

Press Release
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***Recorder Proposes To Cut Excessive Copy Fees -
Unparalleled Anywhere In The State Of Ohio***

Lake County Recorder Frank Suponcic Proposal To Save
Area Title Companies \$70,000 Net In Annual Copy Costs;
Will Also Begin Charging Rent

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Ever since taking office two years ago, there were three objectives the first term Recorder focused on. First he wanted to improve office efficiency and evaluate departmental expenditures. Secondly, he wanted to reduce fees charged. Thirdly, he wanted to address the figurehead position of Recorder itself. Office efficiency has been addressed and unnecessary outsourced services have been eliminated. Eliminating the Recorder position itself would require changing the entire form of government in Lake County something too radical for Suponcic to even consider. Instead, Suponcic is focusing his efforts towards addressing a long time sore point with him and that is the high fees charged by his office – fees that are mandated by the Ohio Revised Code.

In early 2000, Ohio Recorders were questioned on their opinions on asking the Ohio Legislature to increase fees. Suponcic couldn't believe what he was reading. As a result, Suponcic fired off a letter to the Ohio Recorders Association adamantly opposing any requests to increase any Recorder fees. For whatever reason, no bill was ever introduced to raise Recorder fees.

Earlier in 2001, Suponic has requested State Representative Ron Young to introduce a bill that would allow individual recorders (and not Ohio legislators) to establish maximum fees charged. Such a novel idea would permit Suponic to lower his fees in Lake County without any of the other 87 Ohio counties being financially affected. While Suponic has had a handful of conversations with Young on the legislation, the bill has not been introduced by Representative Young as he awaits overall economic conditions to improve.

The Ohio Recorders Association is already on record as opposing any legislation that would allow any individual Recorder the right to lower their fees. According to Suponic, they are doing their job to protect the golden revenue stream generated.

Some Ohio Recorders view their office as “revenue generators” or “cash cows” and do not share Suponic’s view that the governmental office should make a slim or modest profit –after all it’s government. One long time Ohio Recorder went so far as to express her opinion by stating, “No Ohio Recorder has ever said that fees are too high.” Suponic’s direct response to her, “Let me say I’m going to be the first! The fees are way too high and I want to cut them!”

Never being deterred, Suponic has taken the matter into his own hands. This week Suponic presented a lengthy proposal to the Painesville Title Association that would allow them to install their own printers in their own room at their cost which would save them approximately \$90,000 per year and for use of that room Suponic would charge them \$24,000 per year in rent. During the last two years, monthly copy revenue from title companies has averaged \$10,000 per month for the years of 2001 and 2002.

The Painesville Title Association (PTA) is the primary user of the records in the Recorder's office. Most title examiners have an account with the Recorder's office wherein they are billed on a monthly basis for the number of copies they have printed. In August of 2002 Suponic became aware that the PTA had been paying .75 per page for copies of documents printed from the Recorder's computer system and ultimately off of the County's printers. The \$.75 was less than the \$1 charged to walk in customers. "Everyone that transacts business with this office should be treated equally. There is no justification for charging different parties different prices for exactly the same service," stated Suponic.

At Suponic's request the issue was reviewed by the Lake County Prosecutor's office that advised him that the Ohio Revised Code (ORC) 317.32 requires that all copies printed off of County Recorder equipment requires a fee to be charged of \$1 per page.

"\$1 per page copy fee is nothing but government taking advantage of individuals. Other county government offices do not charge the \$1 that I have to charge. Usually title examiners print off the copies of documents themselves not even using any County labor. We are charging these individuals \$1 for a sheet of paper and use of the printer and that is just not fair", emphatically adds Suponic.

Suponic's predecessor of fourteen years, Democrat Geoff Kent had been charging everyone (general public and the PTA) 25% **less** than the amount required by the ORC. Feeling among some is that he also thought it was excessive to change a \$1 per page and therefore never charged the proper amount. Such a practice has been deemed illegal. Effective October 1, 2002 the Lake County Recorder's office will begin charging everyone the ORC required \$1 per page for copies of all documents produced off of County printers.

The 25% increase in copy costs would likely result in the PTA members having to pay an additional \$30,000 on an annual basis for the increased copy costs. “As a result of the under charging being discovered, you can’t tell me that it is fair that the County realize an additional financial windfall,” added Suponic.

