

Commissioners' Journal
April 15, 2015

The Geauga County Board of Commissioners met for a Budget Summit (work session) on April 15, 2015 at 8:30 a.m. in the Commissioners' Building #8 meeting room located at 470 Center Street in Chardon, Ohio.

The President of the Board, Walter M. Claypool opened the Budget Summit at 8:33 a.m. by leading the Board and audience in reciting the Pledge of Allegiance.

County Administrator David Lair with assistance from Budget and Finance Manager Heidi Delaney presented the following information:



Mr. Lair explained that time is valuable and if any additional questions need to be answered to contact himself or Ms. Delaney. Mr. Lair expressed that they want to try and address 'urban legends' about the budget, noting Auditor Frank Gliha and Treasurer Chris Hitchcock being attendance. It was noted that there is a lot of money that flows through the County, being accepted into the Treasury and processed through the Auditor's office.

Purpose:

- Provide a starting point to the budgeting season
- Provide an opportunity for discussing budget issues in advance
- Introduce a five-year projected budget
- Discuss long-term planning for capital projects and debt financing
- Introduce the concept of a county-wide salary profile
- Receive feedback and suggestions from stakeholders

Mr. Lair stated that the tax budget letter is sent out that includes budgetary guidelines regarding payroll and expenditures. Mr. Lair stated that they wanted to talk about a five year planning budget, noting that it does have some advantages. Mr. Lair noted that considering a county-wide salary profile would be helpful in providing uniformity to positions around the county.

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Budget Guidelines:

- Focus is on the General Fund to establish overall guidelines
- Revenues should be estimated low
- Expenses should be estimated high
- Expenses budgeted should not exceed estimated revenues
- Consistency/Objectivity/Fairness to all – especially in regards to compensation
- Capital projects evaluated based on R.O.I., business case driven

Mr. Lair stated that the county budget does not include the park district, health district, and library system, and usually averages around \$120 million a year, and out of that we focus on the General Fund which is usually around \$30 million. Mr. Lair stated that there are over 100 funds in the overall budget that are defined for a specific purpose, but the General Fund is where the Commissioners have to make tough decisions and have the ability to prioritize from year to year. The General Fund is the barometer on the overall financial health of the county and how salary increases and health care costs are handled. Mr. Lair stated that generally every year a recommended salary increase cap per department is put in usually ranging from zero to three percent and that would be what is available to spend.

Supplemental Appropriation Process (example of how \$7.5M in "carryover" translates into reality)

Description	Estimated Amount
Determine 1/1/2015 cash balance	\$7,426,431
Deduct encumbrances	(\$ 662,131)
Net Resources available as certified by Budget Comm, 1/2015	\$6,764,300
Less est. carryover used for Tax Budget & Perm Appropriations	(\$4,500,000)
Plus additional revenue certified by Budget Comm, 1/2/15	\$134,675
Actual General Fund Unappropriated Balance, 1/2/15	\$2,398,975
Less current transfers out restoration total (some discretionary)	(\$1,906,995)
Restoration of normal Contingency starting balance	(\$ 450,000)
Departmental Requests (many are discretionary)	(\$ 41,980)
Estimated General Fund Balance remaining	-0-

Mr. Lair explained that this is an example of where the carryover goes, noting that this was the actual numbers for this year. Commissioner Claypool asked Mr. Lair to define terms in case anyone in the room doesn't understand. Mr. Gliha stated that you can't spend money unless you have an encumbrance, which are funds set aside that you expect to spend. Mr. Lair talked about the role the Budget Commission has regarding certifying the funds that can be spent, and that the carryover balance assumed for purposes of adopting the permanent appropriation in December is estimated at \$4.5 million, and that at the beginning of January they certify the actual balance and that estimated balance has to be deducted from the actual balance since it cannot be accounted for twice. Mr. Lair referred to the Contingency account, explaining that it is set to add \$450,000.00 into the account to which \$300,000.00 was appropriated in December in order to get it up to a balance of \$750,000.00, which by law cannot have more than 3% of the General Fund placed into Contingency. Mr. Lair stated that after the carryover balance was determined, the Board had committed to about \$42,000.00 and the balance of the funds was moved to transfers out, including \$500,000.00 for debt retirement and \$500,000.00 for the County Engineer's Salt Storage Structure, which together accounts for about \$1 million of the

