

January 24, 2012

LAKE COUNTY COMMISSIONERS' MEETING MINUTES

RAYMOND E. SINES, PRESIDENT
DANIEL P. TROY, COMMISSIONER
ROBERT E. AUFULDISH, COMMISSIONER

LEGAL COUNSEL
JOEL DIMARE, BUDGET
DIRECTOR

AMY ELSZASZ, CLERK

NEWS MEDIA

(Tape 2012-0124)

CALL TO ORDER: Commissioner Sines called the meeting to order at 2:02 pm, Tuesday, January 24, 2012.

ROLL CALL: Upon the roll being called all were present.

APPROVAL OF MINUTES: Upon a motion by Commissioner Troy, seconded by Commissioner Aufuldish, the minutes of the meeting of January 17, 2012, were approved as follows:
"AYES": Commissioners: Aufuldish, Sines and Troy "NAYS": None

OPEN TO THE PUBLIC: Commissioner Sines asked if anyone in the audience wished to address the Board.

Ed Zupancic, Auditor: I noticed that the Commissioners have several resolutions on their agenda. I urge the Commissioners to approve the proposal increasing the sales tax. As the Lake County Auditor and Chief Fiscal Officer, I have witnessed first hand the deterioration of the county's revenue over the last several years. Because of this, I believe that the credit rating of the county is in jeopardy. The demands that we have to provide statutorily mandated service has not lessened. That is why I am supporting the Commissioners proposal and I commend the Commissioners for working together and coming up with this balanced approach to this very difficult situation.

Kenneth J. Filipiak, Mentor City Manager: I am here representing the City of Mentor. Our city council has adopted a resolution encouraging the Commissioners to delay this vote today to increase the sales tax.

- Mr. Filipiak asked for the delay of this vote so that the city can invite response from their community in terms of the potential impact. The city sent a survey out to an approximate 800 businesses, 99 responses have been received, 60% are against the sales tax increase saying it is very likely to lead to a reduction of sales, 27.2% are for it, and the remaining 13% are indifferent. Mr. Filipiak reiterated to the Commissioners, with all due respect to allow some time for the Mentor community and other communities to better assess this proposed sales tax increase and its impact. If the Commissioners intend on moving forward with this resolution, Mentor strongly requests making a temporary measure to see to what extent revenues in the county could bounce back, so that an over-producing amount of revenue is not being generated that exceeds the needs.

Commissioner Sines: I think your question is certainly pertinent to this issue. The City of Mentor taxpayers will get a \$1.658 million reduction in property taxes. Do you believe that this is positive? This will help the business community, individuals, the elderly, you name it, which they haven't seen in 50 years. I understand the business community's concern about any tax increase. I don't think anyone wants to see a tax increase. But, we are required to provide services, as is your city required to provide services. 75% of our budget is geared directly toward the Sheriff's Department, the courts, and the Prosecutor's Office. We have seen our budget go from \$62 million in 2008 to \$52 million this year. Certainly, the city has not seen that reduction in their revenues in that short period of a time. In the same token we have looked at what we have to do with a \$52 million budget to maintain this county. We have had budget hearings this week talking with the Sheriff in reducing the jail space and closing a couple of floors. We have talked to Juvenile Court about eliminating their juvenile detention center. These are some of the drastic cuts that we will have to make without some kind of help in our budgeting. Every department has been cut in this county, 22% of the general workforce of this county has been reduced. I don't think that any local government in this county has been reduced that drastically, and I would be willing to bet that most have not reduced much at all. We are looking at services, we are looking at closing the Recorder's Office, and closing the tax office for days. These are the drastic cuts that we are looking at going forward without these revenues being adjusted. In the last five years, we have been reducing our operation costs, and when

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you see these drastic cuts and the demands on the services that we are required to provide that is why we are here.

