



Budget Commission Special Meeting – February 27, 2024

Meeting Details: The Geauga County Budget Commission met in Special Session on Tuesday, February 27, 2024 at 9:00am in Suites A333-334 of the Geauga County Office Building at 12611 Ravenwood Drive, Chardon, Ohio. **Reviewer Note: This was a change in the normal location due to the number of anticipated participants.** This meeting was in person with a virtual option via MS Teams.

Meeting Attendance: Prosecutor Jim Flaiz, Treasurer Chris Hitchcock, and Auditor Chuck Walder.

Staff Attendance: Assistant Prosecuting Attorney Kristen Rine, Chief Deputy Auditor Ron Leyde, Deputy Auditors Tammy Most and Kristen Sinatra, Fiscal Office Manager Pam McMahan, and Chief Compliance Officer Kate Jacob (virtual).

County Staff: Geauga County Budget and Finance Manager Adrian Gorton (virtual) and Mike Dorka, Automatic Data Processing (ADP).

School District Representatives:

- Steve Sayers, Kenston Local School District (LSD) Superintendent
- Seth Cales, Kenston LSD Treasurer
- Matt Hosler, Kenston LSD Assistant Treasurer
- Tom Manning, Kenston LSD School Board President
- Jim Henry, Kenston LSD Board Member
- Jack Cunningham, Cardinal LSD Superintendent
- Terry Armstrong, Cardinal LSD Treasurer
- Michael Hanlon, Chardon LSD Superintendent
- Deb Armbruster, Chardon LSD Treasurer
- Karen Blankenship, Chardon LSD School Board President
- James Midyette, Chardon LSD School Board Member
- Karen Pavlat, West Geauga LSD Treasurer
- John Stoddard, Berkshire LSD Superintendent
- Beth McCaffrey, Berkshire LSD Treasurer
- John Manfredi, Berkshire LSD School Board President
- Jody Miller, Berkshire LSD School Board Vice President

Members of the Public:

- Former Chardon Board of Education Member Keith Brewster
- Former Chardon Board of Education Member Madelon Horvath
- Former Chardon Board of Education Member Guy Wilson
- Richard Bair, Chardon LSD Resident
- Gabrielle Boose, Chardon LSD Resident
- Melanie Scanlon, Chardon LSD Resident
- Geauga Maple Leaf Journalist Amy Patterson

- Other unidentified members of the public
- This LWV Geauga Observer

The meeting was called to order at 9:05am.

Minutes: Minutes from the 2/5/24 Regular Meeting and 2/8/24 Special Meeting were both approved.

Geauga County 2024-2025 School Budget Hearings - Day 1

Observer Note: In a change from prior years, the Budget Commission conducted the School Budget Hearings on two separate days. This report summarizes the hearings conducted on February 27, 2024, which were for Kenston, Cardinal, and Chardon Schools. Berkshire and West Geauga Schools had their hearings on February 28, 2024, and they are detailed in a separate Observer Report.

- **Legal Overview**

Before the hearings began, Prosecutor Jim Flaiz gave a brief legal overview of the Budget Commission's duties when reviewing budgets and levying of taxes. This is a summary of his overview: All tax levies must be "properly authorized" (R.C. 5705.31) and "clearly required" (R.C. 5705.341, ¶18). The meaning of these terms has been fleshed out by case law. Properly authorized means "whether the funds are budgeted for the appropriate purpose as voted on by the electorate" as well as "whether a taxing authority or taxing unit had the power to impose the tax, and that the enactment of the measure imposing the tax was in compliance with statutory requirements." Clearly required refers to "whether the tax will generate more funds than shown to be needed within the budget of the taxing authority or taxing unit" as well as "whether a tax increase serves no function other than to increase the amount of budget surplus."

Mr. Flaiz noted that all Geauga school districts received an inside millage tax windfall due to increased property values, with only West Geauga returning some of its windfall to taxpayers. He said that two districts (Berkshire and West Geauga) also received additional tax revenue due to 20 Mill floor adjustments, "dramatically increasing property taxes for those two districts."

