



AGENDA
CUYAHOGA COUNTY FINANCE & BUDGETING COMMITTEE MEETING
MONDAY, MAY 15, 2023
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4TH FLOOR
1:00 PM

Committee Members:

Dale Miller, Chair – District 2
Scott Tuma, Vice Chair – District 4
Pernel Jones, Jr. – District 8
Michael J. Gallagher – District 5
Jack Schron, Jr. – District 6
Patrick Kelly – District 1
Meredith M. Turner – District 9

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT**
- 4. APPROVAL OF MINUTES FROM THE APRIL 17, 2023 MEETING**
- 5. MATTERS REFERRED TO COMMITTEE**
 - a) R2023-0116: A Resolution adopting the Annual Alternative Tax Budget for the year 2024, and declaring the necessity that this Resolution become immediately effective.
- 6. DISCUSSION**
 - a) 1st Quarter Budget Update
 - b) Improving equity in County budgeting process
- 7. MISCELLANEOUS BUSINESS**
- 8. ADJOURNMENT**

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***Council Chambers is equipped with a hearing assistance system. If needed, please see the Clerk to obtain a receiver.*



MINUTES

CUYAHOGA COUNTY FINANCE & BUDGETING COMMITTEE MEETING

MONDAY, APRIL 17, 2023

CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS

C. ELLEN CONNALLY COUNCIL CHAMBERS – 4TH FLOOR

1:00 PM

1. CALL TO ORDER

Chairman Miller called the meeting to order 1:08 p.m.

2. ROLL CALL

Mr. Miller asked Deputy Clerk Carter to call the roll. Committee members Miller, Tuma, Kelly and Turner were in attendance and a quorum was determined. Committee members Jones, Gallagher and Schron were absent from the meeting. Councilmember Sweeney was also in attendance.

3. PUBLIC COMMENT

There were no public comments given.

4. APPROVAL OF MINUTES FROM THE MARCH 6, 2023 MEETING

A motion was made by Ms. Turner, seconded by Mr. Tuma and approved by unanimous vote to approve the minutes from the March 6, 2023 meeting.

5. MATTERS REFERRED TO COMMITTEE

- a) None

There were no matters referred to Committee.

6. DISCUSSION

- a) Update on Enterprise Resource Planning (ERP) Project

Mr. Andrew Johnson, Chief Information Officer; and Mr. Robert Noll, Deputy Chief Information Officer of Applications, provided the Committee with an overview of the modules and implementation relating to the ERP project. Discussion ensued.

Committee members and Councilmembers asked questions of Messrs. Johnson and Nolls pertaining to the items, which they answered accordingly.

7. MISCELLANEOUS BUSINESS

Mr. Miller announced that the next Finance & Budgeting Committee will be held on Monday, May 15, 2023.

8. ADJOURNMENT

With no further business to discuss and on a motion by Ms. Turner with a second by Mr. Tuma, the meeting was adjourned at 2:34 p.m., without objection.

County Council of Cuyahoga County, Ohio

Resolution No. R2023-0116

Sponsored by: County Executive Ronayne/Fiscal Officer/Office of Budget and Management	A Resolution adopting the Annual Alternative Tax Budget for the year 2024, and declaring the necessity that this Resolution become immediately effective.
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WHEREAS, O.R.C. 5705.28(A)(2) requires that Council, as the taxing authority of Cuyahoga County, adopt a tax budget for the next succeeding fiscal year on or before the fifteenth day of July; and,

WHEREAS, O.R.C. 5705.281 permits the county budget commission to waive the tax budget requirement, but shall require the taxing authority to provide such information to the commission as may be required by the commission to perform its duties under this chapter; and,

WHEREAS, the purpose of the Tax Budget is to demonstrate the need for property taxes levied by the County and to establish the next succeeding fiscal year's revenue estimates; and,

WHEREAS, the Tax Budget establishes tax rates and provides the basis for the Official Certificate of Estimated Resources, the legal document that establishes the legal limitations within which the County must abide when setting appropriations; and,