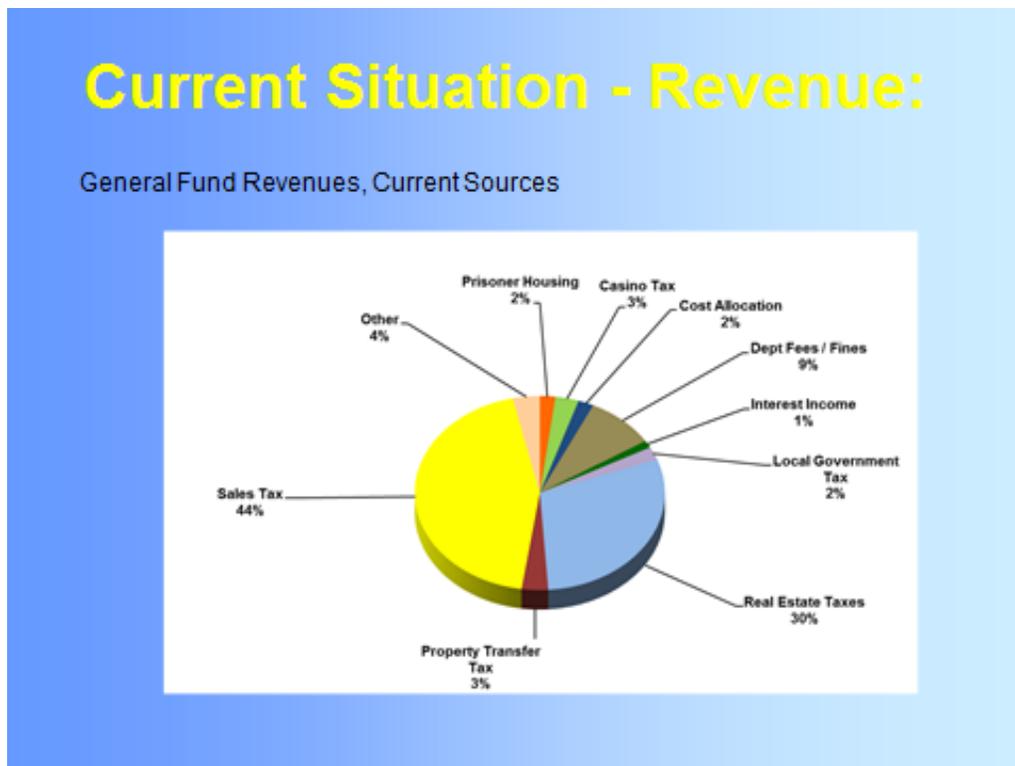
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transfers out. Ms. Delaney explained that typically they put \$100,000.00 in there for capital improvements for the Maintenance department throughout the county, and local grant matches are also included in there, along with funding under the Commissioners hiring authority for the year.

Contingency Account History

Year	Total Appropriated	Total Transferred	Balance of Appropriations
2007	\$ 750,984.28	\$ 538,909.57	\$ 212,074.71
2008	\$ 814,483.34	\$ 431,723.03	\$ 382,760.31
2009	\$ 771,029.99	\$ 329,908.80	\$ 441,121.19
2010	\$ 450,000.00	\$ 297,504.50	\$ 152,495.50
2011	\$ 769,846.94	\$ 743,761.43	\$ 26,085.51
2012	\$ 750,000.00	\$ 651,829.81	\$ 98,170.19
2013	\$ 750,000.00	\$ 606,755.90	\$ 143,244.10
2014	\$ 760,000.00	\$ 546,048.19	\$ 213,951.81
		Average \$	\$ 208,737.92

Mr. Lair stated that this slide shows the history of the Contingency Account since 2007 to the present, and includes what was appropriated and what was transferred and used. Mr. Lair noted that in 2013 there was \$750,000.00, which \$606,000.00 was transferred, which included \$294,000.00 that was appropriated for the heroin initiative in August 2013. Mr. Lair added that one of the ways the funds are used involves reimbursing the Sheriff's Office for activities that arise outside the normal and they are reimbursed out of Contingency to make them whole for these unbudgeted expenses.

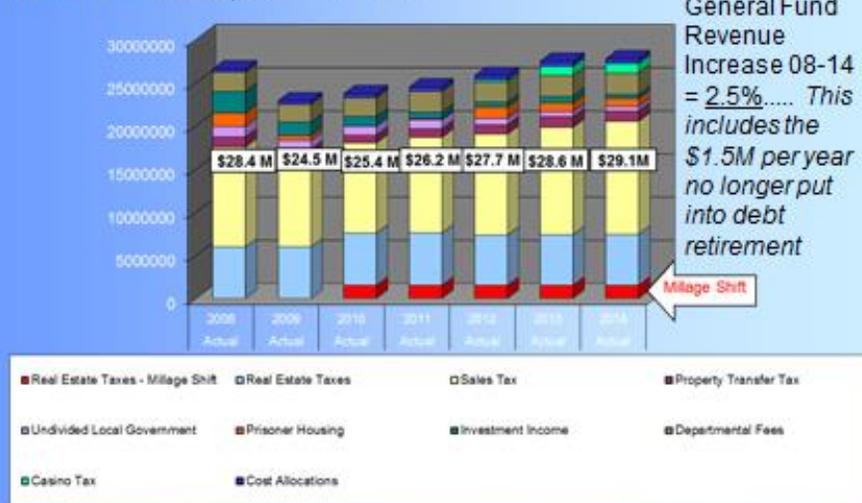


Mr. Lair noted that this is typically where the money comes from, noting that Sales Tax and Real Estate Taxes are about 3/4 of what is received. Mr. Lair noted that there was an issue that came up regarding sales tax being collected on a store that we received the tax from for over four years that should have gone to another county, and we were given two years to pay back the \$600,000.00, and due to having the funds in Contingency we were able to do that.

