

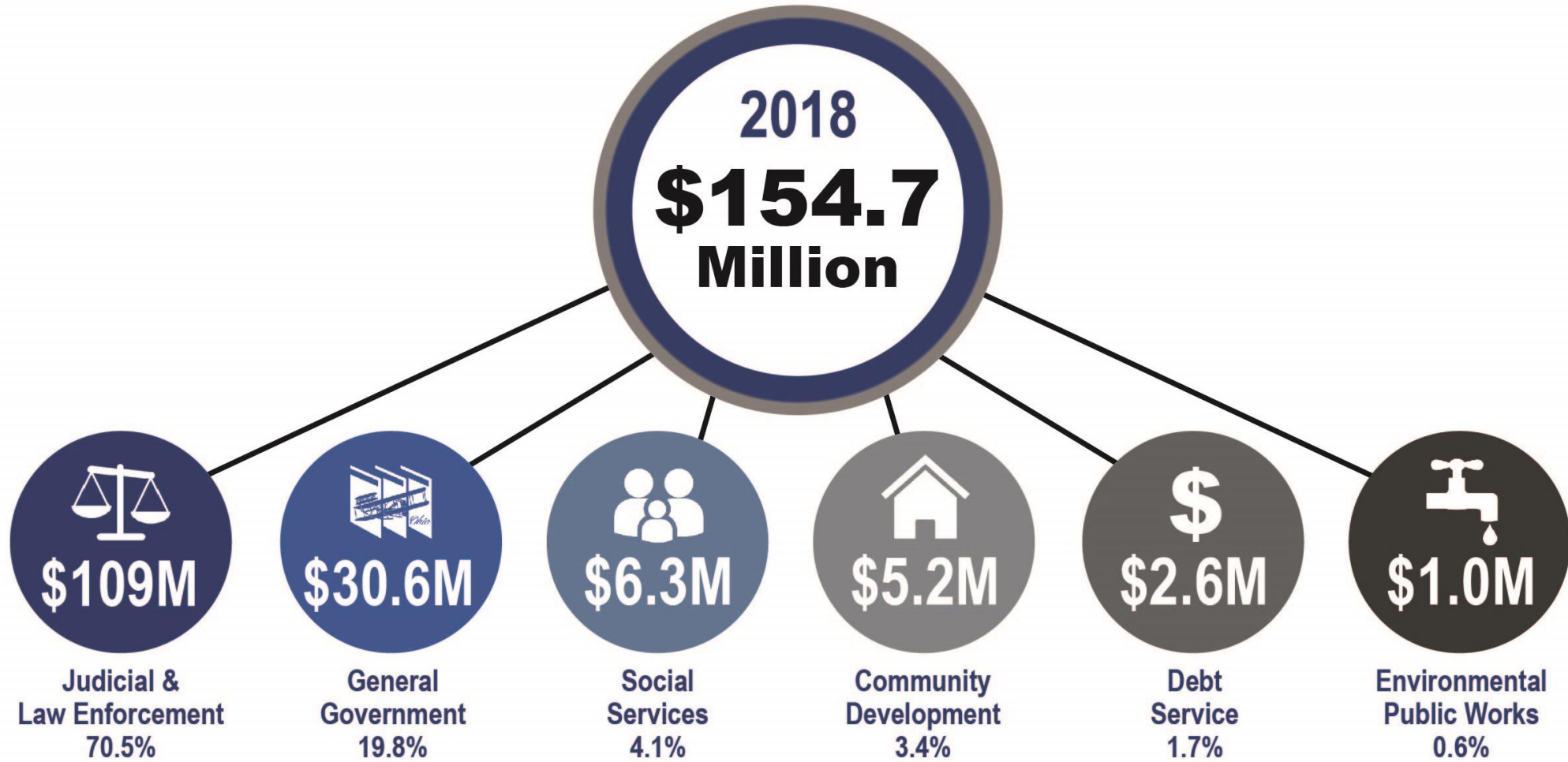


**MONTGOMERY**  
C O U N T Y

**General Fund  
Public Education Session**

**April 30, 2018**

# Montgomery County General Fund



# County General Fund

Since 2008, budgets for County Offices have been reduced by \$31.4 million or 19.5% and 501 budgeted positions.