Commissioner Aufuldish: Yes, and if we do nothing our budget projections for 2013 will be below \$50 million. We are talking about over 100 jobs would be lost. And, once that happens this county will be in an almost fiscal emergency. I don't believe anyone wants to live in a county with those kind of problems. "With a reduction of the property tax, the owners of the Great Lakes Mall will personally save \$30,000 per year in their taxes. Seniors who really don't spend that much money, who really do not actually pay so much sales tax will save money on their property taxes, coming out ahead. Sales tax is a users' tax. Everybody has to pay property tax equally. Schools will not be affected by this, the libraries won't be affected, it's purely our money that we are giving back to Lake County. I believe that the City of Mentor itself gets 3 inside mills, so, you actually get more than the county.

Commissioner Troy: There is a reason the three of us are up here. We were elected by all of the citizens of Lake County and we have to look out for the interest of all the citizens in Lake County. I know that sometimes Mentor's city government takes the attitude that the Commissioners shouldn't do things unless we first ask for their permission. The situation here is real. We were told nine years ago by our budget director that we would have to raise sales taxes in 2003, yet we preserved and made budget reductions instead. We only have two sources of revenue. We can either go to the voters with an operating levy or we have the statutorily authorized piggyback sales tax in which counties can levy up to 1.5 %. This county was the first county to implement that in 1969 at .5%, and 43 years later it is still at .5%. I believe that the Mentor City income tax has gone from 1% to 2%, it has doubled in that period of time. We get 2.1 inside mills, which has been collected at that rate by this county since 1933. We are going to reduce that by more than half, down to 1.0 mills; this will basically shift our tax base to one more based on consumption and away from one that people find very onerous based on the property that they own. As Commissioner Aufuldish has said, 3.0 inside mills goes to the City of Mentor.

You will be getting three times as much inside millage as the county and this is unvoted millage by the taxpayers.

The county does not have the option of assessing an income tax. As Commissioner Sines said, we have to run the courts, we have to run the jail, we have to pay for the elections and they are getting very expensive. Compare the pain, when this crisis hit I read that Mentor was going to have to reduce its hours at the municipal pool. I am surprised that the City of Mentor would complain because they have been receiving twice as much from the local government fund than the county general fund has been getting for 29 years. Our predecessors, in 1982, for whatever reason, got away from the traditional method of assigning the local government fund, which was based on hearings every year in front of the county budget commission made up of the Treasurer, Auditor, and the Prosecutor. Under the old statutory formula, the county general fund was guaranteed 30% of the undivided local government fund. But, in 1982 a formula was passed that had to be approved by the Board of County Commissioners, the legislative authority of the largest community, and 50% of the legislative authorities of the remaining communities and for some reason, the county agreed to and has been taking 11%. The sweetest deal in Ohio's 88 counties for local governments out of a county's undivided local government fund has been right here in Lake County. And, we figure that probably \$75 million to \$100 million has left the county general fund over that time and has benefitted the local governments, which has complicated our problem, and we are going to try and change this. We understand Mentor's concerns. We saw a statement from the Public Relations Director of the Great Lakes Mall, who felt that an increase would not be a problem. We have discussed this with the Lake County Port Authority, which has been very involved in helping get the funding for the renovations of the Great Lakes Mall. Very honestly, we feel that this is the fairest method and have spent a lot of time looking at this. Yes, we are raising a tax and reducing another. I appreciate you coming today Mr. Filipiak, we won't try to run Mentor, and we would appreciate that you don't try to run the county.

- Mr. Filipiak said, "I believe that you are very greatly misrepresenting city council's intent here." He asked the Commissioners to hold off on this decision and consider whether or not some of the businesses could greatly be affected. And, the county could lose just as much if the sales volume decreases significantly. Every five years, the Mentor residents weigh in on the debate of income tax increases, and it would not be considered without asking for their input.

Commissioner Sines: Even with this increase there are still 48 other counties higher, 14 the same, and only 25 lower.