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Current Situation - Revenue:

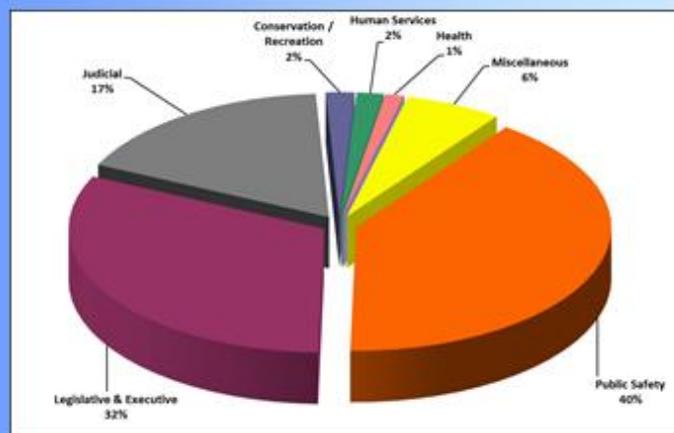
General Fund Revenues, 2008 to Present



Mr. Lair stated that this stacked bar chart shows the actual revenue in 2008 as \$28.4 million, but in actuality it was \$29.9 million due to \$1.5 million in millage funds being shifted into a debt retirement fund as a way to pay off the Safety Center. Mr. Lair stated that in early 2009 prisoner housing income declined and in 2010 it was eliminated, interest income and sales tax started to decline and so the Commissioners shifted that \$1.5 million back into the General Fund. Mr. Lair stated that if you take those numbers from 2008 to 2014 we are down a net of \$800,000.00, adding that you now need to consider about 15% worth of inflation over this period; this is reality.

Current Situation - Expense:

General Fund Expenses



Mr. Lair explained that the Legislative and Executive section includes the Offices of the Commissioners, Auditors, Treasurers, Recorders, Prosecutors, Board of Elections, and Maintenance. It was noted that the Human Services section is the contribution to the Veterans Service Commission, not Job and Family Services, and Conservation / Recreation is Soil and Water Conservation District along with the OSU Extension and the Health section is a mandated expenditure billed to us by the State for children with medical handicaps for which we are invoiced monthly.

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Current Situation - Expense:

By Department	Actual Amount	Calendar 2008	Calendar 2009	Calendar 2010	Calendar 2011	Calendar 2012	Calendar 2013	Calendar 2014	09-14 % Change
001 Auditor	761,201.22	779,665.03	770,601.04	\$20,229.29	\$42,000.91	\$72,180.87	\$91,751.76	17.15%	
002 Clerk of Courts	470,074.16	517,654.19	513,242.29	\$23,929.29	\$05,048.95	\$17,117.03	\$66,479.09	16.25%	
003 Commissioners	755,274.60	784,702.22	674,511.98	\$06,684.72	\$12,225.17	\$37,684.58	\$91,879.05	-8.29%	
004 Common Pleas Court	\$22,164.20	\$27,282.20	\$72,258.22	\$91,010.86	\$87,614.26	\$12,817.52	1,017,629.11	22.16%	
005 Coroner	289,252.26	279,740.27	277,970.27	\$65,908.01	162,801.78	165,567.55	192,032.05	-50.42%	
006 Engineer	142,204.50	182,718.16	182,728.59	182,707.62	129,479.92	155,792.21	8,111.26	-94.24%	
007 Juvenile	1,040,222.55	1,246,612.98	1,171,229.04	1,111,592.15	1,161,870.90	1,242,842.90	1,616,481.99	25.40%	
008 Probate Court	161,719.76	202,846.49	211,854.72	217,266.66	224,509.29	250,620.74	210,512.24	92.01%	
009 Microfilm Board	226,528.64	251,581.61	215,609.25	217,607.76	212,526.97	207,756.23	212,847.42	-6.04%	
010 Municipal Court	151,051.12	167,508.68	168,682.11	159,428.62	162,596.17	122,596.57	127,502.65	-9.97%	
011 Prosecutor	1,101,028.54	1,130,291.95	1,157,589.01	1,191,652.03	1,150,918.48	1,245,226.51	1,278,525.14	25.20%	
012 Recorder	229,261.69	224,994.66	224,212.16	264,912.27	265,148.26	249,495.91	262,488.66	14.23%	
013 Sheriff	9,095,156.22	9,274,727.89	8,882,965.55	8,302,940.11	9,086,289.97	9,479,261.74	9,962,271.71	9.25%	
014 Treasurer	228,422.25	242,425.21	252,551.94	229,166.99	222,847.17	242,117.97	256,587.85	5.27%	
015 ADP Board	746,024.60	866,066.68	822,149.69	864,420.24	828,921.09	822,910.16	902,994.95	21.04%	
016 Jury Commission	6,922.19	6,927.65	7,281.60	6,764.78	6,456.47	7,421.92	6,691.55	-2.76%	
021 Building Department	421,117.82	452,252.87	254,952.49	284,042.72	270,014.11	226,519.20	427,411.59	-0.26%	
027 Maintenance	1,792,555.84	1,845,271.56	1,892,450.46	1,924,202.08	1,788,665.95	1,872,662.68	2,090,723.01	16.42%	
028 Planning Commission	225,929.68	264,992.10	181,241.17	171,280.79	152,024.17	156,518.29	159,928.25	-27.51%	
029 WCCC Miscellaneous	7,108,094.99	4,227,071.72	4,674,982.80	5,223,509.87	4,308,241.57	4,908,999.51	6,822,484.95	-4.00%	
030 Board of Elections	922,082.80	729,565.42	827,482.22	829,749.94	972,812.70	689,409.52	849,870.82	-7.82%	
054 Law Library	22,214.20	25,090.29	0.00	0.00	0.00	0.00	0.00	-100.00%	
055 Public Defender	282,011.69	299,192.72	292,802.70	292,772.60	202,287.22	252,485.03	406,189.70	64.02%	
060 Veterans	222,128.22	240,271.12	241,054.92	220,552.96	249,217.15	279,726.80	224,692.52	-1.22%	
Grand Total	27,627,622.98	28,745,248.06	25,195,528.84	25,757,245.74	27,189,785.66	25,942,822.56	29,581,415.74	7.07%	

Compare to 2.5% revenue increase ^

Mr. Lair explained that this slide depicts the actual amounts spent from 2008 to 2014 by department.

Current Situation - Expense:

By Category	Actual Amount	Calendar 2008	Calendar 2009	Calendar 2010	Calendar 2011	Calendar 2012	Calendar 2013	Calendar 2014	09-14 % Change
001 - Supplies	104,024.01	222,022.02	145,482.45	144,482.02	145,022.02	172,224.02	224,242.02	22.02%	
002 - Utilities	211,241.02	242,274.69	145,412.02	124,124.74	214,624.02	212,222.02	212,222.02	12.22%	
003 - Supplies/Travel	242.02	242.02	242.02	242.02	242.02	242.02	242.02	-12.22%	
004 - Other Special Expenses	2,422.02	2,422.02	2,422.02	2,422.02	2,422.02	2,422.02	2,422.02	-14.22%	
Capital Outlay Total	412,422.02	412,422.02	412,422.02	412,422.02	412,422.02	412,422.02	412,422.02	22.42%	
001 - Common Services	1,412,222.02	1,412,222.02	1,412,222.02	1,412,222.02	1,412,222.02	1,412,222.02	1,412,222.02	22.22%	
002 - Repair Services	212,271.24	174,212.02	222,222.02	224,222.02	222,222.02	222,222.02	242,212.71	22.42%	
Common Services Total	1,624,222.02	1,624,222.02	1,624,222.02	1,624,222.02	1,624,222.02	1,624,222.02	1,624,222.02	22.42%	
Miscellaneous and Supplies	442,412.02	424,487.27	422,224.02	422,224.02	422,224.02	422,224.02	422,224.02	14.22%	
Miscellaneous and Supplies Total	442,412.02	424,487.27	422,224.02	422,224.02	422,224.02	422,224.02	422,224.02	14.22%	
001 - Other	2,122,222.72	2,124,242.02	2,244,442.45	2,122,242.02	2,122,242.02	2,122,242.02	2,242,242.02	17.22%	
002 - Travel	42,412.02	72,224.74	22,222.45	24,224.02	24,224.02	24,224.02	24,224.02	-12.22%	
003 - Advertising	27,222.02	27,222.02	42,422.46	22,224.02	22,222.72	22,222.72	24,222.02	2.74%	
004 - Storage	122,242.45	222,222.72	122,222.45	222,222.02	222,222.02	222,222.02	222,222.02	22.22%	
005 - Rental	14,224.02	14,224.02	14,224.02	14,224.02	14,224.02	14,224.02	14,224.02	-12.22%	
006 - Utilities	222,242.02	242,417.24	222,222.47	247,242.74	222,222.02	224,222.02	222,417.24	-12.22%	
007 - Legal Fees	12,222.02	12,222.02	4,222.02	4,222.02	14,222.02	2,222.02	2,222.02	12.22%	
008 - Training	12,224.02	12,224.02	12,224.02	14,222.02	14,222.02	17,222.02	17,222.02	22.22%	
009 - Bond Services Expenses	272.02	1,222.02	2,222.45	2,422.02	2,222.02	2,222.02	4,222.02	12.22%	
010 - Vehicle Expenses	222.02	222.45	1,222.45	222.02	222.02	222.02	222.02	12.22%	
011 - Bond Expenses	222.02	222.45	1,222.45	222.02	222.02	222.02	222.02	-12.22%	
012 - Contingency/Unlikely Emergency	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	
013 - Bond Fees	12,222.02	12,222.02	27,222.02	22,222.02	22,222.02	22,222.02	22,222.02	-12.22%	
014 - Tax Services & Assessments	27,222.02	42,222.45	22,222.02	22,222.02	22,222.02	22,222.02	22,222.02	-12.22%	
015 - Transfer Fee	2,422,224.02	2,422,224.02	2,124,242.45	2,222,224.02	2,147,222.02	2,222,224.02	2,222,224.02	-12.22%	
Other Expenses Total	2,422,422.02	2,422,224.02	2,422,224.02	2,422,224.02	2,422,224.02	2,422,224.02	2,422,224.02	-12.22%	
001 - Salaries	12,422,242.02	12,222,412.71	12,414,272.02	12,142,414.46	12,222,222.02	12,742,244.46	12,422,422.02	2.22%	
002 - Salaries	122,222.02	174,242.02	142,412.44	142,222.02	144,242.02	174,242.02	174,242.02	14.22%	
003 - Supplies/Travel	4,424,222.02	5,222,242.02	2,242,222.02	2,242,222.02	2,242,222.02	2,242,222.02	2,242,222.02	-12.22%	
004 - OTHER	1,724,214.02	1,212,462.24	1,212,222.24	1,724,222.02	1,422,222.02	1,422,222.02	1,272,222.02	2.42%	
005 - Vehicle Compensation	222,222.02	222,222.02	142,222.02	147,222.02	122,244.02	122,244.02	122,244.02	-12.22%	
006 - Compensation	12,222.02	12,222.02	12,222.02	12,222.02	12,222.02	12,222.02	12,222.02	-12.22%	
007 - Services	14,222,222.02	14,222,222.02	14,222,222.02	14,222,222.02	14,222,222.02	14,222,222.02	14,222,222.02	12.22%	
Grand Total	27,627,622.98	28,745,248.06	25,195,528.84	25,757,245.74	27,189,785.66	25,942,822.56	29,581,415.74	7.07%	

Mr. Lair stated that this shows the same information just broken down by category.

Mr. Gliha inquired if other options can beat CEBCO's rates for healthcare, to which it was noted that 33 of the 88 Ohio counties belong to CEBCO, which large counties are self-insured, and with which they contract with a TPA to administer the plan, adding the CEBCO is the best of both worlds, you're in a pool, but you are still self-insured, noting the Anthem is the third party administrator and AON as the actuary, with the premium being based on our actual claims, and our payment based on reality. Being within the pool helps offset those claims. Is there a better way, it might be possible, but with CCAO involved as the umbrella the mission is to keep costs low for member counties, by managing it long term to get us the lowest possible costs. Mr. Claypool stated that the answer is yes lower costs might be possible, and that the questions are being asked by him, and that Ms. Hostutler is doing a great job at responding to that question by asking questions. Mr. Gliha stated that whenever you share in the claims, costs and penalties, and you will do better, but inquired if there was information he could review regarding our

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claims history. Ms. Hostutler explained that the last five years Geauga has seen single digit renewal rates, explaining that CEBCO sets parameters that are usually under the national trend for healthcare increases, and traditionally Geauga is midpoint or lower. Ms. Hostutler stated that counties have good years and bad years and this year is not looking like a good year for us, so being in the pool will help offset that, adding that we are always looking at that. Ms. Hostutler stated that we sign a three year contract and if we leave early there is a stiff penalty that is required to be paid. Mr. Lair added that the CEBCO Board of Directors includes between 12 and 15 members and includes many County Commissioners from across the State, noting the Mr. Young used to sit on that Board. AON is the actuary that looks at the actual claims experience for the calculated premium based on the coverage that the County wants to have, and what the Board needs to look at it is how much is the Board willing to cover of the cost for employees, citing that this is the tenth year we haven't seen an increase in cost to the employees. Mr. Lair added that we also haven't had to significantly change coverage or increase deductibles. Mr. Lair stressed that while Geauga is not having a good claims year, the Board of Commissioners will set up a percentage increase that they feel comfortable with in regards to the Budget and if the number comes in higher than the percentage they will then have to make a decision on what they want to do as far as an increase. There was discussion about the County being with CEBCO since 2008 and that last week Mr. Claypool and Ms. Hostutler met with another insurance agency and they noted that Geauga was in good shape and that the rates we had were very low, and that we were on safe ground.

