

Finance Committee Meeting
Friday, June 13, 2025, 8:00 a.m.

Present: Chairman Canton, Council Member Porter, Fiscal Officer Romanowski, Mayor Koons

Canton called the meeting to order. The Fiscal Officer reported that the balance of the STAR Ohio account as of the end of May was \$2,080,000 and for Huntington Bank the balance was \$964,000. Regarding the approved Tax Budget, the Fiscal Officer reported an error which was found and necessitated she change the transfers in the Tax Budget. According to the State Auditor and Geauga County Auditor's Office, there will be no need for another hearing, but it will require a motion to amend and approve the new one. Regarding the Budget Commission hearing, the Fiscal Officer cautioned that with the Tax Budget, the Village will only have \$35,000 in anticipated Income Tax that can be put into other funds. She further explained that it will be necessary to assign \$360,000 for the Road Paving Program, and \$100,000 for the Large Equipment Fund. She had to slowly decrease what was put into the other funds because last year, the County Treasurer said the perfect budget had a 20% carry-over fund balance, and it is currently at 11%. Years ago, the Village had too much money and now it is going the other way. Planning is important and Council cannot assume that the Village has the money.

The Fiscal Officer asked for clarification as to whether there were plans for a project on Hazelwood. A pre-application for funding was submitted for Hazelwood, but the Engineer felt it was a long shot. He expected a denial, after which he would utilize the information from the denial to try again. Porter said the Hazelwood project was sewer and paving. The Fiscal Officer added that it would be a \$600,000 project. Porter concluded that the Village would not commit to anything until either the state or NOACA committed to provide funding. He did not see the project happening in 2025 or 2026, and the Fiscal Officer confirmed that the Village would not have the money to do it in 2026. Porter continued that it probably would not happen until 2027 and will be on the Public Utilities Committee radar as the next big project.

The Hemlock culvert replacement will occur this year, and the Fiscal Officer explained that it must be done by December 31st because of the funding. Porter's recollection was that the project would be bid out in June, but the contract could not be awarded until after July 1st. This is handled by the Engineer. Porter further discussed the timeline in relation to providing notification to Russell Township of the potential cost share.

Canton asked the Fiscal Officer about mandated carry-over caps and rainy-day funds. The Fiscal Officer explained again that the County Treasurer recommended a 20% carry over and the Village is not permitted to have a rainy-day fund. It can, however, set aside reserve funds with a specific purpose and time limit.

The Fiscal Officer reported that she let the Engineer know that Council had approved the 2025 Road Program, but she had not heard anything about going out to bid. Porter acknowledged that previously it would have gone out to bid in April with the goal of having the paving complete

before the start of school. However, with the necessary timeline of preparing to go out to bid, advertising for two weeks, having the bid opening, and then verifying the numbers, it would put the paving potentially into October. The Mayor suggested it might be the year to have no Road Program, because Countryside Dr. is not that bad. It would cost \$350,000 and money is tight. Porter said his concern is that this would mean the Village paved no roads this year. Porter suggested discussing the matter at the Special Council meeting on June 16th.

The Mayor said he would call the Engineer about the Hazelwood culvert, Fairview, Hemlock, the salt dome, and Countryside Dr. The Fiscal Officer advised that the Engineer was informed that Council was ready to move forward and she needed the contract so the Solicitor could prepare legislation for the Special Meeting.

