

**BUDGET COMMISSION**

The Geauga County Budget Commission met in regular session on Monday, October 16, 2023 at 10:09 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, and Geauga County Treasurer C. P. Hitchcock.

Also Present: Chief Deputy Auditor Pam McMahan and Deputy Auditor Kristen Sinatra

**Meeting was advertised: Regular Business**

Virtual attendance was offered.

**2023 Amendments****Hambden Township Amendment #3**

Motion by Charles E. Walder, seconded by James Flaiz, to amend the Hambden Township Official Certificate of Estimated Resources to reflect the following changes to revenue previously certified:

**Special Revenue Funds**

Increase 2273 ARPA other source revenue 20,000.00 from 0.00 to 20,000.00

<b><u>New Special Revenue Fund Total:</u></b>	<b><u>\$ 3,182,680.67</u></b>
<b><u>New 2023 Certificate Total:</u></b>	<b><u>\$ 4,421,150.46</u></b>

*\*Appropriation form GCA-006 dated 10/02/23 does not exceed estimated revenue.*

Voice vote: Three ayes. Motion carried.

**Geauga County – Amendment #13**

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

**Special Revenue Funds**

Increase 2001 Mental Health Adams Board Other-other source revenue 130,000.00, from 3,319,866 to 3,449,866.00

<b><u>New Special Revenue Funds Total:</u></b>	<b><u>\$128,629,274.03</u></b>
<b><u>New 2023 Certificate Total:</u></b>	<b><u>\$238,190,907.17</u></b>

Voice vote: Three ayes. Motion carried.

**General Discussion:**

Motion by C. P. Hitchcock, seconded Charles E. Walder to amend the Middlefield Village revenue certificates to accurately reflect CARES Act monies by reducing the other source revenue in the fund and present the certificates for resigning -clerical error correction.

Middlefield Village discovered their GCA-015 certificates from 2022 were inaccurate due to a duplication of the CARES Act monies. The revenue was listed in their 2022 budget but then also came over as a carryover balance with their 2021 YE balances. Since it is a Village no "other source revenue" is submitted at YE.

There are 3 amended certificates from 2022 that would need to be corrected. Looking for direction. Jessica is going to look further into this and make sure her numbers are correct for both 2022 and 2023. Ok to wait until next BC meeting per Jessica email 10-12-23.

Voice vote: Three ayes. Motion carried.

**General Discussion Cont.**

Auditor Walder shared a draft of a letter in response to an inquiry made by Commissioner Lennon for guidance on what could be done to mitigate the impact to the taxpayers as a result of the 2023 revaluation. Based on the revaluation in Geauga County, the average increase to Residential properties would be 29.5% and Agricultural properties 26.1%. Auditor Walder shared, that this increase directly affects inside millage. The Ohio Constitution guarantees 10 mills of unvoted millage, referred to as the “10 Mill Limit”. In Geauga that ten mills are allocated in the following manner: County 2.50 mills (25%), School District 4.50 mills (45%), and Local Government 3.00 mills (30%) for Geauga). The increase for the County’s portion equates to an approximate yield of \$2.4 million of revenue. Auditor Walder explained, the County could provide the windfall of revenue to any entity under their hiring authority (Aging & Job and Family Services). Then those entities would be required to reduce their voted levy mills in an equal amount. If everyone, County, Schools, and Local Government (Ten Mill recipients) would take this approach, the taxpayers would experience a net zero effect from the bulk of the increase, which is applied to inside millage. The Auditor added that the overall impact on inside millage for Geauga County (as a whole) is approximately \$9.6 million. Auditor Walder stated that he didn’t want to pick on schools, but they are getting 45% of the increase which is about \$4 million. The concern is that the feedback from the schools is that they’re very upset that this information is being mentioned. Treasurer Hitchcock discussed the need for the Budget Commission to communicate with every entity and assist them with taking actions which will prudently respond to this windfall; a windfall received without a vote of the people. Prosecutor Flaiz offered that it will be a challenge. Especially if action isn’t taken promptly. The Budget Commission’s analysis to resolve the situation, by review of taxing authority’s budget, wouldn’t take effect until 2025. What is especially troubling, is that some entities have already been put on notice that they have too much unspent money. Members of the Budget Commission agreed that the letter to the County Commissioners needed to underscore and more directly identify this increase as an “unvoted windfall”. Other items to be addressed were to use the full names of the county departments under the hiring authority of the county as well as including the overlapping school districts and what benefits they are expected to receive from the revaluation.

Auditor Walder also mentioned that Senator O’Brien contacted him. She is sitting on a Senate committee which is trying to address this issue. Unfortunately, the legislature is experiencing a similar timing problem. However, she is committed to creating a long-term solution. Auditor Walder has suggested to her that perhaps a relief valve or capping the inside millage. He continued to state that Senator O’Brien may be contacting the other members of the Budget Commission, or she may want to attend one of their meetings.

Auditor Walder applauded the County Commissioners to be the first ones to take a positive approach. He was encouraged when they asked the question, “What can we do?” He further stated, if action is taken promptly, the results will be realized in 2024.

