

**BUDGET COMMISSION**

The Geauga County Budget Commission met in special session on Monday, August 28, 2023 at 1:30 p.m. in the Auditor’s Appraisal Conference Room at 231 Main Street, Chardon, Ohio. Present: Geauga County Auditor Charles E. Walder, Geauga County Prosecutor James R. Flaiz and Geauga County Treasurer C. P. Hitchcock.

Also Present: Chief Deputy Ron Leyde, Chief Administrator, Frank Antenucci, Deputy Auditors: Pam McMahan, Kristen Sinatra, and Tammy Most

Members representing the Geauga County Commissioners:

- County Commissioner – Tim Lennon
- County Administrator – Gerald Morgan
- Budget & Finance Manager – Adrian Gorton

Special Meeting was advertised – Meet with Geauga County Commissioners to consider the 2024 County Budget & Regular Business  
Virtual attendance was offered.

**Re-open Geauga County 2024 Budget Hearing**

The submitted figures were read.

**2024 BUDGET HEARINGS**

**Geauga County** 2:30 p.m.  
August 21, 2023

Adrian Gorton and Gerry Morgan attended the  
hearing representing Geauga County.

<u>General Fund</u>	<u>Tax Budget</u>	<u>Budget Commission</u>
Estimated 1/1/2024 Unencumbered Cash Balance	2,697,220.98	2,697,220.98
Estimated 2024 Revenue	40,990,114.00	<b>\$40,990,114.00</b>
Estimated Transfers In	100,000.00	\$100,000.00
Total	<u>43,787,334.98</u>	<u>43,787,334.98</u>
Estimated Expenditures	43,638,979.00	\$ 43,638,979.00
Revenue over Expenditures		<b>\$148,355.98</b>

**Requested: \$41,090,114** **Approved: \$41,090,114**

Local Government Funds updated with 2024 revenue  
2024 Real Estate Receipts estimated at 98% of Values

**1002 thru 6031 Funds**

- 2024 CY Real Estate Receipts estimated at 98% of Values.

0.70 mill 5 yr Renewal Mental Health Levy TY24CY25; yield \$2,285,000  
0.20 mill 5 yr. Renewal Geauga Public Health Levy TY24CY25; yield \$653,000

Total millage for Tax Year 2023 (2024 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	See note above
4.30	Outside DD/Metzenbaum	
1.00	Outside Senior Citizens	
0.20	Outside Health District	See note above
<b>12.90</b>		
0.00		
2.32	Outside Library - memo only	
<b>15.22</b>		

Based on TY22 CY23 values a 1.0 "New/Additional" Mill will yield **\$3,643,500**

Mr. Gorton opened the discussion by sharing, as mentioned at the 8/21/23 Budget Hearing, additional revenue which was submitted for certification for 2023 (additional Sales Tax of \$3,000,000 and Interest Income of \$1,915,000).

Mr. Hitchcock agreed that additional interest would be certified.

