, from 0.00 to 152,123.04.

Debt Service Funds Total:	\$ 373,558.22
Total 2016 Certificate Total:	\$8,694,616.99

Voice vote: three ayes. Motion carried

2016 Appropriation Transfer Request**6008 – Geauga Health District – Solid Waste Fund**

Motion by Frank J. Gliha, seconded C. P. Hitchcock, to approve the 6005 Fund appropriation transfer totaling 779.00 from Travel, Worker's Comp and Hospitalization to Salaries and Medicare Expenses.

Total 2016 - 6008 Fund appropriations \$ 46,637.00

Voice vote: Three ayes. Motion carried

6011 – Geauga Health District – Private Water Fund

Motion by C. P. Hitchcock, seconded by James R. Flaiz, to approve the 6011 Fund appropriation transfer totaling 1,685.00 from Worker's Comp and Other Expenses to Salaries, Medicare and OPERS.

Total 2016 - 6011 Fund appropriations \$ 65,524.00

Voice vote: Three ayes. Motion carried

Reconvene 2017 Budget Hearings**Newbury Township**

Mr. Flaiz began by addressing the beginning balances in 2014, which were nearly \$500,000 over the budgeted balance. Ms. Mansfield stated that that was due to estate tax and explained that they never budget for estate tax receipts. Mr. Flaiz asked when they received the estate tax, she stated that they got 30,000 one year. Mr. Flaiz said that still left about 470,000. Estate tax was paid in in 2012. She stated that they didn't spend it all in one year. Mr. Flaiz said in 2014 you still haven't accounted for the 400,000. Mr. Hitchcock stated that wasn't a small variance, it was a horrible miscalculation. Mr. Flaiz stated that when the township does that five years in a row we (the budget commission) view that as a pattern of defrauding the taxpayers. He added that when you do budgets, you are showing the taxpayers how much money you have and how you intend to spend it. Mr. Quigley said that it was not their intention to defraud anybody.

Mr. Quigley stated that this has prompted the trustees to move forward on some capital improvement projects that they have been putting on the back burner. Mr. Quigley produced a list of projects. Mr. Hitchcock asked if these had been approved by the trustees. Mr. Quigley responded affirmatively. Mr. Hitchcock asked in what calendar year they would be expensed. Mr. Quigley stated that some would begin in 2016, but mostly next year. Mr. Hitchcock asked if these were reflected in the current budget and in the 2017 budget. Mr. Quigley is not sure. Ms. Mansfield said that they are reflected in the budget that they approved the previous week. Ms. Hitchcock informed Ms. Mansfield and Mr. Quigley, "You don't get a do-over". He asked if the projects were included in the budget that was submitted. Ms. Mansfield stated they were not. They were just approved at the last trustee meeting.

Mr. Flaiz asked if they were planning on renewing the 1.9 mill road levy. Ms. Mansfield and Mr. Quigley responded affirmatively. Mr. Flaiz said that was where he had a problem. He brought to their attention that in 2015 the budget predicted an ending balance of \$1,291 but they actually had \$274,000. The similar was true in 2014. Mr. Flaiz said they were bamboozling the residents. Mr. Quigley said they had projects on the back burner like a new maintenance garage, and also the second portion of Munn Road. Mr. Flaiz said in the Road Improvement Fund they predicted starting the year with \$19,000 and they actually had \$271,000. Mr. Quigley returned to the maintenance garage project which would cost \$165,000. Mr. Flaiz remarked that they could build that tomorrow and still have plenty of money in that fund. He also asked if they had bid it out. Mr. Quigley stated they hadn't gotten that far yet. They have been concentrating on road work. They did half of Munn Road this year and that come in under budget. They plan to do the other half next year.

Mr. Flaiz told Mr. Quigley that he wasn't giving him a hard time over saving for projects, but when they tell taxpayers that the township will only have \$1,700 in 2014 and \$1,200 in 2015 and you have hundreds of thousands of dollars, that's the budget commission's problem. Those are huge variances. Now you're asking voters renew a levy for Road Improvement.

Mr. Quigley said they have lots of road projects but they pick and choose which ones to do on a priority basis. He cited the Munn Road project was a big issue, it would have used all of the Road & Bridge Fund. That is why they split it into two years. They have a five year maintenance program.

Mr. Gliha stated that in the previous meeting, Ms. Mansfield stated that she keeps telling the trustees they should be spending the money and they won't listen to her. Ms. Mansfield stated that in the General Fund that is true. Mr. Quigley agreed. He explained a recent basement water problem that the trustees had just completed. They didn't know how much that would cost. It could have cost \$30,000 or \$200,000. It came in on the lower end. Now they can do other improvements on the town hall. He cited the fire station, which the township owns, needs concrete repair. He thought that it could cost \$90,000. But they didn't want to deplete the General Fund.