WHEREAS, the Office of Budget and Management has submitted and recommended approval of the Annual Alternative Tax Budget; and,

WHEREAS, the County Operating Tax Budget for 2023 is \$2,005,788,513; and,

WHEREAS, after due consideration of the Alternative Tax Budget, it is deemed advisable by the Council of Cuyahoga County to adopt said County Alternative Tax Budget for the year 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. The year 2024 Annual Alternative Tax Budget for the County of Cuyahoga as prepared in accordance with O.R.C. 5705.28, O.R.C. 5705.281, and the requirement of the Cuyahoga County Budget Commission, is hereby approved.

SECTION 2. It is found and determined that all formal actions of this Council relating to the adoption of this Resolution were adopted in an open meeting of the Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 3. It is necessary that this Resolution become immediately effective in order that critical services provided by Cuyahoga County can continue, and to continue the usual and daily operation of the County. Provided that this Resolution receives the affirmative vote of eight members of Council, this Resolution shall become immediately effective upon the signature of the County Executive.

On a motion by _____, seconded by _____, the foregoing Resolution was duly adopted.

Yeas:

Nays:

County Council President Date

County Executive Date

Clerk of Council Date

First Reading/Referred to Committee: April 25, 2023

Committee(s) Assigned: Finance & Budgeting

Journal _____
_____, 2023



To: County Council
From: Walter Parfejewiec, Office of Budget and Management
Date: April 17, 2023
RE: 2024 Alternative Tax Budget

Pursuant to **Ohio Revised Code §5705.28(A)(2)** and **Ohio Revised Code 5705.281**, the County is required to adopt the annual Alternative Tax Budget by July 15th. The intent of the Alternative Tax Budget is to estimate revenue generated by property tax levies for the coming year and to demonstrate, by way of the estimates, the need to continue to levy the taxes.

A total of 14.85 mills will be levied by the County in voted and unvoted millage in 2024 totaling \$438.8 million. The revenue generated by this millage supports general operations, debt service, health and human services, and programs and services for the developmentally disabled.

This proposed 2024 Alternative Tax Budget reflects an allocation of the 1.45 inside millage: 1.10 mills to the General Fund and 0.35 mills to the General Obligation Bond Retirement Fund. This is no change from the prior year.

Attached please find the following:

- Resolution R2023-xxxx, adopting the 2024 Alternative Tax Budget
- The 2024 Alternative Tax Budget, Schedules I-V

Please contact Mike Chambers or I with any questions. Thank you for your consideration.

ALTERNATIVE TAX BUDGET INFORMATION

Political Subdivision/Taxing Unit: Cuyahoga County

For the Fiscal Year Commencing January 1, 2024

Fiscal Officer Signature Mahe Chud CPA Date 4-18-2023

COUNTY OF CUYAHOGA

Background

Substitute House Bill No. 129 (HB129) effective June 3, 2002, was enacted by the 124th General Assembly in part to allow a county budget commission to waive the requirement that a taxing authority adopt a tax budget for a political subdivision or other taxing unit, pursuant to Ohio Revised Code (ORC) Section 5705.281.

Ohio Revised Code Section 5705.281

Under the amended version of this section pursuant to HB 129, a county budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote by the county auditor, may waive the tax budget for any subdivision or other taxing unit. However, the commission may require the taxing authority to provide any information needed by the commission to perform its duties, including the division of the tax rates as provided under ORC Section 5705.04.

County Budget Commission Duties

The county budget commission must still certify tax rates to each subdivision or other taxing unit, by March 1 for school districts and by September 1 for all other taxing authorities under ORC Section 5705.35, even when a tax budget is waived. Also, the commission is still required to issue an official certificate of estimated resources under ORC Section 5705.35 and amended official certificates of estimated resources under ORC Section 5705.36.