Mr. Lennon and Mr. Gorton noted that once additional revenue is certified supplemental items from the budget would be funded first. Mr. Hitchcock questioned whether the budget would be amended now. Mr. Walder said the budget would not be amended, only the balances would change. He continued that it is going to take a while to come out of zero-based budgeting. Mr. Gorton agreed but added that the challenge is that the way the system works, the unappropriated balance is the only balance that the budget considers. When funds are left unappropriated those funds are included in the carry over cash for the next year. But the budget cannot calculate it that way. Mr. Walder questioned the philosophy of budgeting at the county level when he came into office in 2018. There are always situations where budgeting can be done in different ways when capital improvements are concerned. If projects are planned, they should be put into the budget. That is not the philosophy that has been used and it continues today. He continued that it is not a logical way to approach the budget. Projecting revenue accurately is the starting point. He predicted sales tax, interest, and departmental carry overs will be higher than predicted in this budget. Why not put that in the budget? Mr. Gorton agreed that 10-15% of the appropriations will remain unspent. Mr. Walder continued that the list of projects provided by Mr. Gorton included \$36 million in projects for the upcoming year, but the \$2.4 million in funding requests for the current year remain unfunded. That seems like flawed logic. Mr. Gorton asked Mr. Walder how to fix the problem. Mr. Walder said one thing to consider is the budget hearings scheduled for September. He questioned why there would be hearings on a budget that has already been approved. Mr. Lennon agreed that may need to be changed. Mr. Gorton said his idea was to have the Departments present their budget to the Commissioners in May. Mr. Lennon said he would like to see a shift to get in front of the budget process. Mr. Flaiz spoke with the Sheriff about the funding he requested for vehicles. He was told that the money was denied at first but typically always given to him in the end. He continued that the trend in budgeting is going the wrong way. The tax budget figures are just going to keep growing. Mr. Walder cautioned that overestimating expenses and underestimating revenue is conservative, but it will lead to zero-based budgeting. It is bad budgeting, it is only considering worst case scenarios. Changing the order of budgeting is a solution he suggested to Mr. Gorton's question of how to implement this. Start with the actuals instead of the estimated revenues. Perhaps Permanent appropriations should be set after the close of the year instead of in December. Townships operate on Temporary appropriations until they close their year. Maybe a temporary appropriation would be a good solution to solve the problem of appropriating money prior to knowing what the carryover balances will be. There are counties, Mr. Walder cites, that operate similar to a township. If their software accommodates it, they pass temporary appropriations. Mr. Flaiz continued, that the issue of all the funds increasing must be addressed. Reading from a report, he said in January 2019 the total amount of all county funds was \$62 million. In January of this year that total was \$109 million. Mr. Lennon asked if there was a way to reduce revenue. Mr. Walder answered yes, inside millage may be reduced, cut Sales Tax, or other options. Mr. Flaiz went on to suggest that spending the money would be a step in the right direction. Mr. Lennon said the plan was to renovate the annex at the same time as the Courthouse project. He has since learned that is not an option, but there are plans to renovate the annex, opera house, and potentially purchase additional property on the square. Mr. Flaiz suggested perhaps a manager to keep track of the projects that need to be done. Mr. Lennon said the Commissioners are cautious about "...chasing good money after bad", regarding the buildings on the square. Mr. Walder said but we still have to work in these buildings. Mr. Flaiz continued to say if the funding requests are out of line that is one thing but if maintenance and repairs are not being performed that is a problem. JFS needs to build the youth center. There are 5 or 10 similar projects that are not moving forward. Mr. Lennon expressed interest in reducing revenue. Mr. Flaiz said that adjustments will be made for this current year. Mr. Hitchcock suggested that Mr. Morgan provide a project list like the one provided, see copy below, but include a timeline so that next year it may be vetted. The Commission agreed this would be good to have. Mr. Lennon went on to say he agreed that perhaps the order of events in the County budget process needs to be examined.

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### Geauga County 2024 Tax Budget Fund Balances and Purpose

\$2.3M – Department on Aging – Levy funding. Has to be used for senior services. Aging will be transferring funds to help build a new Chardon Senior Center.

\$1.8M – Senior Center Construction Fund – Money from sale of current Senior Center. Will be used in conjunction with funds from the department to build new. Currently in architectural phase.

\$17.7M – American Rescue Plan Fund – \$10M will be used for Courthouse project, \$6M for McFarland WWTP, \$560K for County Water System and \$486K for sewer tie-ins. \$650K currently unallocated may be used in a variety of other projects.

\$2.2M – County Facility Bond Retirement – Saving for future debt payments or potentially paying the debt down and refinancing at one of the call periods.

\$4.4M – Building Improvement Fund – Will be used to improve County buildings on Chardon Square. Currently in architectural phase.

\$7.6M – Capital Reserve Funds Phases 1 & 2 – Phase 1 nearing completion. Money will be transitioned to Phase 2 which is currently in the architectural phase.

There is an additional \$4.9 million in revenue to be certified this year in the County's certificate. Mr. Flaiz suggested that Sales Tax revenues should be adjusted for 2024. Casino Tax and Interest revenue adjustments should also be considered.