Observer Note: The 20 mill floor means that all Ohio School Districts are guaranteed at least 20 mills of funding by law. If a school district's funding level drops below the 20 mill floor, a property tax increase (i.e., increased collection of existing levies) is instituted by the State for residents of those districts to get funding back up to the required level. Mr. Flaiz emphasized that it is not the function of the Budget Commission to evaluate the desirability of a particular program, but rather their job is to examine whether or not "excessive taxation" is occurring. He stated that "we're balancing your proposed needs with your income through taxes and your cash carryovers."

- **Kenston Local School District Budget Hearing**

Auditor Chuck Walder provided a presentation on Kenston and its budget. Highlights include:

- Property values in the Kenston School District increased by about \$258.7 million in the 2023 revaluation (reval). This increase was 30.7% on average.
- Kenston received an inside millage tax revenue increase of approximately \$1.16 million due to the reval, of which \$0 was returned to taxpayers.

- Total property value in the Kenston School District is approximately \$1.2 billion.
- There were 2,529 Kenston students in 2022-2023, 100 less than in 2018-2019.
- Kenston is 6th in the County in effective school taxation rate. **Observer Note: Effective taxation rate, or effective millage, refers to converting the total tax millage to today's dollars. The value of a mill generally increases over time, but, for any given tax levy, [Ohio House Bill 920](#) requires the value of a mill to be fixed at whatever it was when the levy was originally approved by voters. All 10 public school districts within (Berkshire, Cardinal, Chardon, Kenston and West Geauga) or touching (Chagrin Falls, Kirtland, Madison, Menton and Riverside) Geauga County were considered in the effective taxation rate rankings presented by Mr. Walder.**
- Using the general fund numbers to be certified in the 2024-2025 budget:
 - The estimated amount of cash as a percentage of expenses is 16.8%.
 - There is \$16,500 in revenue per student.
 - There is \$17,173 in expenses per student.
 - There is \$2,878 in cash carryover per student.
- Using all funds combined numbers to be certified in the 2024-2025 budget:
 - The estimated amount of cash as a percentage of expenses is 19.9%.
 - There is \$21,396 in revenue per student.
 - There is \$22,931 in expenses per student.
 - There is \$4,571 in cash carryover per student.

General Discussion

- Mr. Walder said he received many calls and comments from Kenston residents in the fall who believed that the passage of [Ohio House Bill 187](#) was imminent and would change how property tax levies would be conducted. However, this bill never became law. He went on to state "my caution- to school districts in general and Kenston in particular because I received some calls from that district- is please do not use hypotheticals. It's unfair to the taxpayer." **Observer Note: At the [Kenston Board of Education Meeting on October 16, 2023](#), Treasurer Seth Cales predicted that House Bill 187 would pass and result in Kenston receiving an increase in inside millage tax dollars of approximately \$420,000 as a result, which is significantly lower than the amount the district actually ended up receiving (\$1.16 million).**
- Mr. Walder noted that Kenston's \$1,265,000 Permanent Improvement (PI) levy failed in the fall and asked why the district didn't transfer its inside millage windfall of \$1.16 million from the general fund into the PI fund to mostly make up for the levy's failure. Mr. Cales said that the district has averaged a transfer of \$575,000 from the general fund to the PI fund in recent years and will likely increase the transfer amount to \$1.0-1.2 million going forward. Mr. Walder said he didn't see that in the budget Kenston submitted. He went on to say that Kenston residents who called his office were "confused" because the amount of the PI levy was so similar to the inside millage windfall amount, yet at a district meeting the inside millage amount was seemingly presented as insignificant to the Kenston budget, while the PI levy amount was construed as significant. **Observer Note: The meeting in question was not specified, but may refer to the October 16 Kenston Board of Education Meeting referenced above.** Mr. Cales said that the inside millage increase doesn't take care of Kenston's "trajectory based on our five year forecast of deficit spending." Mr. Walder replied that the district hasn't put on an Operating Levy to fix that problem, and Mr. Cales replied that "we're