Mr. Hitchcock said that he was fascinated. Speaking with regard to the general fund, the township has \$800,000. Expenditures last year were \$309,000. The township has \$500,000 of taxpayers' money and you are worried about depleting it. Addressing Mr. Quigley, he stated the trustees are there to deplete it. Mr. Hitchcock stated that they are hoarding money. Mr. Quigley answered that they are saving for projects they are planning.

Mr. Flaiz stated that the trustees are not telling the commission or the taxpayers that they are saving money. You're telling the commission that you're spending money. Regarding the Road & Bridge and Road Improvement Funds, the budget states that money will be spent, but it doesn't get spent. By asking for a levy renewal, you're asking people to give you more money when you already have too much money in the fund. Mr. Quigley assured the commission members that they would be spending the money. Mr. Hitchcock expressed his doubts.

Mr. Hitchcock also addressed the inaccurate budgeting practices, misleading the commission and the taxpayers. He stated that it was unconscionable to present a budget that is off by 21,000% based on estimated ending balance versus actual. Mr. Hitchcock does not believe any business could survive, with that kind of budgeting practice. He told them that the township needs to resolve it.

Mr. Quigley defended that in the past Ms. Mansfield has always represented the township and that the trustees didn't think that they needed to be here to support her. Mr. Quigley stated that was a mistake that would be corrected. He is looking forward to working with the budget commission in the future. The Budget Commission members reviewed projects submitted by the trustees totaling \$470,000.00. Mr. Hitchcock asked if they had sent out for bids. Mr. Quigley said they had not.

Mr. Hitchcock asked if they could certify their budget based on the submitted list of capital improvements. Mr. Hitchcock and Mr. Flaiz agreed that if these changes were not put in place they would vote for non-collection of levied taxes next year.

Mr. Gliha moved to approve the Newbury Township Budget with the new capital improvements, totaling \$2,609,582.29. Mr. Hitchcock seconded the motion.

Voice vote: Three ayes. Motion carried.

Russell Township Park District

Mr. Butters was asked if he was the only one representing the Park District. Mr. Butters answered affirmatively. Mr. Markowitz was in attendance as counsel for the park.

Mr. Butters was sworn in by Prosecutor Flaiz

Mr. Gliha recapped the previous meeting where the budget did not include expenses for the purchase of park land. Mr. Hitchcock revisited the actual expenditures versus previous budgeted expenditures in the general fund. There is a carryover in 2016 of \$198,000 but previous expenses indicate that

those funds will not be spent. Budgeted expenses in the general fund for 2016 are \$145,000, but he doubts that will be spent. If it isn't spent this year, they would have a 25 year carryover for anticipated expenses of \$9,000 in 2017. Mr. Hitchcock reviewed the past five years of the Land Acquisition levy budgeting for land purchases, yet not following through. Addressing the \$1.3 million carryover in the Land Acquisition fund, Mr. Hitchcock stated that based on the meeting of the 23rd, Mr. Butters said it was 50/50 whether or not they would purchase land in 2016. Mr. Hitchcock said that he had checked with counsel, Mr. Flaiz, if there was a way to return that money to the taxpayers. So far, they do not know of a way to do that.

Mr. Markowitz addressed the Budget Commission. He has been engaged first in helping the Park Board with the Budget Commission, and second to set up a Capital Reserve Fund. Once he got into it, he believes that they will purchase the Modroo Farm parcel. He expects it to be done by December.

Mr. Flaiz stated the issue is whether to allow the Park District to collect the last year of the levy. Mr. Flaiz Asked Mr. Butters if they were going to renew the current levy. The board has discussed it in casual discussion, it is not even being considered. Mr. Butters believes that the current levy language was wrong. He thinks that it should have included operating, maintenance and improvements. Mr. Flaiz clarified that the voters approved that their tax dollars only go to land acquisition. Mr. Flaiz also stated that they have heard year after year that they were going to buy land. Last week Mr. Butters stated that the motion to purchase the property died for lack of a second. Later he said that the purchase was 50/50.

Mr. Markowitz stated that he was brought on board to draft a letter of intent to purchase property. No formal vote has been taken because he still has comments on the original letter that has been circulated.

Mr. Butters was asked if he was interested in buying the property. He answered affirmatively, but didn't believe that \$30,000 per acre was a sensible price. He stated that they have a partnered with the Western Reserve Land Conservancy, who is doing fund raising on their own. Mr. Markowitz stated that the letter of intent has a confidentiality clause. Ultimately it will be public. They are still negotiating terms with Western Reserve Land Conservancy. The park would have enough fund to pay the park's share, but only if the Land Conservancy raises all the funds that the conservancy needs. If they can't then the park board needs to discuss if they can pick up the differential. Mr. Flaiz asked if the park possess the differential. Mr. Butters said that it would depend on if the Land Conservancy raises enough money.