<b>2024 BUDGET HEARINGS</b>			
<b>Middlefield Village</b>			11:00 a.m.
			August 22, 2023
Nicholas Giardina, Fiscal Officer and Jessica Giardina and Leslie McCoy			attended the
hearing representing Middlefield Village.			
Estimated 1/1/2024 Unencumbered Cash Balance			\$ 491,826.00
<b>General Fund</b>			*Estimated Revenue \$1,999,100.00
			**Estimated Expense \$2,195,397.00
Estimated 12/31/2024 Cash Balance			\$295,529.00
<i>Requested</i>	\$1,939,887.00	<i>Approved</i>	\$1,999,100.00
* Transfer -in \$1,300,000			
** Transfer-out \$105,000 UDLG updated with 2024 est at 98% collection			
Estimated 1/1/2024 Unencumbered Cash Balance			\$115,529.00
<b>Police Fund</b>			Estimated Revenue \$191,532.00
			*Estimated Expense \$243,686.00
Estimated 12/31/2024 Cash Balance			\$63,375.00
<i>Requested</i>	\$198,579.00	<i>Approved</i>	\$191,532.00
*Transfer-out \$35,250			
Estimated 1/1/2024 Unencumbered Cash Balance			\$273,838.00
<b>Ambulance Fund</b>			Estimated Revenue \$0.00
			Estimated Expense \$74,500.00
Estimated 12/31/2024 Cash Balance			\$199,338.00
<i>Requested</i>	\$73,953.00	<i>Approved</i>	\$0.00
<i>Revised - BC suppressed levy collection for 1 year TY23CY24 at the 8/22/23 Budget Hearings.</i>			
<b>Debt Fund</b>	No Debt		
<b>Special Assessments</b>			
No Special Assessments			
<b>Total millage for Tax Year 2023 (2024 Collection)</b>		<b>Levies on the Nov. 2023 Ballot</b>	
3.00	Inside General Fund		
0.00	Outside General	None	
0.00	Outside Ambulance (Supressed by Budget Commission TY23CY24)		
2.00	Outside Police		
5.00	Total Mills		
Based on Tax Year 2022 (2023 Collection) values, 1.0 "New/Additional" Mill will yield			<b>\$107,700.00</b>

Executed 8/21/23 Motion by C. P. Hitchcock, seconded by James Flaiz to suspend collection on the 1.00 mill Ambulance levy for one year.

Voice vote: Three ayes. Motion carried.

Motion made by James Flaiz, seconded by Charles E. Walder to approve the 2024 Tax Budget as amended (Suspended levy collection) for Middlefield Village totaling \$21,459,629.00.

Voice vote: Three ayes. Motion carried.

**2023 Amendments**

**South Russell Village– Amendment #6**

Motion by Charles E Walder seconded by Christopher Hitchcock to amend the Village of South Russell’s Official Certificate of Estimated Resources to reflect the following changes to revenue previously certified:

**Capital Project Funds**

Fund D04 Special Equipment increase other source revenue 22,435.34 from, 187,687.00 to 210,122.34.

New Capital Project Fund Total:	\$ 1,791,379.69
<b>New 2023 Certificate Total:</b>	<b>\$11,180,023.56</b>

*\*Appropriation form GCA-006 dated 8/21/2023 does not exceed estimated revenue.*

Voice vote: Three ayes. Motion carried.

**Geauga County – Amendment #11**

Motion by Christopher P Hitchcock seconded by James Flaiz to amend the Geauga County Official Certificate of Estimated Resources to reflect the following changes to revenue previously certified:

**General Fund**

Increase Other -other source revenue 1,915,000.00, from 9,682,446.00 to 11,597,446.00.  
Increase Sales Tax other source revenue 3,000,000.00 from 17,000,000.00 to 20,000,000.00.

***Net adjustment: \$4,915,000.00***

**Special Revenue Funds**

Increase #2067 Help America Vote- other source revenue 345.29 from 0.00 to 345.29.  
Increase #2068 ISP other source revenue 11,724.00 from 62,404.00 to 74,128.00.

***Net adjustment: \$12,069.29***

New General Fund Total:	\$ 51,157,857.46
<u>New Special Revenue Funds Total:</u>	<u>\$129,692,276.82</u>
<b>New 2023 Certificate Total:</b>	<b>\$239,604,009.96</b>

Voice vote: Three ayes. Motion carried.

**General Discussion:**

Geauga Park District email from John Oros.

The resolution rescinded and closed the Land Acquisition Fund that Mr. Hitchcock referenced on Tuesday. This was the fund showing a \$91,060 balance on the document they provided. The board rescinded & closed the fund on August 24, 2022.

In refining our working relationship with the Commission, it may be helpful to know, GPD currently has only two open funds. Our General Fund (1000) and our Park Board Land Improvement Fund (4301). All other funds have been closed.

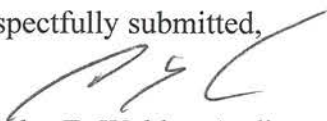
**Public Comment:**

Amy requested a bullet point summary and a copy of the projected project list that was referenced in the meeting.

Gail requested the same summary. She also asked whether there was any commitment of the Commissioners to fund the requests that had previously been denied. Mr. Walder confirmed that there was no commitment.

Being no further business to conduct it was moved by C. P. Hitchcock to adjourn the August 28, 2023 special meeting at 2:59 p.m.

Respectfully submitted,



Charles E. Walder, Auditor  
Secretary/Budget Commission