- going to have to take into consideration PI levies, operating levies, everything.”
- Mr. Flaiz asked if the district would see a decrease in maintenance costs due to the district’s decision to close Kenston Intermediate School (KIS) at the end of the 2023-2024 school year. Mr. Cales said that the maintenance costs wouldn’t be as much, though the building would be winterized and the Board of Education is attached to KIS. Mr. Cales stated that Kenston is deficit spending and utilizing several strategies, such as building consolidation and incentive programs to reduce and realign student-teacher ratios to “get these expenditures under control.” He said that 82% of the district’s expenditures are on salary and benefits.
 - Mr. Flaiz noted that Kenston’s expenses have been “flat” (relatively unchanging) for the last three years, but the submitted budget shows an increase in expenditures of \$2.7 million. He asked “you just got a \$1.16 million windfall in inside millage revenue, so what are you all the sudden spending an extra \$2 million on out of your general fund?” Mr. Cales said this increase is for capital expenditures and later specified it would be going to the PI fund and also to pay for increases in special education costs and inflationary expense increases. Mr. Flaiz said the increase still was “not computing” to him. Superintendent Steve Sayers stated that they have a number of capital project/PI expenses to keep up with, including “buses, roofs, parking lots, heating and cooling, all those types of things,” and the money for that will be coming from the general fund.
 - Treasurer Hitchcock asked if the Kenston Board of Education had approved a \$1.2 million dollar transfer from the general fund to the capital improvements/PI. After some back and forth, Mr. Cales said that the full amount has not been formally approved, though \$575,000 has been. Mr. Hitchcock went on to note that Kenston’s estimated ending cash balance has a history of being much lower than what its actual cash balance really was, and he gave the example that the estimated 2021/2022 general fund ending cash balance estimate (\$1.16 million) was off by a factor of eight from the actual ending cash balance (\$9.96 million). He called this “horrible budgeting” and said “you have provided testimony that you estimated the ending cash balance for this next year of \$5.2 million, and next year of \$8.1 million. I wonder what the real number will be. I know it will be a lot more than what you’ve estimated.” He went on to say that, whatever that number is, it is “taxpayers’ money that should be with the taxpayers, not being held by the school district or any subdivision.”
 - Mr. Flaiz wrapped up the discussion by saying “I think when you look at revenues, expenses, cost per student, and then what your cash carryover is, if I’m a taxpayer, I would think from a taxpayer’s perspective, they seem to be getting the most value from you. And you’re holding a lot less of their money than a lot of other people are, which is a good thing, if you’re the taxpayer.”

Public Comment

- The only commenter was Kenston School Board President Tom Manning. He said that over half of Kenston’s teachers are in the end part of their career, resulting in high salary and benefit costs for the district. He noted that cost per student is “drastically affected by your teacher salaries.”

Budget Approval: The Budget Commissioners unanimously voted to approve Kenston’s 2024-2025 budget as follows:

- General Fund
 - Estimated 7/1/2024 Unencumbered Cash Balance: \$ 8,979,561.00
 - Estimated 2024/2025 Revenue: \$41,727,903.00
 - Estimated 2024/2025 Expenses \$43,429,575.00
 - Estimated 6/30/2025 Cash Balance: \$ 7,277,889.00
- 2002 Bond Fund
 - Estimated 7/1/2024 Unencumbered Cash Balance: \$ 3,029,319.00
 - Estimated 2024/2025 Revenue: \$ 796,698.00
 - Estimated 2024/2025 Expenses \$ 2,649,650.00
 - Estimated 6/30/2025 Cash Balance: \$ 1,176,367.00
- 2015 Bond Fund
 - Estimated 7/1/2024 Unencumbered Cash Balance: \$ 348,059.00
 - Estimated 2024/2025 Revenue: \$ 468,646.00
 - Estimated 2024/2025 Expenses \$ 587,731.00
 - Estimated 6/30/2025 Cash Balance: \$ 228,974.00
- Total Estimated Millage for Tax Year 2024 (2025 Collection) = 87.07 Mills, comprised of:
 - 4.50 Mills Inside General Fund
 - 81.49 Mills Outside (Voted) General Fund
 - 1.08 Mills Bonds
- Estimated 2024/2025 resources were certified as: \$50,707,463.00 in the general fund, \$1,586,700.00 in special revenue funds, \$4,788,808.00 in debt service funds, \$1,055,000.00 in capital project funds, \$1,225,000.00 in enterprise funds, \$10,135,000.00 in internal service funds, and \$55,000.00 in fiduciary funds for a total of \$69,552,971.00.