Mr. Flaiz stated that he believes that if they vote against collection of the levy in the final tax year, the park board will use that as an excuse, and blame the Budget Commission for not purchasing land. He believes the levy funds are so restricted that they can only be used for land acquisition, he will approve the budget. Mr. Pardington, a taxpayer, asked when the levy expires, does the levy restriction end with it. Mr. Flaiz stated that the funds would be permanently restricted. He further stated that if the park board ever spent any of that money for anything other than land acquisition, Mr. Flaiz would file a taxpayer lawsuit on their behalf.

Mr. Markowitz stated that everyone involved in the land purchase is a motivated party. He is optimistic that they can get it done. He is confident that they will close by December this year.

Mr. Hitchcock moved to not collect the final year of the 1.0 mill Land Acquisition Levy. Motion died for lack of second.

Mr. Flaiz moved to approve the Russell Township Park District Budget totaling 1,580,645.14. Mr. Gliha seconded the motion.

Voice vote: Two ayes, one no. Motion carried

A Russell Township resident commented that the taxpayers have no way to move the Park Board to do what the taxpayers request. Mr. Flaiz stated that the taxpayers have less direct control because the law does allow for the Probate Court to appoint the park commissioners. If the purchase does occur it will be due to the direct efforts of the residents involved. Mr. Flaiz has faith in Mr. Markowitz.

2017 BUDGET HEARINGS

Geauga County

2:40 p.m.
August 30, 2016

Anne Rasic, Dave Lair

attended the

hearing representing Geauga County.

General Fund	Tax Budget	Budget Commission
Estimated 1/1/2017 Unencumbered Cash Balar	-	-
Estimated 2017 Revenue	27,483,747.00	\$27,502,750.00
Estimated Transfers In	4,510,000.00	4,510,000.00
Total	31,993,747.00	32,012,750.00

Estimated Expenditures \$ 31,993,747.00

Revenue over Expenditures (revised Local Government Funds) \$ 19,003.00

- 2017 Real Estate Receipts estimated at 98% of Values.

1004 thru 6031 Funds

- 2017 Real Estate Receipts estimated at 98% of Values.

Using estimated carryover balances, the following funds appear to be over appropriated

2015 - 911 Program over appropriated 57,552.15

2020 - Motor Vehicle License - over appropriated 4,166.00

2035 - Transportation Fund over appropriated by 5,890.96

2055 - Victims of Crime Fund over appropriated by 6,522.70

2073 - Common Pleas Mediation Fund over appropriated by 31,171.96

2074 - Law Enforcement Assistance Fund over appropriated by 1,376.67

2079 - Juvenile Special Projects Fund over appropriated by 38,097.00

Total millage for Tax Year 2016 (2017 Collection)

2.50	Inside General Fund - 1001
0.00	Inside Unvoted Debt - 3000
2.50	Outside Road & Bridge
1.20	Outside Children's Services
1.20	Outside Mental Health
4.30	Outside DD/Metzenbaum
1.00	Outside Senior Citizens
0.20	Outside Health District
12.90	
2.70	Outside Park - memo only
2.00	Outside Library - memo only
17.60	

Mr. Gliha asked Mr. Lair has \$700,000 in Debt Retirement. If they can figure out how to get the \$800,000 moved back that will also go to debt retirement. They will have over \$1 million, he would like to have \$2, million and just retire it. If the carryover is larger money would be shift to debt retirement.

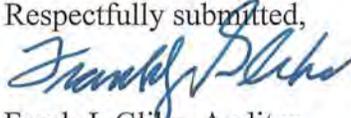
Mr. Lair stated that there is nothing in the submitted budget for raises. Ms. Rasic calculated that a 2% raise would cost \$300,000, a 3% raise would cost \$435,000 and a 4% raise would cost \$579,000. Realistically they will be likely 2.5% – 3%. The city has budgeted 4% raises. Mr. Flaiz says that he struggles to be competitive. Mr. Gliha stated that he has lost staff to Lake County who pays higher.

Motion by C. P. Hitchcock, seconded by James R. Flaiz to approve the Geauga County 2017 Budget totaling \$142,559,353.65

Voice vote: Three ayes. Motion carried

Being no further business to conduct it was moved by C. P. Hitchcock to adjourn the August 30, 2016 regular meeting at 2:43 p.m.

Respectfully submitted,



Frank J. Gliha, Auditor
Secretary/Budget Commission