Therefore, when a budget commission is setting tax rates based on a taxing unit's need, for purposes of ORC Sections 5705.32, 5705.34, and 5705.341, its determination must be based on that other information the commission asked the taxing authority to provide under ORC Section 5705.281, when the tax budget was waived. Also, an official certificate must be based on that other information the commission asked the taxing authority to provide.

County Budget Commission Action

On October 11, 2002, during the Cuyahoga County Budget Commission meeting, the commission with an affirmative vote of all members waived the requirement for taxing authorities of subdivisions or other taxing units (Including Schools) to adopt a tax budget as provided under ORC Section 5705.281, but shall require the filing of this Alternative Tax Budget Information document on an annual basis.

Alternative Tax Budget Information Filing Deadline

For all political subdivisions excluding school districts, the fiscal officer must file one copy of this document with the County Fiscal Officer on or before July 20th. For school districts the fiscal officer must file one copy of this document with the County Fiscal Officer on or before January 20th.

GUIDELINES FOR COMPLETING THE ALTERNATIVE TAX BUDGET INFORMATION

SCHEDULE 1

The general purpose of schedule 1 is to meet the requirement of Ohio Revised Code (ORC) Section 5705.04 which requires the taxing authority of each subdivision to divide the taxes levied into separate levies. For help use the schedule B issued by the budget commission for the current year and add any new levies. This will help to ensure that no levies are missed.

In column 1 list only those individual funds which are requesting general property tax revenue. In column 2 purpose refers to the following terms, inside, current expenses, and special levy for example. In column 4 levy type refers to renewal, additional, and replacement for example. In column 9 identify the amount of general property tax you wish to request.

NOTE:

The general purpose of column 9 is to demonstrate the need to produce property tax revenues to cover the estimated expenditures for the budget year. ORC Section 5705.341 states in part;

"Nothing in this section or any section of the ORC shall permit or require the levying of any rate of taxation, whether within the 10 mill limitation or whether the levy has been approved by the electors, the political subdivision or the charter of a municipal corporation in excess of such 10 mill limitation, unless such rate of taxation for the ensuing fiscal year is clearly required by a budget properly and lawfully, adopted under this chapter or by other information required per ORC 5705.281."

Property tax revenue includes real estate taxes, personal property taxes, homestead and rollback, and the personal property 10,000 exempt monies.

SCHEDULE 2

The general purpose of schedule 2 is to produce an Official Certificate of Estimated Resources for all funds.

In column 3, total estimated receipts should include all revenues plus transfers in excluding property taxes and local government revenue. All taxing authority must submit a list of all tax transfers.

SCHEDULE 3

The general purpose of schedule 3 is to provide inside/charter millage for debt service. The basic security for payment of general obligation debt is the requirement of the levy of ad valorem property taxes within the 10 mill limitation imposed by Ohio law. Ohio law requires a levy and collection of ad valorem property tax to pay debt service on general obligation debt as it becomes due, unless that debt service is paid from other sources.

SCHEDULE 4

The general purpose of schedule 4 is to provide for the proper amount of millage to cover debt service requirements on voted bond issues. Major capital improvement projects are sometimes financed through the use of voted bonds. The taxing authority seeks voter approval of general obligation bonds and of the levy of property taxes outside the indirect debt limitation in whatever amount is necessary to pay debt service on those bonds.

SCHEDULE 5

The general purpose of schedule 5 is to properly account for tax anticipation notes. See schedule 5 for more details.

(Levies Inside & Outside 10 Mill Limitation, Inclusive Of Debt Levies)
(List All Levies Of The Taxing Authority)