- **Cardinal Local School District Budget Hearing**

Mr. Walder provided a presentation on Cardinal and its budget. Highlights include:

- Property values in the Cardinal School District increased by about \$90.8 million in the reval. This increase was 29.0% on average.
- Cardinal is within 0.3 mills of hitting the 20 mill floor, but it is not below it at this time.
- Cardinal received an inside millage tax revenue increase of \$400,265 due to the reval, of which \$0 was returned to taxpayers.
- Total property value in the Cardinal School District is approximately \$453.9 million.
- There were 754 Cardinal students in 2022-2023, 113 less than in 2018-2019.
- Cardinal is 10th out of the 10 districts in/bordering the County in effective school taxation rate.
- Using the general fund numbers to be certified in the 2024-2025 budget:
 - The estimated amount of cash as a percentage of expenses is 34.9%.
 - There is \$19,487 in revenue per student.
 - There is \$19,704 in expenses per student.
 - There is \$6,871 in cash carryover per student.
- Using all funds combined numbers to be certified in the 2024-2025 budget:
 - The estimated amount of cash as a percentage of expenses is 37.9%.
 - There is \$23,116 in revenue per student.
 - There is \$23,354 in expenses per student.
 - There is \$8,862 in cash carryover per student.

General Discussion

- Mr. Walder said that the debt service fund was incorrectly included in Cardinal's statement of funds with revenue sources other than taxes and asked that it be fixed in Cardinal's future budget submissions.
- Mr. Hitchcock observed that Cardinal's estimated ending cash balances were much lower than actual ending cash balances for 2021/2022 and 2022/2023. Treasurer Terry Armstrong explained that cash balances were higher than expected due to [Elementary and Secondary School Emergency Relief Fund \(ESSER\)](#) money from the federal government. He added that another factor was that, during this time, State law changes made it so that the costs associated with students leaving their district of residence through open enrollment or private education were no longer deducted as expenses to students' home school districts.
- Mr. Hitchcock asked if Mr. Armstrong thought that Cardinal's 2023/2024 actual ending balance will be "really close" to the district's estimate of \$5,873,500. Mr. Armstrong said he thought it would be, but added the caveat that the district is re-funding a bond.
Observer Note: "Re-fund" means that the district is funding this bond in a new way, not giving the money back as a refund. This is required because the previous bond encumbered all district properties, preventing the closure/sale of buildings; the re-fund fixes this issue. Mr. Armstrong further explained that this is a district funded bond, not a bond levy, and the re-funding required a year and half of payments to an escrow account, which may make actual cash carryover lower than estimated. There was a lengthy discussion of how the district has funded this bond in the past as well as how it will do so going forward. Ultimately, the Budget Commissioners asked Mr. Armstrong to provide a schedule of transfers to make this more clear.
- Mr. Armstrong mentioned that Superintendent Jack Cunningham and the Cardinal Board of Education are working on plans to mitigate expenses, including closing and then selling a building (not specified which one).
- Mr. Flaiz observed that Cardinal's general fund has had a "dramatic increase" from about \$500,000 in 2019/2020 to about \$5 million in 2022/2023. He also noted that the PI fund cash carryover has a history of "grossly misstated estimates," with the two most recent estimated PI carryovers being significantly lower than actual carryover. Mr. Walder said that things in the PI fund "came off the rails" in 2017/2018 and the estimated and actual balances "were off by orders of magnitude" several times since then, with estimates being either much higher or much lower than actual PI end cash balances. Mr. Walder said that "generally people only focus on the general fund," and he noted that Cardinal's general fund estimated and actual balances were much more similar than those in the PI fund. He then said that "you're in fact using inside millage to fund this PI. So we don't want it to become a diversionary tactic where people put it there because it's not going to be watched. And then it can be used however they want. That's our concern."
- Mr. Flaiz told Cardinal that, after looking at its trends of increasing general fund and PI fund carryover amounts as well as its \$400,000 inside millage windfall, it is in "the warning stage." He went on to say that "you're getting to a point where, if these trends continue for a year or two, I would be voting to take away revenue."

Public Comment was solicited, but none were offered.