Frank Leonbruno, Chief Deputy of the Lake County Sheriff Office: Sheriff Dunlap who is out of the country could not be here today. He would be a big advocate of the passing of this sales tax and has spoken very highly over the last six to nine months of this possibility. I can't express our desire from

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the point of the Sheriff's Office that this sales tax increase is passed because of the dire consequences. Since 2009 the Sheriff's Office has tried to respond actively to your calls for fiscal responsibility by reducing road patrol, closing the minimum security jail, and double booking the main jail. In 1989, there were 100 inmates, today we are at 95% capacity with 375 inmates and only 25 are from outside jurisdictions. If this sales tax is not passed, we will have to close two floors of the Lake County Jail to make budget. Two-thirds of our population that we house are felons, which is a serious population. Once law enforcement is reduced, you invite meth labs, drug dealers and crime that will affect the orderliness of our society. Our society depends on government to establish order, and part of that order is to maintain our courts and law enforcement. Our active warrants have gone from 600 to over 1200 due to court service division reductions from the county budget. I believe that failure to move today and enact this sales tax initiative will adversely affect the safety of Lake County. The Lake County Sheriff's Office actively supports this decision today. Scott Daischer: I just wanted to introduce myself, I have just been appointed Director of the Board of Elections and wanted to extend a new working relationship with the Commissioners' Office. We are going to do the best we can to stay within our budget this upcoming year.

Commissioner Sines: We have been fortunate through this whole budget process in that every department and elected office holder has worked with us in meeting the challenges. Congratulations on your new position, thank you!

- Commissioner Troy commented that he appreciated Scott here today and briefly discussed the big expense directive from Secretary of the State that all Boards of Elections will have to replace all of the batteries in all voting machines and the county will have to pay for this. This is an example of the continuous demands that comes out of our budget.

Caroline Luhta of Concord Township: I am here today only as a property owner and I want to commend you for the creative solution in terms of the budget. All three phases I endorse, especially the one which would reduce the stormwater by 50% because 14% of my gross revenue goes to stormwater and I am really looking forward to a little relief.

Commissioner Sines: That stormwater reduction is about a \$1 million dollar savings to the residents that are part of this stormwater program. I understand that this is a difficult time for everyone. But, I believe that the majority of people in this county will save.

Commissioner Troy: Thank you Trustee Luhta for your comments. We just thought that this is a creative way and a balanced way to address our statutory requirements in providing services.

- Chief Leonbruno addressed additional comments regarding unfunded mandates by the state such as tracking a sexual predator, which involves manpower and money by the county. HB 89 is looking to send 4th and 5th degree felons out of the state prison systems and back to the county levels as well as 3rd degree felons that are non-violent without any funding from the state. This again will present a dangerous situation.

RESOLUTIONS:

1. RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN ARCADIS U.S., INC. AND THE LAKE COUNTY BOARD OF COMMISSIONERS IN AN AMOUNT NOT TO EXCEED \$43,550.00 (20120124\E01) (E-3)

On a motion of Commissioner Aufuldish, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Sines and Troy
"NAYS": None

2. RESOLUTION DECLARING AN EMERGENCY AND DETERMINING THE NECESSITY TO PROCEED WITH THE REPAIR OF THE CASHEN ROAD BRIDGE IN MADISON TOWNSHIP, AND TO AUTHORIZE THE LAKE COUNTY ENGINEER TO EXECUTE A WORK ORDER WITH U.S. BRIDGE FOR SAID REPAIRS TO ALLEVIATE THE THREAT TO PUBLIC SAFETY (20120124\E02) (E-3)

Alan Exley, Engineer's Office, thanked the Commissioners for getting this resolution onto the agenda

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so quickly. Cashen Road Bridge in Madison Township is in the far northeast corner of the county and is in need of repairs on the west end of the bridge. This will involve an unfunded mandate and without doing this work the bridge would have to remain closed until 2015 when it was programmed for replacement.

- Brief discussion took place that there is not a lot of daily traffic on the bridge. But, the bridge is used on a routine basis by Cashen Concrete and the Lake County Utilities Department has a facility out there.