Mr. Hitchcock asked Mr. Lair to go back to the following slide.

Current Situation - Expense:

By Department	Actual Amount	Calendar 2008	Calendar 2009	Calendar 2010	Calendar 2011	Calendar 2012	Calendar 2013	Calendar 2014	03-14 % Change
001 Auditor		761,201.22	779,645.02	770,601.04	820,229.29	842,000.91	872,190.87	891,751.76	17.15%
002 Clerk of Courts		470,074.16	517,654.19	512,242.29	523,929.29	505,048.85	517,117.02	546,475.09	16.25%
003 Commissioners		755,275.60	784,702.22	674,511.98	606,494.72	612,325.17	627,684.58	691,879.05	-8.29%
004 Common Pleas Court		822,164.20	887,285.20	872,258.22	891,010.86	887,614.26	912,817.22	1,017,629.11	22.16%
005 Coroner		289,242.26	279,740.27	277,970.27	245,908.01	162,801.78	165,567.55	192,022.05	-50.42%
006 Engineer		142,202.50	132,718.14	162,728.59	142,707.62	129,479.92	125,792.21	8,111.56	-94.24%
007 Juvenile		1,040,222.55	1,246,412.98	1,171,229.04	1,111,592.15	1,161,870.90	1,242,842.90	1,616,681.99	55.40%
008 Probate Court		161,719.74	202,846.49	211,854.72	217,266.64	224,509.29	220,620.74	210,512.24	92.01%
009 Microfilm Board		224,528.64	251,581.61	215,609.25	217,607.76	212,524.97	207,756.22	212,947.42	-6.04%
010 Municipal Court		151,051.12	167,508.48	168,682.11	159,428.42	142,596.17	122,596.57	127,502.65	-8.97%
011 Prosecutor		1,101,028.24	1,180,291.95	1,147,589.01	1,191,622.02	1,150,918.48	1,245,224.21	1,278,522.14	25.20%
012 Recorder		229,241.69	224,994.66	224,212.16	244,912.27	245,148.26	249,495.91	242,688.66	14.52%
013 Sheriff		9,095,156.22	9,274,727.89	8,882,965.85	8,802,940.11	9,086,289.97	9,479,241.74	9,942,271.71	9.25%
014 Treasurer		228,422.25	242,425.21	252,551.94	229,166.99	222,847.17	242,117.97	226,587.85	5.27%
015 ADP Board		746,024.60	866,046.62	822,149.69	844,420.24	828,921.09	822,910.16	902,994.95	21.04%
016 Jury Commission		6,922.19	6,927.45	7,281.60	6,764.78	6,484.47	7,421.92	6,691.55	-2.76%
021 Building Department		421,117.82	452,242.87	254,952.69	226,042.72	270,014.11	226,519.20	427,411.59	-0.84%
022 Maintenance		1,792,525.84	1,845,271.56	1,892,450.46	1,924,202.08	1,788,645.95	1,872,642.68	2,090,722.01	16.62%
023 Planning Commission		256,929.68	264,992.10	181,241.17	171,280.79	152,024.17	156,518.29	159,958.28	-27.51%
024 BOCC Miscellaneous		7,108,096.99	4,227,071.72	4,674,982.80	5,222,209.87	6,808,241.57	4,908,999.21	6,822,484.95	-4.00%
050 Board of Elections		922,085.80	729,545.42	827,682.22	829,759.94	972,812.70	689,609.22	849,870.82	-7.22%
054 Law Library		22,814.20	28,090.29	0.00	0.00	0.00	0.00	0.00	-100.00%
058 Public Defender		282,011.69	299,192.72	292,802.70	292,772.40	202,287.22	252,484.02	406,189.70	64.02%
060 Veterans		222,128.22	240,271.12	261,084.92	220,552.94	249,217.15	279,726.80	226,692.52	-1.92%
Grand Total		27,627,622.98	25,745,248.06	24,195,528.66	24,757,265.74	27,189,782.64	25,942,822.54	29,581,415.74	7.07%

Compare to 2.5% revenue increase ^

And inquired about the changes in 2013 and 2014 adding that it appears that several departments went up between 25 and 35% in these two years, and that all departments have to have budgets approved by the Commissioners and across the Board that Judiciary has been on a spending spree, asking if that is a trend? Ms. Delaney stated that part of the increase is attributable to allocated costs charged by the Portage Geauga Juvenile Detention Center, which is about \$200,000.00, which is based on head count between us and Portage County. Mr. Hitchcock stated that typically they try and control their expenses by inflation plus maybe 1-2%, but it appears there are numerous departments that are well past inflation. Mr. Lair stated that the numbers are what they are, and while some things are not controllable, however numbers for people don't go away. Discussion took place regarding the reduced numbers for the County Engineer being due to the Tax Map department being now under the operation of the Auditor, and the Commissioners' office budget being reduced due to the operation of the switchboard being moved to the Maintenance Department's budget.

