



Montgomery County, Ohio

2010 General Fund Proposed Budget Balancing Framework

October 20, 2009



2010 General Fund Proposed Budget Framework

□ Principles for the Proposed Framework

- Priorities should be based upon the mission of Montgomery County and the mandates established by Ohio law.

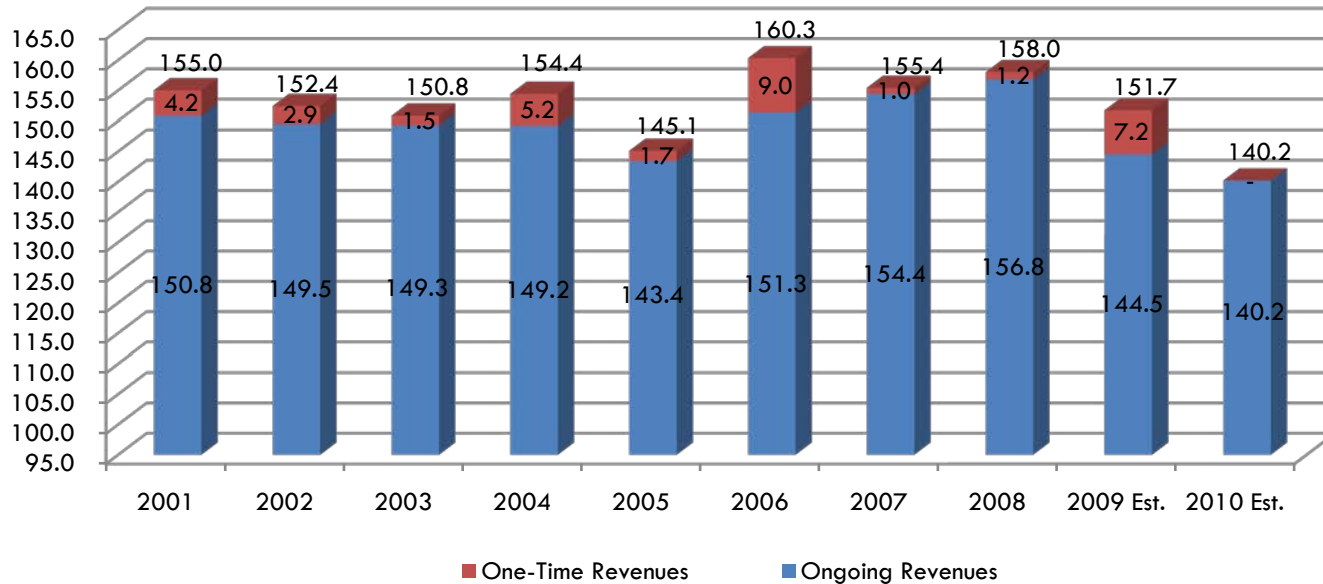
Montgomery County Mission Statement

To improve the health, safety and welfare of our citizens, the strength of our economy and the quality of our environment

- Serious consideration should be given to the recommendations made by the 2010-2014 General Fund Financial Planning Committee.
- The financial challenges facing the County are not short term in nature and a structural reordering of the County's General Fund budget is imperative if we are going to successfully provide our most critical services.
- Long term financial stability for County government will not be achieved through cost cutting alone. A focused and strategic economic development effort is critical to growing County revenues without raising taxes.
- We must have a balanced operating budget.

2010 General Fund Proposed Budget Framework

General Fund Revenues



Between 2001 and 2008 General Fund revenues grew only 1.9%. When adjusted for inflation this percentage drops to -17%.



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□ Notes to General Fund Revenues

- Examples of one-time revenues excluded are unclaimed funds, Anthem Demutualization funds, Debt Service fund closeouts and Incentive-to-Save transfers. These items reflect the variance in 2004.
- The largest increase from 2005 to 2006 was due to a rise in Investment Income of \$5.1 million and Charges for Services for \$2.1 million. This included increases in Auditor, Clerk of Courts, Indirect Costs, Sheriff and Treasurer fees. Also, there was a closeout of \$8.0 million for Treasurer trust funds.
- The increase in 2008 is due to revenue related to the transfer of the child support legal programs (Clerk of Courts, Domestic Relations and Juvenile Court) for \$2.4 million to the General Fund and an additional \$1.6 million from the Human Services Levy for public assistance costs. Investment Income also declined \$2.2 million in 2008.