- Jim Gills, County Engineer spoke that this is part of a negotiated settlement with U.S. Bridge and they are willing to do this work at no cost to the County Engineer's Office.

On a motion of Commissioner Troy, seconded by Commissioner Aufuldish, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Sines and Troy
"NAYS": None

3. RESOLUTION AUTHORIZING EXECUTION OF A PROFESSIONAL SERVICE AGREEMENT BETWEEN NATIONAL ALLIANCE ON MENTAL ILLNESS (NAMI) AND THE LAKE COUNTY BOARD OF COMMISSIONERS ON BEHALF OF THE LAKE COUNTY DEPARTMENT OF JOB AND FAMILY SERVICES IN AN AMOUNT NOT TO EXCEED \$4,492.00, EFFECTIVE FEBRUARY 1, 2012 THROUGH JUNE 30, 2012 (20120124\JFS01) (JFS-2)

On a motion of Commissioner Aufuldish, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Sines and Troy
"NAYS": None

4. RESOLUTION TO INCREASE THE RATE OF THE SALES AND USE TAX BY ONE-HALF OF ONE PERCENT FOR THE BENEFIT OF LAKE COUNTY, OHIO PURSUANT TO OHIO REVISED CODE SECTION 5739.021 AND OHIO REVISED CODE SECTION 5741.021 (20120124\C01) (C-41)

Commissioner Troy: In order for this resolution to be effective the state law only allows the tax to be increased in quarter percentiles and there is a maximum of 1.5% under statute. Lake County has been at .5% and this would increase it to 1.0%. State law also says it can only be collected starting with the first day of a quarter. So, in order for this to be collected on April 1st a certified copy of this resolution has to be in the Ohio Tax Commissioner's Office by this Friday. Realistically, no money would be coming to the county until the second half of the year beginning July 1st. This will be coupled with the following two resolutions of reducing the property tax rate and the stormwater management user fees.

Commissioner Sines: It is important to say that resolution 5 and 6 cannot be done without the passing of this resolution.

Commissioner Troy: Resolution 5, the drop of the inside millage, will be formalized when the county passes its tax budget, which has to be passed by July 15th of every calendar year reflecting the intent of property tax collection on various millages for the next calendar year. The Commissioners want to go on record saying that we intend to reduce the rate of property tax and we intend to reduce the stormwater management user fees to be set in the fall for the next calendar year. A lot of thought has gone into this package involving three different resolutions. We use to have a budget of \$62 million, it is forecasted at \$52 million for this year, and \$49.8 million in 2013. We have reduced our workforce by over 22% and without this action we would be looking at a reduction of up to 75 or 100 more employees, which would really compromise or put us in violation in terms of the provision of statutory services that we have to provide.

Commissioner Aufuldish: I would like to say that I feel we have certainly done our due diligence in accordance with law and in fact we have gone beyond that. Only two public hearing were required and we have had three. We have had a lot of folks come to our meetings, we have received emails, phone calls and letters. We have listened and we have talked about what we have heard. It is our feeling that this is for the betterment of Lake County to make this a county where people can work, live, shop and be proud.

Commissioner Sines: I have lived in Lake County all of my life. My family has been in business for 50 years with ups and downs, tough times, and good times. This is probably the most difficult time to be in business that I have seen. Lake County is a great place to do business, a great place to raise a family, a great place to live. We need to pass this tax, I am a Republican raising taxes. First of all, I am a citizen of this county and I am a family man. I look at what this means to my family, to my business, and to every resident. It's been a tough, tough decision. We need to continue to be proud, continue to operate and offer the services that we have come accustomed to, and we are asking the

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community to join us in continuing a county that we are all proud of. I support this combination of a tax increase and tax reductions, and feel it is right for this county.

Commissioner Aufuldish: In this environment we are doing what the folks in Columbus won't do, what the folks in Washington won't do and that is to have the political courage in an election year to do what we feel is right to serve the citizens and the folks that have elected us.