Mr. Lair stated that unless someone has some ideas on where the county could save a couple of million dollars, then they might even have to consider the possibility of a sales tax increase. Mr. Hitchcock inquired about the line BOCC Miscellaneous, to which Ms. Delaney explained that

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the transfers out are included. Mr. Lair added that the County Engineer's Salt Storage Structure and the Office Building addition are included, but that 78% of both will be paid back over time.

Current Situation - Trends:

Reduction in state funding of undivided local government is expected to continue
Casino revenue partially replaced ULG revenue, but cannot be counted on
Prisoner housing revenue has recovered from 09-11 decline, but is not guaranteed
Interest income down dramatically, and not expected to improve soon
Sales tax revenue has shown consistent, modest increases in recent years
Property tax revenue relatively flat, with new construction increases offset by reductions in assessed values of some properties
Wage increase affordability for next year questionable at this point
Benefits costs will continue to rise; would be a larger problem without CEBCO

Mr. Lair expressed that Interest income went from as much as \$2.4 million a few years ago down to an expected \$400,000.00 this year, noting that Mr. Hitchcock does a great job and is obtaining what we can. There was discussion about the sales tax revenue and that for 2015 we are budgeted for \$11 million and we collected \$13 million last year. It was noted that the current rate is 6.75% and 1% comes to the county, the rest goes to the State, and if the Board considered a ¼ % increase it could generate about \$3 million more to the General Fund. Mr. Gliha added that in regards to the Property tax revenues, that in order for the values to rebound it would take two years, but the State is trying to recover funds by increasing the CAUV values and could cripple farmers along the way. Mr. Lair expressed that while sometimes you save money when people retire, but at this point the possibility of raises being put in the budget is questionable and has to be considered, that the Commissioners put out a salary increase guideline and there are other departments that don't follow those guidelines, and we should live like the taxpayers who aren't seeing any more than 0-3% and we don't want to send a message that we are better than you. It was noted that Elected Officials haven't seen an increase in over ten years, and when it does come up it will added extra strain on the budget. Mr. Claypool stated that we wanted to show you what all of us are up against, and the reality is that there are members of our budgets that are not 'departments', using the Courts as an example, that they are special creatures of statute and have to depend on their adherence to what is trying to be accomplished. There was a brief discussion about accountability of the Courts and the other departments that want to have costs justified, the challenges being faced and the desire to keep and attract good people that do a good job.

Chris Anspach from Aging inquired about two items on the previous expenses by category slide, to which Ms. Delaney explained that the 'other' category was for all the departments' other line items, and the card services expenses category was for fees that are paid for using the service, to which it was noted that those fees are recaptured back from the customer who used the card to pay for services. It was also noted the utilities line item does not include any costs for utilities paid under 'contract services', or the 'other' category.

Commissioner Spidalieri stated that he is hearing the frustrations by the departments regarding some of the increases shown and there are some large jumps in law enforcement, judicial and those pieces that go into the element of the heroin epidemic, adding that the Prosecutor has stated that the number of cases has grown along with the number of restrictions that have been put on them on what they can do to send someone to prison, due to new programs and services that have been put into place. Mr. Spidalieri stated that when you have an increase in crime and in cases there is also an increase on the back side for costs, but we need to keep into perspective that as population increases, services increase, agreeing that there are some questionable spikes included in there, but at the end of the day we have put money into fighting the heroin epidemic, asking do we put money on life or put money into saving lives? Mr. Spidalieri stated that we are seeing the biggest increase on the protection and safety portion of the budget, noting that there

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are increases across the U.S. and it takes money to handle that, and that the majority of the people that live here are here because they feel safe and want to feel safe. Mr. Spidalieri suggested a possible levy for safety forces instead of a sales tax increase in order to put some relief on the General Fund. Mr. Spidalieri stated that he along with Mr. Jemison and Ms. Samide made a commitment to spending the money now instead of paying more later on or with their kids' and grandkids' lives. Mr. Spidalieri expressed that crime is going to continue to rise and asked where do we draw the line and put a price on safety?