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General Fund Historical Budget Reductions

Year	Reduction Comment	Annual Cost Savings Amount	Cumulative Cost Savings Amount
2004	3.0% Budget Reduction on all Line Items	\$3.4 million	\$20.4 million
2005	3.0% Budget Reduction on Operating & Professional Services Line Items and the elimination of Board Approved Travel	\$1.4 million	\$7.0 million
2009	3.0% Budget Reduction on all Line Items	\$4.2 million	\$4.2 million
	Other Reductions		
2002-2009	Suspension of Capital Programs	\$1.5 million	\$14.1 million
2003-2009	Community Programs	\$5.3 million	\$31.5 million
2004-2009	Investment Income Transfer	\$1.1 million	\$6.6 million
	No Salary parameter increases in 2003, 2004, 2008 and 2009		
	No Operating or Professional Service parameter increases since 2001		
		\$16.9 million	\$83.8 million



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- A new budget transformation is required for 2009 and beyond:

“The combined freefall in consumer spending, the real estate and financial markets together with the dire financial condition of the State of Ohio has had a chilling effect on County revenues.”



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General Fund Financials

2008 Actual Revenues	2009 Estimated Revenue	2010 Projected Revenues	2008-2010 Dollar Change	2008-2010 Percent Change
\$158.0	\$151.7	\$140.2	\$(17.8)	(11%)

2010-2012 Financial projections if we stay on our present course

Description	2010	2011	2012
Estimated Beginning Cash	\$26.6	\$13.8	\$0.8
Revenues	140.2	142.0	144.3
Expenses	153.0	155.0	156.6
Deficit	(12.8)	(13.0)	(12.3)
Estimated Ending Cash	\$13.8	\$0.8	\$(11.5)



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□ Proposed Budget Balancing Framework

- Wage freeze for all employees in the General Fund
 - No dollar impact to the budget since a wage increase was not assumed in the projections
- Health Insurance Cost Containment
 - Minimal increase anticipated
- Across the Board Cuts
 - Judicial & Law Enforcement – 7% reductions
 - All other offices and agencies – 9% reductions
- Reduce County Owned Property
 - Demolition of the Family Courts Building
 - Evaluation of space utilization
 - Transfer of County Parks and reduce service levels



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□ Proposed Budget Balancing Framework

- Streamline administrative and support services
 - Reorganization of BCC departments (Administrative Services, Clerk of Commission and Community & Economic Development)
- Full billing of County Services
 - Sheriff's Office – increase billings for policing services to townships by \$1.0 million
 - Miami Valley Regional Crime Lab – increase billings to user jurisdictions by \$0.3 million
 - Review of JusticeWeb and 800 MHz Radio System charges
- Reduction/Elimination of General Fund support for non-mandated services
 - Nicholas Residential Treatment Center – Federal IV-E billing model structure
 - Reduce Animal Control Subsidy by 25% or \$0.2 million
- Adjust budget appropriations
 - Reduce areas of budget with identified excess appropriations



2010 General Fund Proposed Budget Framework

□ Proposed Budget Balancing Framework

□ Economic Development

- Grow County revenues to achieve financial stability
- Board of County Commission Strategic Initiatives and General Fund Financial Planning Committee emphasize:
 - Strong regional business attraction
 - Retention and expansion programs
 - Montgomery County will continue to be leaders in regional economic development efforts
- Reordering of spending priorities – Board of County Commissioners
 - Board of County Commission departments achieved savings of 16%, beyond the stated reduction of 9% of other General Fund non-law enforcement and justice agencies
 - \$1.0 million identified for economic development initiatives



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Proposed Budget Balancing Framework

1.	Wage freeze for all employees in General Fund	\$0.0
2.	Health Insurance Cost Containment	0.0
3.	Across the Board Cuts	7.4
4.	Reduce County owned property	1.5
5.	Streamline administrative and support services	1.0
6.	Full billing of County services (New Revenue: Sheriff/Crime Lab)	1.3
7.	Reduction/Elimination of other non-mandated services	0.3
8.	Adjust budget appropriation	2.3
9.	Economic Development (Reallocation)	(1.0)
	Total	\$12.8

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Proposed Budget Balancing Framework Graph