Regarding the salt structure, Canton said there are just over 47 lane miles of roads in the Village. Russell Township has 108, and they keep their salt within three cinderblock walls that are 8-foot tall. Canton asked if the Village really needed a \$750,000 salt structure or was there a way around it. He was trying to justify this cost in comparison to Russell Township. Porter said the current one is going to collapse eventually. Canton agreed that something needed to be done. Porter said the Village could just pile the salt and tarp it, but then the salt gets wet and exposed to the elements and loses its effectiveness. He did not think this was a good idea. The replacement for the salt dome is more than a salt dome with the wings that provide storage. Canton thought there was a tarp covering on the Russell Township building, and speculated that they must not salt the roads very often. The Mayor said the Village overly salts. Canton understood that the Village has fixed costs and variable costs and believed in fiscal responsibility. Canton said that last month, the Village had close to \$4 million, but heard the Chief discussing financial challenges, which made him wonder what the crisis was. He was aware of the Bell Rd. paving and other projects but did not recognize that the Village was close to a financial crisis. The Fiscal Officer explained that a village is different than a township because a township gets property tax money and everything is very specific as to where it can be spent. In a Village, there is income tax revenue, and at this time of year the Fiscal Officer must look at the proposed expenses for next year and determine where transfers will be made to cover the proposed expenses. As she explained, after she makes all the transfers, there will only be \$35,000 in Income Tax revenue to distribute where needed. She added that she increased what she estimated for income tax collections next year to \$2.8 million based on calculations provided by CCA. Although income tax collections have increased, so have the Village's costs like IT expenses, Flock cameras, body cameras, etc. which are all necessities. In terms of the salt structure, it really is not just a salt structure, but a salt/service garage. In Canton's opinion, the Village overpaid for the restroom because they dragged their feet. Past Councils dragged their feet with storm water issues, which meant that the Village had to pay more later. He firmly believed in striking while the iron was hot. A \$750,000 salt/garage building today will probably be double in five years. However, Canton thought a \$750,000 salt building could be scrutinized as the Taj mahal. Porter reiterated that the current one is failing, and the Street Committee

investigated various ways to store salt. To his mind, the Village has \$4 million in the bank. Nevertheless, they need to be careful, and the Village has had and will have big projects that benefit residents. Canton wondered how many more big projects there will be in a four-square mile village. Porter said there is the multipurpose trail, especially if the plan is to expand it west to the Chagrin sidewalks and east to the Village line, the Hazelwood project, and potentially Manor Brook phase II. If the state eliminates property taxes, the Village will have to reduce services and raise income taxes. There was further discussion on this topic.

Porter concluded that this was the right time to build the salt structure. The Fiscal Officer asked if there was the option to build the salt storage portion of the building and add the side wings later? A request was previously made by the Street Commissioner for new garage doors, garage floor, and to fix the brick pillars, which is more of a safety concern in her opinion. This total expense was not accounted for in the preliminary look at the 2026 budget. Porter said it had gone too long, and the bids are already out and the contract has been awarded. The Fiscal Officer clarified that the contract had not been awarded yet, and she understood that the salt structure needed to be replaced. If money gets too tight next year, the Village will have to go to the county and ask to close the Large Equipment Reserve Fund so that the money can be used for the Service Department. Porter viewed that this was one time money that the Village would not be able to replenish if property taxes are eliminated. This would mean reducing services. The Village has a Police Department with a \$1.6 million operation, and theoretically, the Village could instead go with the Geauga County Sheriff's Office. Canton suggested having a townhall meeting to ask residents what they think the Village should implement. The committee acknowledged that this discussion was speculation at this point.

The Fiscal Officer reviewed that for the past two years, Council had voted to mitigate part of the collection on the Road and Bridge Levy. Council has until November determine if they want to continue this. It would be beneficial to move the Budget Work Session up to September so the numbers for 2026 can be looked at and a decision on potential mitigation discussed.

The Mayor asked about the Finance Charge Policy. The Fiscal Officer explained she would be drafting a Finance Charge Policy and would then ask the committee to recommend Council adopt it. The Village is not permitted to pay tax, and there is an internal policy that if a purchase is made without the tax exemption, either the vendor must be contacted or the individual doing the purchase personally pays the taxes. Otherwise, the Fiscal Officer would be obligated by the state to personally pay it. The same applies to finance charges. If the Village receives a finance charge for having a late payment, the Fiscal Officer is personally liable. Historically there had been no such problems, but recently one of the departments is struggling with getting bills in on time and it has been necessary to negotiate with some companies on the finance charges. However, it is not up to her or her staff to be running around to vendors to get invoices to make sure bills are paid on time. The Fiscal Officer did not feel she should be responsible for finance charges in situations for which she had performed her job in a timely manner. If bills are not submitted on time to make the payments by the due dates, the finance charge should be on that

individual. She provided an example of her office having to contact and then physically go to one business to get a copy of an invoice that was due. She reiterated that if bills are not paid on time and a finance charge is generated, she becomes personally responsible to pay it when she has done nothing wrong. For this reason, she requested a policy that if the bills are not provided on time and a finance charge is incurred, it is up to the Department Head to fight it or pay it. The Mayor concluded that this Department Head needed to have a quicker response. The Fiscal Officer further explained that she has instituted date stamping of all bills. They are stamped again when they are submitted. Part of the issue is that this Department Head may not stop into Village Hall to check their mailbox for a week or more. Historically, Department Heads stop by Village Hall every 1-2 days to check their mailbox for invoices, information dropped off for them, mail, etc.