Budget Approval: The Budget Commissioners unanimously voted to approve Cardinal's 2024-2025 budget as follows:

- General Fund
 - Estimated 7/1/2024 Unencumbered Cash Balance: \$ 5,343,814.00
 - Estimated 2024/2025 Revenue: \$14,693,339.29
 - Estimated 2024/2025 Expenses \$14,856,478.00
 - Estimated 6/30/2025 Cash Balance: \$ 5,180,675.29
- Bond Fund
 - Estimated 7/1/2024 Unencumbered Cash Balance: \$ 1,155,837.00
 - Estimated 2024/2025 Revenue: \$ 316,217.68
 - Estimated 2024/2025 Expenses \$ 673,500.00
 - Estimated 6/30/2025 Cash Balance: \$ 798,554.68
- Permanent Improvement Fund
 - Estimated 7/1/2024 Unencumbered Cash Balance: \$ 131,733.00
 - Estimated 2024/2025 Revenue: \$ 694,802.00
 - Estimated 2024/2025 Expenses \$ 350,000.00
 - Estimated 6/30/2025 Cash Balance: \$ 476,535.00
- Total Estimated Millage for Tax Year 2024 (2025 Collection) = 57.60 Mills, comprised of:
 - 3.50 Mills Inside General Fund
 - 1.00 Mills Inside Permanent Improvement
 - 53.10 Mills Outside (Voted) General Fund
- Estimated 2024/2025 resources were certified as: \$20,037,153.29 in the general fund, \$1,095,573.76 in special revenue funds, \$1,472,054.68 in debt service funds, \$826,535.00 in capital project funds, \$751,110.34 in enterprise funds and \$108,777.99 in fiduciary funds for a total of \$24,291,205.06.
- **Chardon Local School District Budget Hearing**

Mr. Walder provided a presentation on Chardon LSD and its budget. Highlights include:

- Property values in the Chardon School District increased by about \$183.9 million in the reval. This increase was 26.4% on average.
- Chardon received an inside millage tax revenue increase of \$827,658 due to the reval, of which \$0 was returned to taxpayers.
- Total property value in the Chardon School District is approximately \$955.1 million.
- There were 2,622 Chardon students in 2022-2023, 123 less than in 2018-2019.
- Chardon is 4th out of the 10 districts in/bordering the County in effective school taxation rate.
- Using the general fund numbers to be certified in the 2024-2025 budget:
 - The estimated amount of cash as a percentage of expenses is 39.3%.
 - There is \$14,971 in revenue per student.
 - There is \$17,175 in expenses per student.
 - There is \$6,745 in cash carryover per student.
- Using all funds combined numbers to be certified in the 2024-2025 budget:
 - The estimated amount of cash as a percentage of expenses is 37.2%.
 - There is \$19,619 in revenue per student.
 - There is \$22,013 in expenses per student.

- There is \$8,177 in cash carryover per student.

General Discussion

- Mr. Walder commented that Chardon provided a lengthy executive summary with their budget submission, and he felt it “raised more questions than gave answers to, which I guess, I would prefer an executive summary that answered my questions rather than gave me more to ask.” He indicated that these questions “generally revolve around relevance of some data” and also noted that he had to “clean out” the opinions from the summary in order to “avoid making an opinion out of the statistics.” He requested “just give me the numbers... don’t try to position it in my head.”
- Mr. Flaiz said that he “didn’t understand the point” of the executive summary and that he “felt like you just tried to paper me to death.” He also noted that last year he voiced his concern about Chardon’s “extremely high cash balances and I was ridiculed and attacked about it for several weeks. But, looks like you actually followed my advice, and you’re starting to spend it down. So I’ll take that as an apology.”
- Mr. Flaiz asked Treasurer Deb Armbruster to explain the district’s large increase in estimated expenses in the 2024/2025 budget, saying that “I want to pin you down on exactly what you’re spending the money on, so that when we’re back here next year, we’re going to see if you spent the money.” He observed one expense item is the bus garage project, which Ms. Armbruster said will be funded 50% by the district and hopes that the other 50% will be provided by the State legislature. **Observer Note: Exact funding amounts are provided later in the General Discussion section.** If it is not, she said that she would go to the School Board and ask for the remaining funds. She said that the majority of all expenses are capital outlay, and that the district has also reduced fees for all students, built in increased salary for staff, and is accounting for inflationary increases in supplies and services, all of which increase expenses.
- Ms. Armbruster said that Chardon is thinking about a concession stand and restroom project for the stadium. She commented that this is a Board decision and not included in the submitted budget.
- Mr. Hitchcock observed that Chardon estimated that it will have a cash balance of \$29 million at the end of 2023/2024 and asked Ms. Armbruster if she thought it would be even more than that. She replied “possibly.” Mr. Hitchcock then asked Superintendent Hanlon if there was ever a discussion with the Chardon Board about returning its \$800,000 inside millage windfall to taxpayers? Dr. Hanlon said this discussion occurred and confirmed that the Board chose not to return these funds to taxpayers. Mr. Hitchcock estimated that the district probably makes over \$1 million in interest alone each year and opined that “it would have been an item of good faith” if the district had returned that \$800,000 to taxpayers. He noted that this applies to the Geauga school districts in general, not just Chardon. Mr. Hitchcock predicted that “some people will move (out of Geauga County) because they can no longer afford the tax. Mr. Flaiz and I work closely together. We do not want a single person to lose their home because of the tax. Unfortunately, it’s going to happen. That simple 800 grand could have been a wonderful way of telling the taxpayers, ‘Hey, we understand what’s going on. We’re making a lot of money in interest. We could forego that.’ ”
- Mr. Hitchcock also questioned Chardon’s 2024/2025 estimated expenses. He noted it was a 23% increase over the 2023/2024 estimated expenses and said “I’m not sure anybody in the County got a 23% raise, unless they own the business and it had a, you

