

BUDGET COMMISSION

September 14, 2026

The meeting was called to order at 11:13 am. by Chairperson Hare. Trustee Port was present. Fiscal Officer Mr. Brown and Board Administrator Mr. Dovsek were present. Trustee Heutmaker was absent.

Budget Commission Board: Auditor Chuck Walder and Treasurer Chris Hitchcock. Prosecutor Jim Flaiz was absent.

**Comprehensive Narrative Record of the Russell Township
2027 Budget Commission Review**

- The meeting reflected a long-standing strain between the Budget Commission and Russell Township's leadership.
- The Township's initial intention was to suppress or reduce tax collections by a total of \$801,000, \$386,745 from Road and Bridge, \$414,370 from Police.
- A key point of discussion was the definition of a "reasonable cash carryover". 30% is reasonable; some say it could be as high as 40%.
- Budget Commission adopted the higher 40%; however, the analysis revealed a significant discrepancy in available surplus far greater than the proposed \$801,000 suppression, calculations are more like 1.7 million.

Budget Reserve Funds Analysis: A Pattern of Underfunding

- Russell Township holds nine reserve funds.
- The Township's Budget submission presented reflects defunding seven of the nine reserve funds. And, for five of those funds, the proposed 2027 budget allocated "ZERO" money. For the other two funds, contributions were below the levels recommended by the Township's own reserve study.
- Over \$428,000 in excess was not being allocated to the underfunded reserves.

A Review of the Reserve Fund Accounts for the 2027 Budget

- Road Capital Reserve (Fund 4905/4908): permitted to deposit \$74,829 annually per reserve study; the actual amount deposited was zero.
- Police Vehicle Reserve (Fund 4909): permitted to deposit \$78,769 annually, the budget only included \$67,000.
- Fire Vehicle Reserve (Fund 4910): permitted to deposit \$306,756 while the budgeted amount was only \$225,000. It was noted the trustees had given the fire department \$475,000 from the General Fund, which could have fully funded their reserves with cash left over.
- Police Retirement Reserve (Fund 2907): the formula requires \$10,000 per person that has more than twenty years of tenure. The current contribution was "zero".
- Police Capital Building (Fund 4906): permitted to deposit annually \$70,382. The township put in \$125,500, overfunding it by \$55,000.
- Fire Building & Capital Reserve (Fund 4907): permitted to deposit annually \$198,413; the actual amount deposited was zero.
- General Fund Reserve (Fund 4904): the reserve study recommended a deposit of \$61,513; the township had deposited "zero". Trustee Hare admitted this gap was an oversight. He stated for the record that the Board of Trustees intended to return via supplemental appropriation to revisit the retirement funding for the following year.

Road Reserves / Building Maintenance

- The Budget Commission would like to see the Township fund the road reserves. Looking back into the first quarter 2025 meeting minutes of the township, the Fiscal Officer had recommended a road paving reserve study and the board of trustees decided against it. It was noted that the road and bridge capital fund shows "zero money" being set aside to maintain the road garage in 2027. The balance is over \$400,000 in the fund and adding more without spending could look like "hoarding money". The reserve study recommends an annual deposit of \$74,800. The road building has a leaking roof, and staff were "turning off their lights with breakers". Trustee Hare responded by saying the road department was actively soliciting quotes for repairs.

State Law Expanding the Budget Commission's Duty

- State law was recently expanded to allow the Budget Commission to "review, scrutinize, and test reserves". The key test: "Is the reserve being used for the purpose in which it is set aside? Are you being true to the reserve?" The Budget Commission argued the township was not "being true" to the road garage reserve, having averaged only \$2,000 a year in expenditures over five years.
- The Commission pointed out some other budget irregularities & omissions.

Current Financial Position / Taxpayer Relief and Commission Authority

- Approximately \$8-\$9 million is currently held in investments.
- Goal for each department/fund is approximately 30% ± 5% in carryover, reserves, and investment utilization.
- Giving the township a minimum 40% cash carryover, the calculation could suppress \$2.2 million dollars and still have \$1.4 million in reserves.
- Giving the township a minimum 30% cash carryover, relief could reach \$2.9 million. Even by the township's own numbers, they could have suppressed about \$1.7 million.
- The question pending, can the Budget Commission make the necessary adjustments? The Budget Commission is permitted to change revenues and expenditures up until October 1st.

Determination of Final Suppression Amount

- Treasurer Hitchcock proposed and moved a recommendation of a 40% calculation for a cash carryover balance with the assurance that the trustees will make their reserve payments as of January 1, 2027. The motion was seconded by Auditor Walder with the argument that a \$1.7 million suppression aligned with their 40% analysis, which was a strong, defensible position.
- Auditor Walder made a motion that the County Budget Commission suppress \$1.7 million dollars of tax collection, with two conditions; first, it should only apply to non-qualifying levies, and second, it was pending the township making a concerted, dedicated effort to understanding the principles of reserve studies.
- Final discussion led to Treasurer Hitchcock withdrawing his earlier motion and Auditor Walder offering an amendment for a suppression of \$1.7 million with the requirement that trustees fully fund reserves.

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Mr. Hare made the motion that the trustees commit to fully funding the reserve studies as laid out by the Miller-Dodson plan for the 2027 budget. Ms. Port seconded the motion, roll call vote; Mr. Hare Yes; Ms. Port Yes, and it passed.

With that commitment established, *Mr. Hare made the motion to accept the Budget Commission's recommendation of the suppression of levies totaling \$1,693,361. Ms. Port seconded the motion, roll call vote; Mr. Hare Yes; Ms. Port Yes, and it passed.*

The group discussed the need to identify the combination of levies that would be affected to meet the target.

Mr. Hare made the motion to amend his previous motion on levy suppression to a new rate of \$1,705,814, the new total specifically identifies three levies for suppression: the 2025 2.5 mill continuing Police levy, the 2013 1.1 mill continuing Road and Bridge levy and the 2013 1.5 mill continuing Police levy. Ms. Port seconded the motion as amended, roll call vote; Mr. Hare Yes; Ms. Port Yes, and it passed.

With the levy suppression and reserve commitments in place, Auditor Walder made a motion to approve the Amended Budget for Russell Township for 2027. The group affirmed.

Mr. Hare made the motion to adjourn. Ms. Port seconded the motion, and it passed.

The meeting was adjourned at 1:00 pm.

Christopher Hare, Chair

Jonathan A. Brown, Fiscal Officer

Recorded by: Warren Dovsek
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