

TOWN HALL

June 10, 2025

The meeting was called to order at 9:01 am by chairperson Port. Trustees Mueller and Hare were present. Board Administrator Melissa Palmer and Fiscal Officer Karen Walder were present.

The Pledge of Allegiance was said.

Mrs. Walder would like to ask all as we go into these workshops to think like a homeowner. Consider the homeowner when they get their tax bill. Need to focus on necessity and protect rollback at all costs. The township receives about half a million dollars each year in rollback.

Mrs. Walder suspects that discussions regarding levies will take place over the course of these workshops and recommends if a levy is proposed for a department that the Department Head attends the Budget Commission hearing in August.

Mrs. Walder reviewed the Where Do My Taxes Go chart for both West Geauga and Chagrin Falls School districts. For West Geauga residents, 29% is the portion of property taxes that come to Russell Township. Of that 29%, roughly 20% goes to General Fund, 21% for Fire Department, 32% for Police Department and 27% for Road Department. Mrs. Walder stated that property taxes are not the total revenue each department receives, because there are other revenue sources each department receives. For the General Fund, 73% of revenue comes from inside millage. For the Fire Department, 85% of their revenue comes from levies. For the Police Department, 90% of their revenue comes from levies. For the Road Department, just under 83% of their revenue comes from levies.

Mrs. Walder stated that it is the responsibility of the Board of Trustees to set the budget. The proposed budget is conservative in that it assumes that revenue does not increase, and it assumes that expenses do increase. She reminded the Board that the Budget Commission will consider reasonableness and need when reviewing the Township's budget for 2026.

Mrs. Walder stated that she will keep a list of any changes to the proposed budget that are discussed and on Thursday when wrapping up the workshops, will review the list with the Board.

FIRE DEPARTMENT

- Chief Frazier was present.

Mrs. Walder thanked Chief Frazier and Asst. Fire Chief Sambula for their collaboration in preparing the proposed budget.

Mrs. Walder reviewed the ClearGov spreadsheet, which includes the prioritized capital requests by department as included in the 2026 budget.

Mrs. Walder explained the cash reserve worksheet, which is mainly based on the actual O&M figure from the previous year. The cash reserve has to carry the department through the 1st quarter of the following year until tax levy revenue comes in. The recommended cash reserve for the Fire Department used in this budget was 30%. Ms. Port asked about the percentage because knows it can be between 25% - 40% but Mrs. Walder stated that 30% is her recommendation, citing the unpredictable impact of weather at the start of the year. Mrs. Walder explained that the minimum cash reserve is 25% of O&M.

Mr. Mueller asked if the salary increase included additional staffing or hybrid staffing. Mrs. Walder stated that it doesn't include additional staff or hybrid. It does not include any recommendations from the Fire Department study, as the Study was only recently

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issued. Mrs. Walder stated that salary is assumed to reflect parity with the collective bargaining agreement for the Police, which was a 3% increase.

Mrs. Walder stated that there are other sources of revenue, one being sales of assets. One thing she asked the Asst. Chief is can they get more aggressive with selling assets for 2026. Chief Frazier stated that they hang on to their equipment for as long as they can and get as much use out of their equipment as they can and that's why they don't have much with sales of assets.

Looking at the 1-year budget, Mrs. Walder has previously communicated to everyone that the Fire Department is very close to the recommended cash reserve, but that any supplemental appropriations done this year will increase the amount of short fall at the end of the year. The proposed budget indicates the Fire Department is \$129,000 short of the amount needed to meet its recommended cash reserve.

There was discussion regarding the Fire Department's staffing, the study recommendations, and need for a levy. Chief Frazier would like to build a case for a levy for next year using the Study as a foundation. Mrs. Walder noted Mr. Mueller's suggestion a few months ago to hold a public meeting regarding the Fire Study with the residents to get their buy in. The Study can help the Fire Department come up with a plan for a levy and assist in identifying costs associated with its implementation.

Chief Frazier and the Board asked Mrs. Walder to clarify the Fire Department vehicles included in the updated Reserve Study and what acceptance of the Reserve Study entails. Mrs. Walder explained that after discussion with the Chief and Asst. Fire Chief, the decision was made to include all the frontline equipment to maintain the visibility of the replacement costs for those vehicles. The reserve study also assesses the normal economic life and the remaining economic life of the vehicle. The result is that the study recommendations say they are going to need \$1.2 million in ten years to replace the pumper, when in reality, based on history, the Township has financed those purchases. The study's recommended annual transfers would overfund that reserve fund since we generally will do some kind of finance option. Mrs. Walder clarified for the Board what the ORC requires in the Resolution to establish reserve funds, however she offered to draft language for the Resolution accepting the Reserve Study to indicate that funding of the Reserves would be determined on a year-by-year basis, as has been the Township's practice since the Reserve funds were first established in 2020.

Mrs. Walder noted that the Expedition replacement is in the reserve study, but the proposed budget does not have sufficient funding for that purchase without an additional transfer in. Does the Board want to change the amount of reserve funding for 2026 to support the purchase of the Expedition, if deemed necessary for 2026, since the proposed budget only includes the transfers required for debt services and not reserve funding.