know, booming year. I believe a 23% increase in anything is wrong.” He concluded his remarks by saying “I believe the taxpayers are getting the short end of the stick in a major way. And I'm very concerned, and I will not approve a budget come next year that has an inordinate cash balance.”

- Discussion returned to the bus garage project, with Mr. Flaiz saying it comprises \$7.1 million of a capital project with a total cost of \$8.2 million. Ms. Armbruster clarified that the rest of the money (\$1.1 million) is for security vestibules for the front and back of the high school as well as student parking. Mr. Flaiz stated that “today's the 12 year anniversary (of the 2012 Chardon High School shooting), you've had that security vestibule for 12 years, and you had \$29 million, and you didn't fix it. Yeah, that's really disappointing to me. And that's putting it very nicely. So now, you're spending this money so you've got the \$7.1 million for the bus garage, and then an additional \$1.1 million for these other projects, which frankly, should have been done a long time ago.” He asked Ms. Armbruster if this money (\$4.1 million) will still be spent if the State Legislature money (\$4.1 million, the other half of the total \$8.2 million project amount) doesn't come through, and she said it would. Mr. Flaiz then said “I'm holding you to that next year. Because, if you don't spend the \$4.1 million, I'm going to vote to reduce your levy collections.”
- Mr. Walder noted that in 2020/2021, the PI estimated revenue was much lower than actual revenue. Ms. Armbruster said that was because an unanticipated loan was taken out. Mr. Flaiz asked why a loan was taken out when the district had more than \$20 million in general fund cash at that time. Ms. Armbruster replied that it was because the loan was at 1.62%. Mr. Hitchcock responded “so what? Did you have a cash need? Just because money is cheap that doesn't encourage a person to go out and borrow money, unless they're going to buy on margin. Then you run into trouble.” He also said he has “great concern for the way the taxpayers are being abused. It has got to stop, and it will stop come next year. Trust me.”

Public Comment

- Former Chardon School Board Member Madelon Horvath commented that in 2014 the Board was afraid that they would not be able to make payroll and noted it took five tries for the 2013 levy to pass. She said that the State budget requires districts to make five-year forecasts and the Budget Commission requires something different, making schools “have to jump through hoops.” Ms. Horvath also commented that the State gives far less per student to Chardon than is given to many other districts. She also indicated that “one of the main reasons we try to keep money in our budget and in our coffers is to try to avoid levies. Levies are expensive, time consuming and unpopular.” She concluded her comments by saying “I know that your job is to deal with money and taxpayers and blue lines and black lines. Somebody has to think about kids. To me, if I have to pay another \$100 a year in taxes for the kids, who are our future, and who all these school people are trying to help, I think that's a fair deal.”

Mr. Flaiz responded “but we're not taking money away from kids. The school boards aren't spending the money they have on the kids, and it's gotten out of control.” He gave the example that Chardon has received \$2.7 million each year from its 2018 levy that passed, and since then the general fund has risen from \$9.7 million to \$24 million. Mr. Flaiz opined that “it was wrong to take that \$2.7 million from the taxpayers all those

years. Because all you did was throw it in the bank. It wasn't- not a nickel of it- was spent on a student."