SCHEDULE 1

I	II	III	IV	V	VI	VII	VIII	IX
Fund	Purpose	Authorized By Voters On MM/DD/YY	Levy Type	Number Of Years Levy To Run	Tax Year Begins/Ends	Collection Year Begins/Ends	Maximum Rate Authorized (Mills)	\$ AMOUNT Requested Of Budget Commission
Board of Developmental Disabilities (Zone 2210)	To support the provision of services to individuals and families affected by developmental disabilities	11/8/2005	Replacement	Continuous	2005/2006	Continuous	3.9	\$109,523,753
HHS Levy Fund (Zone 2255)	To support the provision of health and human services	3/3/2016	Renewal	Eight	2016/2023	2017/2024	4.8	\$134,853,518
HHS Levy Fund (Zone 2255)	To support the provision of health and human services	4/28/2020	Replacement	Eight	2020/2027	2021/2028	4.7	\$144,000,124
General Fund (Zone 1100)	To support general government operations	Inside Millage					1.10	\$38,286,120
GO Bond Retirement Fund (Zone 3500)	To support annual debt service on the three outstanding GO issues	Inside Millage					0.35	\$12,181,947
Totals							14.85 mills	\$438,845,463

STATEMENT OF FUND ACTIVITY

(List All Funds Individually)