Mr. Gliha inquired about the budget today being continued next year with more being spent, adding that safety is important, we agree on that, but we need to be understanding about how and where this money comes from. Mr. Gliha stated that we need to get together to figure out a way to resolve this issue, adding that he gets more mandates than other departments, along with Job and Family Services and Board of Developmental Disabilities in which they absorb those additional mandates without increasing staff or his budget.

Commissioner Rear added that he feels Geauga County is special, but that we are not unique, questioning if other counties are seeing these increases in crime as well, adding that data was collected by surrounding counties in regards to Court and Law Enforcement costs, citing that Geauga County experienced the highest increase in cost. Mr. Lair added that it was surrounding counties that were relative to our size and that the data was on General Fund contributions to the Courts. Mr. Spidalieri stated that other counties have different expenses within the different line items. Denise Kaminski added that she too has seen a shift in her office in regards to work load, noting that foreclosures have gone down and the case numbers for criminal and domestic violence have increased and the work shifted within the existing staff in the office. Roberta Halford added that when you look at the numbers, it doesn't make sense that Municipal Court went down, and the Sheriff and Common Pleas saw small increases, but that Probate / Juvenile Court saw the biggest increase, adding that it needs to be looked at.

General Fund Debt

Current Debt:

- August 2014 – Pay down was \$1,000,000 - \$750K - Safety Center / \$250K - 800 MHz Radio upgrade
- With this payment, the Safety Center debt was paid in full
- This leaves a balance of \$3 million on the debt for the 800 MHz upgrade
- Recommended supplemental appropriation includes \$500,000 to go towards retiring this debt within six years

Future Debt:

To be considered by the BOCC for 2015 and 2016 budgeting purposes is the prospect of issuing additional short term (note) debt to consolidate capital project expense for the JFS facility and for financing of building renovations and / or additional facilities for county departments in need of additional space

Mr. Lair added that when you issue Notes you save a lot of money, but they must be paid off in ten years or be bonded out. Mr. Lair noted that the possibility exists that the Salt Storage Structure may be put into the financing as new debt but will be tracked separately, which is a way to preserve cash and be able to handle the challenges out of the General Fund. Mr. Rear asked for clarification on the annual interest rate on our current debt, to which Mr. Gliha stated that it was 0.04 percent, which is \$25,000.00 on borrowing \$3 million dollars. It was noted that the interest rate on bond debt is much higher and that we have saved \$1.2 million by paying Notes off in less time. There was discussion about several parking lots that are in need of being replaced this year. Kim Mullet noted that money spent from the General Fund on the Job and Family Services facility is like money advanced to the County Engineer for his projects in that the Commissioners front the money, but that they receive payments back.

Path Forward:

Review of 2016 Budget Timetable

- Tax Budget adopted by 7/15/15
- Budget Hearings, September & October
- Permanent Appropriation adopted early December
- Final Resource Certification, early January 2016
- Supplemental Appropriations complete by early February

Work as a team, shared sacrifice, shared reward with collaboration and innovation

Over time, with technology/productivity gains, fewer people, better paid

Position Evaluations, consistent salary profile countywide

Implementation of Five-Year budget standard when NWS allows

Strategic Facilities Study for greater efficiency, lower operating cost, improved citizen access

Mr. Lair brought up the idea to do a countywide salary profile, noting that Elected Officials would have to agree, so that employees within the county feel that they are paid fairly for the job that they are doing that is comparable to someone else in another department or other county in similar size. It was noted that this was last done in 2000 by Maximus. Mr. Lair explained that currently there are three county office 'campuses' but statutorily, certain departments have to be within the county seat, noting that there are thirty-five acres owned across from Best Park on SR 44 that was bought by the county in 2007/2008 for the purpose of a consolidated facility, but a facility study has to be done.

Feedback & Suggestions

Group Discussion.



Ms. Kaminski stated that Ms. Urankar has secured a grant from the Ohio Supreme Court for E-Services filing and this will help a lot in controlling costs.

Mr. Claypool asked how many people would be in favor of a salary survey, to which Ms. Kaminski stated that she will never do it again unless something really changes, adding that it was demeaning to her and her staff. Discussion continued about how the company that would be considered for the study would have to understand that it takes everyone do get this job done and everyone is an integral part of the job, and that this would have to collaborative and that everyone needs to be treated fairly, that we have great benefits, but we need to keep an open mind and maintain cooperation. Board of Developmental Disabilities Director Don Rice noted that they do salary studies every year with other agencies within their type of organization as a way to monitor what is being done elsewhere, noting that they do have different positions and job duties.

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Mr. Claypool thanked everyone for coming and that he hoped everyone found some benefit in attending today.

BEING NO FURTHER DISCUSSION, THE WORK SESSION CAME TO A CLOSE AT 10:09 A.M.

Geauga County Board of Commissioners

Walter M. Claypool

Ralph Spidalieri

Blake A. Rear

Christine Blair, Commissioners' Clerk

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