The Mayor clarified that the Fiscal Officer still wanted a policy, and she concurred and said she would draft it for the committee and get the Solicitor's input. Porter commented that they would also want to hear the other side of the story from the Street Commissioner. He thought it made sense that the Department Heads should check their mailbox daily, but there may be other reasons.

The Fiscal Officer addressed a non-sufficient funds check received by the Village. Occasionally, one will be received by the Building Department, and when it happens, the individual is required to bring the money in cash and pay the \$15 non-sufficient funds charges as well. Recently, there was a burial in the cemetery, and the son of the deceased was not happy with how the burial arrangements occurred. His check for the burial then bounced, and when he was notified that the payment would need to be made in cash, he was displeased and has not paid the money. The Mayor clarified that the individual was unhappy that he did not get the burial on the day he wanted. The Fiscal Officer explained that the Administrative Assistant reached out to the Street Commissioner on receiving a request for the cremation burial on Saturday, May 17th. She did not receive confirmation from him, and by the time it was determined this was not a good date for the Service Department staff, the individual had already planned the funeral mass and had family coming into town from out of state for it. The burial was rescheduled, but it was just the son and two sisters who were able to attend. The resident commented that there were advantages and disadvantages to living in a Village, and the manpower issue was a disadvantage in not having the burial when he originally wanted it. When the check bounced, he was contacted and said he would bring in another check but was told that the Village's policy was that it needed to be cash and include the non-sufficient funds fee. Again, he commented that this was another disadvantage of living in a Village and has yet to bring in the money. The Mayor asked how much he owed, and the Fiscal Officer said \$365. The committee discussed the potential need to address the payment portion of the Cemetery Rules and Regulations. Regarding the check, the Mayor offered to call the individual, whom he previously called to tell him he could not have the burial on the original date.

The committee discussed the pending state budget bill that contains provisions that would preclude villages and other municipalities from doing replacement levies. The Fiscal Officer explained that replacement levies are different from renewals, and the Village has not had one in her time with the Village. She explained the difference between the two types of levies. A renewal is based on the property values at the time the levy is passed, and a replacement changes the amount to current property values.

The Mayor referred to the agenda and asked about future variable costs. Canton said he touched on this topic earlier in terms of fixed costs, which will go up. His question was about the variable costs. He wondered if the big jobs would ever end, and whether there was a way to plan for them. The Fiscal Officer advised that Council had discussed strategic planning and the Village had a reserve study generated, the purpose for which was to look at things like the Service Department garage floors, doors, etc. and what must be done to maintain the buildings. It is unclear what committee is currently handling the reserve study. Canton asked about the reserve fund, and the Fiscal Officer stated it is the Large Equipment Fund that the Village is permitted to have for five years for large equipment. Canton clarified that the Village is not allowed to put a certain amount of dollars in a rainy-day fund, and the Fiscal Officer reiterated that the funds must have a purpose, and a time limit identified. Canton thought it was terrible that municipalities were not allowed the option of having an emergency fund. The Fiscal Officer explained that this would be taxing residents and then sitting on their money. Canton felt that it should be permissible if the municipality is fulfilling its obligations. The Fiscal Officer reiterated that the Village could put money aside, but it just must have a purpose identified. Porter explained that the rationale was that the Village should be collecting what it needs to function and spending that money with a little leftover. When the Village has had larger collections, it has done some bigger projects. Canton asked what had happened in down times, and the Fiscal Officer answered that there were no raises, the Police Department went to one officer rather than two on several shifts, etc.

The Mayor asked the Fiscal Officer about inside millage, which she said was \$733,102.

Canton adjourned the meeting at 8:31 a.m.