Suponic’s rage against his revenue generating office is spelled out in the numbers. The office has long been a cash cow but in the last few years, as a result of the low interest rates and increase in filing activity, the revenue realized has increased by over \$600,000 as compared to historical annual averages. Despite the vast increase in revenue, office costs have remained virtually the same (or less), thus creating a sizeable “profit” in the eyes of Suponic who also is employed as a certified public accountant and forensic investigator. According to Suponic a transaction based, service oriented, governmental office (such as a Recorder’s office) should not be profiting at an unheard of 50-60% rate.

Suponic proposal calls for the title companies, or members of the Painesville Title Association, who occupy the room across from the record room, solely at their own equipment (printer) cost, installation cost by the Lake County Telecommunications Dept, and maintenance costs to install printers in the Title Association room that would enable them to cease paying the \$1 per page for documents they print off of the Recorder’s system since the documents will now be printed off of their equipment using their paper.

Those using the public terminals would have to select what printer to use while the existing terminals in the PTA room would continue to be connected to the printer already there. Title examiners would be required to select the PTA printers to direct the copies to print in the PTA room.

It is estimated that the Recorder’s office will continue to receive monthly copy revenue of between \$1,500 and \$2,000 per month that is not affected by this proposal.

The PTA would have to supply the paper, toner cartridges and would be responsible for any and all maintenance on these printers as well as their ultimate replacement cost. Should the PTA printers fail, and the County printers must be utilized, then the PTA would be charged \$1 per page.

Suponic's proposal to cut copy fees is being tied to charging the PTA for the use of a room utilized in the basement of the County Administration Building. Most title companies have desks, telephones and individual fax lines. "That space is treated as a necessary field office to most examiners. We are happy to accommodate them and provide them a work area so that the record room is more like a well maintained and quiet library," according to Suponic.

The PTA has been receiving, at no charge, office space across the hallway from the record room. As a part of this proposal, the PTA would be required according to an undrafted two year lease to pay Lake County \$2,000 per month or \$24,000 annually for the rent of that space.

Based on historical copy information available, included is a schedule of copy revenue with the future rent amount that has been prorated based on the historical copies generated. By using such a factor, all members of the PTA would share equally in the savings that are being passed along by Suponic. One of the computer system upgrades will enable the Recorder to monitor, by Title Company, individual printer locations utilized so that future "rent" allocations can be based on actual usage.

Attached Historical Copy Revenue Schedule Reflecting An Equitable Savings To All

Attached please find a schedule reflecting all of the title companies billed by the Recorder and the actual copy revenue generated from the public printers. This schedule **does not** reflect the copy costs that have been - and in the future will still be - incurred for Recorder office staff producing a copy of a document.

There is a column calculating the future annual revenue average, which is arrived at by multiplying the historical past 3 years of copy costs by 125% to reflect the amount that title companies would be paying as a result of the copy fee being increased from .75 per copy up to \$1.

In Suponic's recommendation to the PTA, the proposed rent and what he calls "initial start up costs" are prorated based on the prior three year copy averages. His intent in such a recommendation is that all title companies share equitably based on their historical use. Suponic's schedule is only a recommendation. The PTA can allocate annual rent and the related up front costs in any manner the organization so chooses.

The estimated "start up costs" are not 100% accurate projected costs, as these would have to be formally secured by the PTA. These costs are reflected strictly for illustration purposes. Assumed are purchasing two printers for \$2,000 each, Telecommunication wiring of \$1,000, and Fidlar software conversion costs of \$3,600 for a total of \$8,600 of initial capital costs. The Fidlar software cost according to Suponic is a firm number.

Collectively, the projected net annual savings to the PTA would approximate \$60,000 - \$70,000.

"Charging \$1 per page to anyone seems grossly excessive. I think that this proposal corrects two inequities that currently exist. First, the PTA members will not have to pay \$1 per page for future copies *they make* while at the same time the PTA will be charged rent for office space which was the intent originally at the time the basement area was renovated and the room created."

Suponic delivered his proposal to the PTA this past week and is awaiting their response. As a result of the work yet to be done on finalizing such a proposal, including changes to our computer system, he is shooting for a December 31, 2002 completion date if the offer to reduce the copy fees and collect the rent is accepted.

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