Mrs. Walder asked the Board to consider either increasing revenue or decreasing expenses to address the shortfall in the recommended cash reserve.

Chief Frazier stated that the front pad needs to be addressed. The Road Department has helped patch it the past several years. The culvert is collapsing so there are some immediate repairs that need to be done this year. The plan is to replace it all with concrete and the cost a few years ago was around \$350,000. Chief Frazier stated that the building is in good shape and holding up well.

Mr. Mueller asked if the General Fund could help support the Fire Department and

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Mrs. Walder stated that the General Fund has \$254,000 in excess in the recommended cash reserve. Mr. Hare asked if any of the Opioid funds can be used for any EMS projects. Mrs. Walder didn't think so. Ms. Port stated that she would look into what the Opioid funds could be used towards. Mrs. Walder stated that there is still \$99,700 left in the state capital grant and needs to be spent by June of 2026. Each Department was given \$75,000 to put towards a project and the Fire Department has used a small portion towards a plow and the remaining amount was going towards their dormitory project. Chief Frazier indicated that the architect is currently working on an estimate but does not have final numbers. There will be 2 phases to the project and Phase 1 will fix the current issue of separating a male and female dormitory. Phase 2 is to add additional space.

The trustees will consider allocating the remaining balance of the capital grant money towards the dormitory project but want to hear the needs of the other Departments and will then decide on Thursday. Mrs. Walder stated that doesn't address the shortfall of the recommended cash reserve. Stated it's about \$50,000 short of the minimum recommended cash reserve. Mrs. Walder asks if there is any capital expenditures for 2026 that could be pushed. Mrs. Walder stated that the General Fund has the ability to transfer the \$50,000 to meet the minimum cash reserve. Recommends the Board to think about it and discuss it at the end of Thursday's workshop.

The Fire Department Workshop ended at 11:08 am.

Road Department Budget Workshop started at 11:15 am.

ROAD DEPARTMENT

- Road Superintendent Gene Layne & In-coming Road Superintendent Giovanni Maltese.

Mrs. Walder thanked Mr. Layne for his collaboration in preparing the budget.

Went over capital requests for the next 5 years, which includes regular capital and reserve funding. Paving is the only capital request for 2026, and rest is reserve items.

Mrs. Walder stated that the Road Department has the most funds and most sources of revenue.

There are four Road Department levies, which are all continuing, and brings in \$1.5 million a year. Of that, \$16,666 is for debit service for the OPWC loan.

Based on 2024 actual O&M spending, the minimum cash reserve is \$302,332 and the recommended cash reserve is \$368,845.

Briefly went over the reserve study recommendations for buildings and vehicles. The items that are included in the budget are the ones that have been submitted

in ClearGov.

The Road Department has sufficient cash reserves per their recommended cash reserve. Mrs. Walder stated that this budget does not include any transfers to either reserve fund that would be up to the Board and Mr. Layne's recommendation to add funds. For the projects that have been requested in the budget, there are sufficient Reserve funds for 2026 without additional revenue.

Mrs. Walder stated that the capital amount set for paving is \$500,000. Based on the

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excess cash reserve, it can be increased if the Board wants. Ms. Port asked Mr. Layne what he would suggest for additional funds, and he suggests increasing to \$600,000-\$650,000 if possible. Stated that after this year, all roads will be paved and there will be no more chip and seal.

Ms. Port asked Mr. Layne if there was a need for a part-time secretary to help with administrative needs. Mr. Laye said maybe someone 1 or 2 days a week, especially during busy season, but noted the Fiscal staff is helpful when asked. Trustees asked Mr. Maltese his thoughts about hiring someone but until he has been here for at least a year he doesn't know if he has a need for a secretary. Ms. Port suggests putting a placeholder in the budget for part-time personnel.

Ms. Port asked if there are any structural issues with his building currently. Mr. Layne stated he just has some issues with the water well and someone has come out to look at it and it needs to be cleaned or shocked, so he has a requisition out for them to come back and do the work.

Ms. Port asked about the bio swale remediation, and Mrs. Walder stated that it is not in current appropriation or in the budget.

Mr. Layne stated that the fuel system is very old and the way the reporting was done, a guy from Fuel Management would remote in and get fuel usage. When the migration was done, ADP identified old equipment and a security risk and updated the equipment. Since that, the guy is not able to remote in and is currently trying to figure out a way. There may be an upgrade needed to the fuel system. Mrs. Walder stated that there is an urgency to this issue because they are charging \$250 per month to come out and do the report.

Mrs. Walder noted for the vehicle reserve fund, if it's not fully funded it will need additional funds starting in 2027 or go with lease purchase approach. Stated that the Road Department would need \$190,000 to fully fund the vehicle reserve.

Mr. Mueller said that the Road Department would need a levy to support a new building and recommended that the Board look at the Auburn Road Garage as a model.

Mrs. Walder recapped that at this workshop they discussed that since the Road Department has excess to their recommended cash reserve, the Board has the option of putting additional funds in paving or putting additional in reserve fund. Mr. Layne recommends going heavier on the paving side.

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

The meeting was adjourned at 12:05 pm.

Kristina Port, Chair

Karen Walder, Fiscal Officer

Recorded by: J. Ezzone