Treasurer Hitchcock suggested that the Budget Commission collectively and personally address the County Board of Commissioners. That would be a strong presentation; “we are in unchartered waters”. Prosecutor Flaiz complimented the Auditor on his creative idea and approach. He continued by sharing his concerns for those folks living in their home who are on a fixed income, dealing with inflation and now being impacted by this increase. Treasurer Hitchcock echoed similar concern briefly discussing the collection process and anticipated delinquencies.

Auditor Walder is planning on holding a series of educational meetings for the taxpayers explaining what is changing with their taxes because of this revaluation and what they can do to motivate schools and taxing authorities to do the right thing.

Motion by Charles E. Walder, seconded by James Flaiz to approve the letter with recommended changes (noted below) and send to the Geauga County Board of County Commissioners

1. The Inside Millage increase is Unvote.
2. Identify departments under County Commissioners hiring authority
  - a) Job and Family Services and Department of Aging
3. Include overlapping school districts Chagrin Falls & Riverside and their respective benefit.

Voice vote: Three ayes. Motion carried.

The Budget Commission reviewed the County’s outside levies. A brief discussion arose about which levies received “state credits” (qualified vs non-qualified). It was identified that the best option would be to target the levies which are non-qualified.

Motion by James Flaiz, seconded by C. P. Hitchcock to schedule a special meeting of the Budget Commission to be held during the meeting of the County Commissioners on October 24, 2023 at 9:30 am.

Voice vote: Three ayes. Motion carried.

The Budget Commission reviewed the list of the levies which will be on the November 2023 ballot. The idea of sending a similar correspondence to the other taxing authorities, was discussed. Auditor Walder cautioned that the board to be realistic with their expectations. Based on recent reactions and comments from the schools from the information published (listed breakdown of windfall by entities), the feeling was that local government would be more receptive. Following the concept on treating all entities fairly, Auditor Walder offered to prepare similar letters by groups to be delivered to county townships, municipalities and schools.

Motion by Charles E. Walder, seconded by James Flaiz to send a series of letters to the taxing authorities (townships, villages, municipalities and schools) with a similar message about increased inside millage, as shared with the County Commissioners.

Voice vote: Three ayes. Motion carried.



**Geauga County Budget Commission**

Christopher P. Hitchcock, Chairman  
James R. Flaiz, Vice Chairman  
Charles E. Walder, Secretary

October 16, 2023

Geauga County Board of Commissioners  
12611 Ravenwood Drive  
Suite 350  
Chardon, OH 44024

Re: Revaluation Effect on Inside Millage

Dear Board of Commissioners,

During recent budget hearings you asked what could be done to help mitigate the effect on taxpayers’ increased property tax due to the 2023 Revaluation Inside Millage increase. The Budget Commission has discussed this issue at length and is herein providing you with an available solution to your request.

The County receives 2.5mills Inside annually from real property taxes. The mandated 2023 Revaluation is expected to substantially increase Residential and Agricultural properties in Geauga by 29.5% average and 26.1% average, respectively. Increases to real property valuation directly and proportionately affects Inside Millage valuation. These unvoted increases are estimated to yield the County an additional \$2,407,792 of Inside Millage in 2024.

The County could offset this increase by providing this additional and previously unexpected and unvoted windfall revenue to its taxing authorities (Jobs and Family Services and The Department on Aging) who could then reduce their levy collection proportionately through Board of Commissioner Resolution. This would effectively neutralize the taxpayer burden for this portion of the Inside Millage increase, due to Revaluation.

The Budget Commission applauds your inquiry and desire to assist the taxpayers by mitigating this unprecedented unvoted increase in Inside Millage valuation and encourages the Board of Commissioners to thoughtfully consider taking this action. The Budget Commission stands ready to assist you in this process.

Sincerely,

  
Christopher P. Hitchcock  
Chairman

  
James R. Flaiz  
Vice Chairman

  
Charles E. Walder  
Secretary

Attachments  
Cc: GCBudget  
file

**Public Comment:**

Sarah, representative from League of Women Voters requested a copy of the letter which will be delivered to the County Commissioners. The question arose with regard to the terms Qualified vs Non-Qualified with regard to levies. Auditor Walder gave a brief overview of how the state provides a 12.5% of the collection revenue (reducing the impact to taxpayers) for qualified levies (levies voted on prior to August 2013).

Have dates been scheduled for the educational meetings for taxpayers? Response: No dates set at this time. Sarah offered that there is a lot of confusion among taxpayers. The meetings will be helpful.

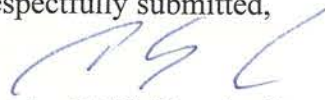
Kathy Johnson, Chardon township resident attended the meeting in person.

She thanked the Budget Commission. She agreed that getting information out to the community would be very beneficial.

Adrian Gorton, County Budget & Finance Manager, touched based on the idea of reducing inside millage (dropping below the Ten Mill cap) instead of reallocating windfall by reducing an outside voted levy. The Budget Commission reviewed the two options stating, should inside millage be reduced, it would allow any taxing unit the opportunity to request it. The best course of action would be to offset an outside voted to be suspended or reduced. Then the county would supplement that department using the General Fund. This option will have a direct and positive impact on the taxpayer.

Being no further business to conduct, C. P. Hitchcock moved to adjourn the October 16, 2023 regular meeting at 11:07 a.m.

Respectfully submitted,



Charles E. Walder, Auditor  
Secretary/Budget Commission



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