Commissioner Troy: Lake County's county government has 18 separate independently elected officials. That in itself would put fears in anybody trying to reach a consensus. Eleven are the executive branch and seven are the judicial branch. A bipartisan group that leans a little bit towards the Republican side. Together, we have squeezed through this budget for years and it's gotten to the point where we have office holders telling Commissioners that I just can't perform my statutory mandated functions unless there is additional revenue. When this is passed, we will not have the highest sales tax rate in the State of Ohio. In fact, we will be in the lower third of sales tax rates in the State of Ohio. And, we will absolutely have the lowest unvoted general fund property millage rate of any of the 88 counties in the State of Ohio at 1.0 mills. We have had two budget hearings this week and we told the office holders that this action is to stop any additional bleeding that would have to take place if we don't take these steps.

We are not going to restock government or people. This will allow us some stability so that the courts, administration offices, and law enforcement can proceed doing their job that they are supposed to be doing on behalf of the citizens in this county.

On a motion of Commissioner Troy, seconded by Commissioner Aufuldish, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Sines and Troy
"NAYS": None

5. RESOLUTION OF INTENT TO REDUCE THE RATE OF PROPERTY TAX CURRENTLY LEVIED FOR CURRENT EXPENSES WITHIN THE TEN-MILL LIMITATION BY THE BOARD OF COUNTY COMMISSIONERS, LAKE COUNTY, OHIO, PURSUANT TO OHIO REVISED CODE SECTION 5705.313 (20120124\C02) (C-41)

Commissioner Aufuldish: This intent will take place in early July of this year.

On a motion of Commissioner Aufuldish, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Sines and Troy
"NAYS": None

6. RESOLUTION OF INTENT TO REDUCE THE LAKE COUNTY STORMWATER MANAGEMENT DISTRICT FEES FOR PARTICIPATING COMMUNITIES BY 50% OF THE CURRENT COLLECTIONS EFFECTIVE IN YEAR 2013 (20120124\C03) (UT-46)

Commissioner Troy: Communities that are part of our Stormwater Management District choose to participate at either a level 1 or level 2. This resolution indicates the intent that in the fall the Commissioners will ask the Auditor to certify those rates for 2013 at half the rate, which level 2 communities will be \$7.50 per half and a total of \$15 for the year. We feel this will still allow the Stormwater Management Agency to address needed projects out there as the carryover balance has become significant.

Commissioner Aufuldish: For those of you that are not in the Stormwater Program this might be a good chance to jump in. Commissioner Sines: Schools, churches, community centers, and local governments you name it, are all paying stormwater fees and I am sure they are happy those fees are going to be reduced.

On a motion of Commissioner Troy, seconded by Commissioner Aufuldish, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Sines and Troy
"NAYS": None

7. RESOLUTION APPOINTING FRANK SAROSY TO THE LAKE COUNTY ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD TO COMPLETE AN UNEXPIRED TERM, ENDING JUNE 30, 2015 (20120124\C04) (B-50)

On a motion of Commissioner Aufuldish, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Sines and Troy
"NAYS": None

8. RESOLUTION AUTHORIZING THE BOARD OF LAKE COUNTY COMMISSIONERS TO

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ENTER INTO A COOPERATION AGREEMENT WITH THE LAKE COUNTY METROPOLITAN HOUSING AUTHORITY FOR PAYMENT IN LIEU OF TAXES ACCORDING TO LAW (20120124\C05) (C-54)

On a motion of Commissioner Troy, seconded by Commissioner Aufuldish, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Sines and Troy
"NAYS": None

9. RESOLUTION INCREASING APPROPRIATIONS FOR VARIOUS GENERAL AND NON GENERAL FUND ACCOUNTS (20120124\BC01) (C-111)

On a motion of Commissioner Aufuldish, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Sines and Troy
"NAYS": None

10. RESOLUTION TRANSFERRING CASH AND APPROPRIATIONS WITHIN VARIOUS GENERAL AND NON GENERAL FUND ACCOUNTS (20120124\BC02) (C-111)