Mr. Walder stated "here's the thing I'm objecting to. This is not about you just paying your bills. You have almost \$30 million in the bank. You have paid your bills, and then you have \$30 million leftover. That's, everyone wants to make this an emotional argument that we're not helping the children. We're not paying our bills. In fact, you're doing both. You are helping your children. You are paying your bills. The question is, is \$30 million too much to have in reserve?"

- Gabrielle Boose said she was a Chardon graduate and has three children in Chardon Schools. She indicated that there is a "stark disparity" between the County Office Building and the school buildings her children attend and commented that the former was built without a vote of the people. She said "I take issue with the fact that you throw stones from this glass house." She lauded Chardon's budgeting and planning work to create its financial position. Ms. Boose alleged that "you (the Budget Commissioners) cast aspersions on the work that these fine people (Chardon Staff) do." She also said that she was "shocked" that the County Commissioners encouraged schools to forego their increased revenue from taxes created by the reval and urged the Budget Commission "to look elsewhere as you try to ease the burden on taxpayers."

Mr. Walder pointed out that the decision to build the County Office Building was not under the purview of the Budget Commission but rather was made by the County Commissioners. He noted that none of the Budget Commissioners have offices in the new building. He also stated that the Budget Commission "is not casting any aspersions on anyone. This is taxpayer money. This isn't your money. This isn't the school's money. This is the taxpayers' money. We don't get to decide what we are allowed to do. The law tells us what we are allowed to do." Mr. Walder noted that it is the job of the Budget Commission to challenge budget submissions.

Ms. Boose expressed the opinion that the Budget Commissioners "kind of mocked" Chardon's budget submission. She said "it seems that you came into this meeting prepared and with your mind made up and you know, wanting to make a splash about you know, giving money back to the taxpayers without really wanting to hear what the district plans do with it."

There continued to be a great deal of back and forth that eventually ended when Mr. Hitchcock declared, "this isn't a conversation, this is a hearing" and asked if any other members of the public would like to speak.

- Former Chardon School Board Member Guy Wilson noted that the district is beginning to spend its cash balance and that passing levies has been very difficult historically for Chardon. He said that the district having a high cash balance is relatively recent and it takes multiple years to create and execute plans. Mr. Wilson concluded his remarks by lamenting the unconstitutional nature of how Ohio's schools are funded
- Another member of the public whose grandchildren attend Chardon Schools said she felt the district was "being punished for being fiscally responsible." She estimated that it

would take much more money than the district has “to build the school we need, desperately need, instead of putting band aids on it, lots of band aids.”

- District resident Melanie Scanlon said she agreed with the Budget Commissioners asking questions, but she felt that the tone set by them in this hearing “sows seeds of mistrust within the community, that the community should think that the school is being irresponsible and not to be trusted.” She urged the Budget Commissioners to come to hearings like these “with an open mind.” She ended by saying “I think the way that you (the Budget Commission) question could lead people to believe that there's reason not to trust these professionals, when I have seen nothing but professionalism, transparency, and a high level of communication as a parent and as a community member.”

Budget Approval: The Budget Commissioners unanimously voted to approve Chardon’s 2024-2025 budget as follows:

- General Fund
 - Estimated 7/1/2024 Unencumbered Cash Balance: \$23,465,233.00
 - Estimated 2024/2025 Revenue: \$39,252,814.00
 - Estimated 2024/2025 Expenses \$45,032,925.00
 - Estimated 6/30/2025 Cash Balance: \$17,685,122.00
- Permanent Improvement Fund
 - Estimated 7/1/2024 Unencumbered Cash Balance: \$ 121,103.00
 - Estimated 2024/2025 Revenue: \$ 2,289,659.00
 - Estimated 2024/2025 Expenses \$ 2,396,441.00
 - Estimated 6/30/2025 Cash Balance: \$ 14,321.00
- Total Estimated Millage for Tax Year 2024 (2025 Collection) = 80.68 Mills, comprised of:
 - 3.50 Mills Inside General Fund
 - 1.00 Mills Inside Permanent Improvement
 - 74.18 Mills Outside (Voted) General Fund
 - 2.00 Outside Permanent Improvement
- Estimated 2024/2025 resources were certified as: \$62,718,047.00 in the general fund, \$4,893,000.00 in special revenue funds, \$437,769.00 in debt service funds, \$2,410,762.00 in capital project funds, \$8,565,000.00 in internal service funds, and \$135,000.00 in fiduciary funds for a total of \$79,159,578.00.