SCHEDULE 2

Fund BY Type	Fund Name	II Beginning Estimated Unencumbered Fund Balance	III Property Taxes and Local Government Revenue	IV Other Sources Receipts	V Total Resources Available for Expenditures	VI Total Estimated Expenditures & Encumbrances	VII Ending Estimated Unencumbered Balance
1100	General Fund	\$ 162,652,084	\$ 38,286,120	\$ 501,099,379	\$ 702,037,583	\$ 566,600,293	\$ 135,437,290
2200	ADAMHS	\$ 24,982,900	-	\$ 65,673,436	\$ 90,656,336	\$ 83,661,945	\$ 6,994,391
2205	ADAMHS Grants	\$ 194,293	-	-	\$ 194,293	-	\$ 194,293
2210	Board Of Develop. Disabilities	\$ 239,108,541	\$ 109,523,753	\$ 86,293,900	\$ 434,926,194	\$ 151,720,899	\$ 283,205,295
2215	Children Services	-	-	\$ 89,521,742	\$ 89,521,742	\$ 89,521,742	-
2220	Community Development	\$ 1,629,933	-	\$ 8,361,873	\$ 9,991,806	\$ 9,991,806	\$ (0)
2225	Convention Center	\$ 11,069	-	\$ 466,599	\$ 477,668	\$ 459,979	\$ 17,689
2230	Convention Center Hotel	-	-	-	-	-	-
2235	County Land Reutilization	-	-	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	-
2240	Court	\$ 9,433,851	-	\$ 1,944,819	\$ 11,378,670	\$ 1,708,516	\$ 9,670,154
2245	Cuavahoa Support Enforcement	\$ 3,703,637	-	\$ 41,365,767	\$ 45,069,404	\$ 42,465,768	\$ 2,603,636
2250	Delinquent Real Estate Assess.	\$ 6,179,100	-	\$ 3,626,640	\$ 9,805,740	\$ 4,142,576	\$ 5,663,164
2251	Delinquent Real Estate Assess.	\$ 11,125,521	-	\$ 4,193,889	\$ 15,319,410	\$ 2,237,568	\$ 13,081,842
2255	HHS Levy 4.8 mills	\$ 19,516,850	\$ 134,853,518	\$ 884,397	\$ 155,254,765	\$ 126,573,649	\$ 28,680,916
2256	MetroHealth Subsidy	-	-	\$ 8,118,000	\$ 8,118,000	\$ 8,118,000	-
2257	HHS Levy 4.7 mills	\$ 25,178,923	\$ 144,000,124	\$ 909,589	\$ 170,088,636	\$ 135,636,344	\$ 34,452,292
2260	Human Services	-	-	\$ 278,995,288	\$ 278,995,288	\$ 278,995,288	-
2265	Litter Prevention & Recycling	-	-	-	-	-	-
2270	Motor Vehicle Gas Tax	\$ 22,400,519	-	\$ 55,472,019	\$ 77,872,538	\$ 44,033,736	\$ 33,838,802
2275	Other Community Development	-	-	\$ 834,129	\$ 834,129	\$ 834,129	\$ 0
2280	Other Health And Safety	\$ 10,667,829	-	\$ 31,137,908	\$ 41,805,737	\$ 32,254,677	\$ 9,551,060
2285	Other Judicial	\$ 14,034,866	-	\$ 11,186,759	\$ 25,221,625	\$ 12,925,699	\$ 12,295,926
2290	Other Legislative And Exec.	\$ 10,468,338	-	\$ 460,276	\$ 10,928,614	\$ 1,392,425	\$ 9,536,189
2295	Other Public Works	\$ 939,328	-	-	\$ 939,328	-	\$ 939,328
2300	Other Social Services	\$ 11,127,126	-	\$ 239,748	\$ 11,366,874	\$ 249,000	\$ 11,117,874
2305	Real Estate Assessment	\$ 31,381,145	-	\$ 16,241,659	\$ 47,622,804	\$ 17,823,455	\$ 29,799,349
2310	Solid Waste	\$ 1,932,239	-	\$ 1,336,500	\$ 3,268,739	\$ 2,209,655	\$ 1,059,084
2315	Sports Facilities Enhancement	\$ 3,974,975	-	\$ 23,000,000	\$ 26,974,975	\$ 23,000,000	\$ 3,974,975
2320	Treat All For Safer Comm	\$ 3,923,549	-	\$ 1,284,720	\$ 5,208,269	\$ 1,270,430	\$ 3,937,839
2325	Victim Assistance	-	-	\$ 2,408,197	\$ 2,408,197	\$ 2,408,197	-
2330	Youth Services	\$ 8,159,183	-	-	\$ 8,159,183	-	\$ 8,159,183
2335	Lodging Tax Fund	\$ 2,704,858	-	\$ 27,000,000	\$ 29,704,858	\$ 27,000,000	\$ 2,704,858
2345	Opioid Mitigation Fund	\$ 81,544,421	-	-	\$ 81,544,421	-	\$ 81,544,421
2350	COVID-19 CARES Act Fund	\$ 30,856,199	-	-	\$ 30,856,199	-	\$ 30,856,199
2360	27th Pay Reserve	\$ 7,010,874	-	-	\$ 7,010,874	-	\$ 7,010,874
2365	Workforce Development	\$ 647,199	-	-	\$ 647,199	-	\$ 647,199
3500	Debt Service	\$ 3,011,689	\$ 12,181,947	\$ 81,075,006	\$ 96,268,642	\$ 96,268,642	\$ 0
4600	Capital Projects	\$ 10,320,951	-	-	\$ 10,320,951	-	\$ 10,320,951
4605	Road Capital Projects	-	-	-	-	-	-
4610	Convention Center Hotel Const.	-	-	-	-	-	-
5700	County Airport	\$ 20,135	-	-	\$ 20,135	-	\$ 20,135
5705	County Parking Garage	\$ 52,373	-	\$ 1,459,631	\$ 1,512,004	\$ 1,512,304	\$ 0
5710	CC Information Systems	\$ 6,857,245	-	\$ 3,770,559	\$ 10,627,804	\$ 4,246,372	\$ 6,381,432
5715	Sanitary Engineer	\$ 2,193,754	-	\$ 984,718	\$ 3,178,472	\$ 986,724	\$ 2,191,748
5720	Public Utility-Micro	\$ 27,283,366	-	\$ 25,922,251	\$ 53,205,617	\$ 34,099,449	\$ 19,106,168
6745	Sheriff Central Security	\$ 87,499	-	\$ 175,000	\$ 262,499	\$ 175,000	\$ 87,499
6750	Central Custodial Services	-	-	-	-	-	-
6755	Maintenance Garage	\$ 3,208,876	-	\$ 57,252,103	\$ 57,252,103	\$ 57,252,103	\$ -
6765	Health Insurance	\$ 22,129,748	-	\$ 2,631,517	\$ 5,840,393	\$ 1,154,796	\$ 4,685,597
6770	Workers' Compensation	\$ 6,271,990	-	\$ 130,184,128	\$ 152,313,876	\$ 124,611,487	\$ 27,702,389
6775	Postage	\$ 1,324,654	-	\$ 7,395,939	\$ 13,667,929	\$ 7,395,939	\$ 6,271,990
6780	Printing	\$ 1,670,628	-	\$ 2,080,310	\$ 3,404,964	\$ 1,520,048	\$ 1,884,916
		\$ 1,670,628	-	\$ 3,637,600	\$ 5,606,228	\$ 2,329,473	\$ 3,276,755
TOTAL	ALL FUNDS	\$ 829,922,257	\$ 438,845,463	\$ 1,565,926,294	\$ 2,854,694,014	\$ 2,005,786,513	\$ 848,905,501