On a motion of Commissioner Troy, seconded by Commissioner Aufuldish, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Sines and Troy
"NAYS": None

11. RESOLUTION CONGRATULATING COREY ROBERT SMITH ON ATTAINING THE PRESTIGIOUS RANK OF EAGLE SCOUT AWARDED BY THE NATIONAL BOY SCOUTS OF AMERICA (20120124\F01) ©-126)

On a motion of Commissioner Aufuldish, seconded by Commissioner Troy, the foregoing resolution was adopted with the vote as follows: "AYES": Commissioners: Aufuldish, Sines and Troy
"NAYS": None

UTILITIES: Al Saari, Sanitary Engineer reported that there were four bidders for the recent Solid Waste Facility Management Operation Contract bid opening. The low bidder was the current contractor Winters & Lewis Excavating at \$1,636,404 for the year.

- Commissioner Aufuldish asked what was last years cost. Mr. Saari will provide that at the Thursday meeting.

- Commissioner Troy inquired if the Blase Nemeth Road sewer service issue is being addressed? Mr. Yurkovich of the Utilities said it was being addressed.

STORMWATER: None

JOB AND FAMILY SERVICES: None

ADMINISTRATIVE SERVICES: None

FINANCE: None

CLERK: None

LEGAL: None

OLD BUSINESS: There was no old business.

NEW BUSINESS: Commissioner Troy and Mike Matas, Deputy Auditor briefly discussed that CCAO is catching some heat from the Treasurer's Association regarding HB 225, which provided additional flexible investment authority for county funds.

Commissioner Troy: The CCAO Board of Directors met on Friday and there was discussion regarding the Caremark prescription plan where counties can benefit from the prescriptions towards their general fund and on the same hand that would increase the cost of prescriptions. CCAO is taking a non-committal position at this time. There was also a presentation from the Ohio Department of Development regarding the Local Government Innovation Fund and I believe there will be a presentation next month at the Mayors & Managers Meeting.

PUBLIC COMMENT: John Muzik, Painesville Township: I liked some of the comments that were made about public servant versus politicians. I was glad to hear the comment that we do need public

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servants, this goes all the way to Washington D.C. I feel that at times our elected officials tend to forget who they work for! And, I applaud you! Do I like getting my taxes raised, especially since I am retired, on a fixed income, and my investments aren't doing anything? No, I don't! Like you said, we do what we have to do! These are the hard decisions that you three have to make! I commend you for being public servants! I am tired of hearing about politicians!

- Commissioner Sines explained resolution 8 when Mr. Muzik asked for more detail.

Commissioner Troy: There will be another Commissioners' Meeting on Thursday at 10 am.

EXECUTIVE SESSION: On a motion of Commissioner Troy, seconded by Commissioner Aufuldish, the Board convened an Executive Session at 3:20 pm to discuss a litigation matter, with the vote as follows:

"AYES": Commissioners: Aufuldish, Sines and Troy "NAYS": None

The Lake County Board of Commissioners recessed Executive Session at 3:20 pm.

The Lake County Board of Commissioners reconvened Executive Session at 3:30 pm

On a motion of Commissioner Aufuldish, seconded by Commissioner "Troy, the Board terminated the Executive Session at 3:58 pm, with the vote as follows:

"AYES": Commissioners: Aufuldish, Sines and Troy "NAYS": None

ADJOURN: On a motion of Commissioner Aufuldish, seconded by Commissioner Troy, the Board adjourned the meeting at 3:59 pm, with the vote as follows:

"AYES": Commissioners: Aufuldish, Sines and Troy "NAYS": None

Minutes approved this 2nd day of February, 2012.

BOARD OF LAKE COUNTY COMMISSIONERS

RAYMONDE. SINES, PRESIDENT

DANIEL P. TROY, COMMISSIONER

ROBERT E. AUFULDISH, COMMISSIONER

AMY ELSZASZ, CLERK