After the three School Budget Hearings, the Budget Commission conducted Regular Business as detailed below.

The following Revenue Certifications were approved:

- **Chardon Local School District** - Amendment #4. \$62,632,124.06 in the general fund, \$7,917,422.00 in special revenue funds, \$434,341.20 in debt service funds, \$3,111,443.05 in capital project funds, \$8,469,996.86 in internal service funds, and \$242,466.78 in fiduciary funds for a total of \$82,807,793.95. Appropriations do not exceed revenue.

Chardon LSD’s amendment reflected a special revenue increase.

- **Burton Library** - Amendment #1. \$1,656,050.12 in the general fund, \$62,191.39 in special revenue funds, and \$380,843.41 in capital project funds for a total of \$2,099,084.92. Temporary appropriations do not exceed revenue.

Burton Library's amendment certified the beginning balances for 2024.

- **Montville Township** - Amendment #2. \$367,506.76 in the general fund, \$1,524,491.04 in special revenue funds, and \$215.65 in fiduciary funds for a total of \$1,895,213.45. Temporary appropriations do not exceed revenue.

Montville's amendment reflected an increase in special revenue.

- **Bainbridge Township** - Amendment #2. \$4,230,348.65 in the general fund, \$18,766,910.33 in special revenue funds, \$2,015,383.34 in debt service funds, \$1,703,940.76 in capital project funds, and \$539.02 in fiduciary funds for a total of \$26,717,122.10. Temporary appropriations do not exceed revenue.

Bainbridge's amendment certified an increase in the EPA grant fund.

- **Newbury Township** - Amendment #1. \$1,463,330.95 in the general fund, \$5,519,690.75 in special revenue funds, and \$801,254.34 in capital project funds for a total of \$7,784,276.04. Temporary appropriations do not exceed revenue.

Newbury's amendment certified the beginning balances for 2024.

- **South Russell Village** - Amendment #2. \$1,873,997.81 in the general fund, \$6,947,976.05 in special revenue funds, \$1,350,330.46 in capital project funds, and \$210,299.54 in fiduciary funds for a total of \$10,382,603.86.

South Russell's amendment reflected increases in both the special revenue and capital project funds.

- **Huntsburg Township** - Amendment #1. \$444,245.26 in the general fund, \$2,105,702.32 in special revenue funds, and \$10,414.49 in capital project funds for a total of \$2,560,362.07.

Huntsburg's amendment certified the beginning balances for 2024.

- **Munson Township** - Amendment #2. \$1,826,205.45 in the general fund, \$4,001,812.92 in special revenue funds, and \$2,030.00 in special assessment funds for a total of \$5,830,048.37. Appropriations do not exceed revenue.

Munson's amendment reflected a fund balance adjustment, including reclassification of a scholarship fund, an increase in special assessment funds, and adjustments to the general and special revenue funds.

Supplemental Appropriation

The Budget Commission accepted Geauga-Trumbull Solid Waste's requested supplemental appropriation decreasing contract services by \$24,999.60.

Public Comment was solicited, but none were offered.

The meeting was adjourned at 11:59 am.

Next Meeting: Reviewer Note: At the time of this February 27 Special Meeting, the next meeting was the Special Meeting for School Budget Hearings (Berkshire and West Geauga Schools) and Regular Business on February 28, 2024 at 9:00 am at the Geauga County Administration Building, 12611 Ravenwood Drive, Suite A333-A334, Chardon, Ohio. There will be a separate report on this meeting.

The next meeting following February 28 will be a Special Meeting for the Levied Departments Budget Reviews and Regular Business on Monday, March 18, 2024 at 10:00am in the Auditor's Appraisal Conference Room, 231 Main Street, Chardon, Ohio.

Observer: Sarah McGlone

Reviewer: Gail Roussey

Submitted: 3/5/24

The League of Women Voters of Geauga is a 501(c)(3) nonpartisan political organization that encourages informed and active participation in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy. They do not support or oppose individual candidates or parties. Learn more about the LWVG at www.lwvgeauga.org.