

BUDGET COMMISSION

The Geauga County Budget Commission met in special session on Monday, October 24, 2023, at 9:30 a.m. at the County Administration Building, 12611 Ravenwood Drive Room B303, Claridon Township, 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, Ron Leyde and Fiscal Office Manager, Pam McMahan

Meeting was advertised: Meet with Geauga County Commissioners to discuss the 2023 Revaluation Inside Millage Increase and Regular Business
Virtual attendance was not offered.

Mr. Walder began by reviewing the issue at present, an approximate 30% average increase in property values due to the six (6) year revaluation as required by the State of Ohio. The County Commissioners had expressed interest in offsetting this increase to taxpayers at the Auditor's September budget hearing. The purpose of this meeting was to present to the County Commissioners some options to ease the burden on the taxpayers. He went on to say the State is looking into solutions, but he has little expectation of a solution in time to impact next year's taxes.

Mr. Walder went on to say that he had three potential solutions to this issue. The first solution would be to reduce collection of the County's share of inside millage by 25%. If this option were exercised however, the millage would be available to any taxing district who demonstrated need. This is not a solution the Budget Commission recommends.

The second solution is a reduction in the County's Sales Tax rate. This solution, however, would not directly impact the taxpayers of Geauga County as many individuals pay county sales tax and do not live in the county. Thus, this is also not a recommended remedy by the Budget Commission.

The third and final solution is the one the Budget Commission recommends. This solution, as explained by Mr. Walder, was to give 85-90% of the County's \$2.4 million unvoted inside millage 'windfall' to departments under the County's authority and reduce the millage rates of the voted levies of these same departments accordingly to equal the 2.4 million. This solution would result in a decrease in total tax dollars collected from taxpayers in Geauga County. Mr. Walder continued saying there are two departments, Job and Family Services (JFS), and the Department on Aging, with voted levies affecting each property owner in Geauga County. He recommended suppressing all collection on the .5mill JFS non qualifying levy which generates approximately \$1.6 million and reducing the millage rate on the .7mill JFS levy to .52mills, which would mean approximately \$600K not collected. These funds would be replaced by a transfer of the General Fund inside millage windfall funds to JFS. JFS would not experience a shortfall, the County would retain all previously budgeted funding, and it provides relief to the taxpayers for the upcoming year by cutting the increase in taxes by approximately 25%.

Mr. Lennon expressed approval for the option to transfer inside millage dollars to JFS but asked for a confirmation that 25% of inside millage would be reduced. Mr. Walder confirmed. Mr. Walder went on to say that if other taxing districts were to implement a similar solution, the impact of the increase to the taxpayers would be significantly reduced if not eliminated entirely. Mr. Lennon said he was concerned that schools would be reluctant to surrender their inside millage windfall. He went on to suggest the County Commissioners send a letter to the schools encouraging them to implement a similar solution. Mr. Spidalieri asked whether the schools have reached out to the Budget Commission regarding this issue. Mr. Walder said they had not.

As stated previously, Mr. Walder said the State is attempting to come up with a solution to this issue, but those solutions will take time to implement. The schools are concerned about House Bill 187, (HB187), which, if passed, will attempt to remedy this situation. The legislation has passed the house but is awaiting approval from the Senate. According to what Mr. Walder has learned, the Senate does not appear to be in favor of this legislation and is not expected to approve it. This legislation will require going back and revaluing all county properties for the previous two years, in addition to the revalue just completed, then using the average of those values. Since housing prices have been high for much of the past three years this doesn't seem to be a solution that would offer much in terms of guaranteed relief and could in fact cause the values to increase even further.

Mr. Flaiz noted that the Budget Commission has reduced levies at the annual budget hearings for those districts who do not demonstrate need. However, he was quick to point out that in every case, Budget Commission has allowed the district to reduce the collection voluntarily to build trust and good will with their constituents, rather than have it ordered by the Budget Commission.

Mr. Spidalieri asked if the option to credit taxpayers on their tax bill was available. Mr. Hitchcock said that would have to go before the Tax Equalization Office and would take too much time to go into effect for the upcoming year.

Mr. Lennon was inclined to move quickly to draft and approve a resolution in order to take the lead on this important initiative in hopes that other districts will do the same. Mr. Flaiz agreed to draft the Resolution. It was also agreed that the County Commissioners would send a letter to the school districts suggesting they move toward a similar resolution.

Mr. Dvorak expressed his approval of the plan and was pleased to be one of the first in the State to implement this solution.

Mr. Walder assured the Commissioners that if the State was able to implement a solution that would take effect by the end of this year, he would be able to adjust. Mr. Flaiz continued saying that the State measure would have to be an emergency measure otherwise it would take 90 days to go into effect.

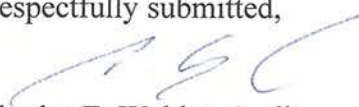
Mr. Lennon wanted to assure Craig Swenson, Director of Job and Family Services, of the Commissioners' support for his organization and commitment to follow through on this issue. Mr. Flaiz agreed to draft this Resolution with the ability to adjust if needed.

Mr. Spidalieri asked the Budget Commission if there were any other legal means to provide further relief to taxpayers. Mr. Flaiz mentioned Undivided Local Government distributions to the County may be altered. He was quick to point out that the method they are looking to complete today is the most effective method to provide relief. Mr. Walder suggested the County may suspend or reduce the amount of rent charged to departments for the space in the County Office building which would extend those departments' levies. Mr. Flaiz mentioned the County Commissioner's building this building without raising taxes as quite an accomplishment.

Mr. Hitchcock continued by saying, it is his belief that this step of leadership taken by the County will go far to prevent levies from failing for the next three years. Figures would be reviewed during the budget hearings next year starting with school districts. The Budget Commission will be watching to see if large carryover balances are reported. Mr. Walder said the Budget Commission may reduce the revenue of school districts at their budget hearings, but the schools may appeal. Mr. Spidalieri requested a list of the school districts' carry over balances to provide a fact sheet to the public. Mr. Walder agreed to provide that.

Being no further business to conduct, Christopher Hitchcock moved to adjourn the October 24, 2023 special meeting at 10:32 a.m.

Respectfully submitted,


Charles E. Walder, Auditor
Secretary/Budget Commission