UNVOTED GENERAL OBLIGATION DEBT

(Include General Obligation Debt To Be Paid From Inside/Charter Millage Only)
 (Do Not Include General Obligation Debt Being Paid By Other Sources)
 (Do Not Include Special Obligation Bonds & Revenue Bonds)

SCHEDULE 3

I Purpose Of Bonds Or Notes	II Date Of Issue	III Final Maturity Date	IV Principal Amount Outstanding At The Beginning Of The Calendar Year	V Amount Required To Meet Calendar Year Principal & Interest Payments	VI Amount Receivable From Other Sources To Meet Debt Payments
Series 2009B General Obligation Bonds	12/22/2009	12/1/2034	\$85,380,000	\$5,178,509	\$1,906,521
Series 2019A General Obligation Bonds	9/12/2019	12/1/2027	\$38,035,000	\$1,753,600	\$1,753,600
Series 2019B General Obligation Bonds	9/12/2019	12/1/2035	\$19,025,000	\$5,044,060	\$5,044,060
Series 2020A General Obligation Bonds	11/3/2020	12/1/2037	\$39,205,000	\$6,709,600	\$221,999
Series 2020B General Obligation Bonds	11/3/2020	12/1/2035	\$47,095,000	\$2,632,476	\$0
Total			\$228,740,000	\$21,318,245	\$8,926,180

VOTED DEBT OUTSIDE 10 MILL LIMIT

(Bonds Or Notes Must Actually Be Issued In Order To Commence Collection Of Property Taxes For Debt Service)

SCHEDULE 4

I	II	III	IV	V	VI	VII
Purpose Of Notes Or Bonds	Authorized By Voters On MM/DD/YY	Date Of Issue	Final Maturity Date	Principal Amount Outstanding At The Beginning Of The Calendar Year	Amount Required To Meet Calendar Year Principal & Interest Payments	Amount Receivable From Other Sources To Meet Debt Payments

TAX ANTICIPATION NOTES

(Schools Only)

SCHEDULE 5

Tax anticipation notes are issued in anticipation of the collection of the proceeds of a property tax levy. The amount of money required to cover debt service must be deposited into a bond retirement fund, from collections and distribution of the tax levy, in the amounts and at the times required to pay those debt charges as provided in the legislation authorizing the tax anticipation notes. (ORC Section 133.24)

The appropriation to the fund which normally receives the tax levy proceeds is limited to the balance available after deducting the amounts to be applied to debt service.

After the issuance of general obligation securities or of securities to which section 133.24 of the ORC applies, the taxing authority of the subdivision shall include in its annual tax budget, and levy a property tax in a sufficient amount, with any other monies available for the purpose, to pay the debt charges on the securities payable from property tax. (ORC Section 133.25)

	Name Of Tax Anticipation Note Issue	Name Of Tax Anticipation Note Issue
Amount Required To Meet Budget Year Principal & Interest Payments:		
Principal Due		
Principal Due Date		
Interest Due		
Interest Due Date		
Interest Due		
Interest Due Date		
Total		
Name Of The Special Debt Service Fund		

Amount Of Debt Service To Be Apportioned To The Following Settlements:		
February Real		
August Real		
June Tangible		
October Tangible		
Total		
Name Of Fund To Be Charged		