Annual loss:  
**\$9.0**  
Million

In 2018, the State of Ohio eliminated the managed care sales tax. This resulted in a permanent, annual loss of \$9 million to Montgomery County.



# State Reductions - County General Fund



## State of Ohio Cuts

- State reduced Local Government Funds by 50% - \$7.4 million
- State discontinued Property Tax Reimbursements - \$1.4 million
- State Intergovernmental Revenues severely reduced by \$19.3 Million (last 10 years).

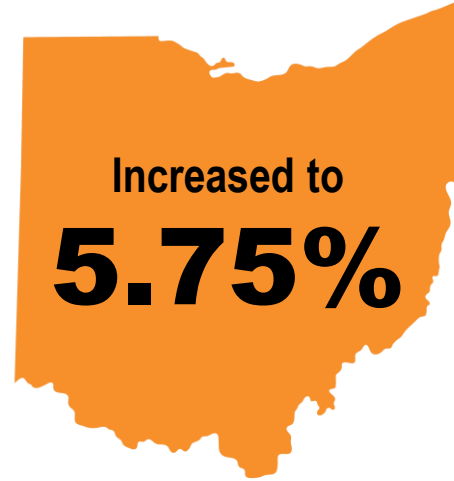


## Sales Tax

- \$9.0 million annual loss to Montgomery County in Medicaid Managed Care Sales Tax in 2019.
- Sales Tax rate of 1% remains at level effective in 1989, 29 years at same level.
- Sales Tax Revenue is 50% of the General Fund budget (\$80 million for 2018).



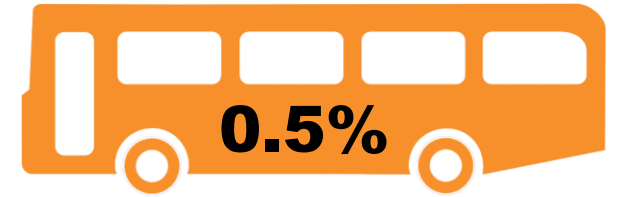
# Sales Tax - Background



In 2013, the state increased its sales and use tax rate to 5.75%.



Montgomery County's sales tax rate has been 1% since 1989.



The Regional Transit Authority (RTA) sales tax is 0.5%.

**Total, combined sales tax rate in Montgomery County is 7.25%**



# Sales Tax – How the Money Flows



Montgomery County consumer pays \$1,000 for a TV  
 $\$1,000 \times 7.25\% = \$72.50$  (Sales Tax)



# **County Administrator Recommendations**

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**Ongoing Operating Efficiencies  
+ Strategic Investments**



# Ongoing Operating Efficiencies + Strategic Investments: *Cut \$4.6 Million + Increase Sales Tax 0.25%*



**Total Operating Efficiencies: \$4.6M**





**Ongoing Operating Efficiencies + Strategic Investments:  
*Cut \$4.6 Million + Increase Sales Tax 0.25%***



**0.25% Sales Tax Increase  
\$19.1 Million per year**

# General Fund Strategic Investments

## COMMUNITY

- ED/GE
- Arts & Culture
- MicroEnterprise Grants
- Strategic Community Projects

## PEOPLE

- Adult Workforce
- YouthWorks
- PreSchool Promise

## CRIMINAL JUSTICE

- Alternatives to Incarceration
- Bail Reform
- Security
- County Jail

## GOVERNMENT INFRASTRUCTURE

- Building Improvements
- Capital Equipment
- Facility Depreciation



# General Fund Strategic Investments

<b>COMMUNITY</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
○ ED/GE	<b>\$2.0M</b>	<b>\$2.5M</b>	<b>\$2.5M</b>	<b>\$2.5M</b>	<b>\$2.5M</b>	<b>\$2.5M</b>
○ Arts & Culture	<b>\$500K</b>	<b>\$600K</b>	<b>\$700K</b>	<b>\$800K</b>	<b>\$900K</b>	<b>\$1.0M</b>
○ MicroEnterprise Grants	<b>-</b>	<b>\$100K</b>	<b>\$100K</b>	<b>\$100K</b>	<b>\$100K</b>	<b>\$100K</b>
○ Strategic Community Projects	<i>To be funded on an annual basis from year-end cash savings.</i>					
<b>TOTAL</b>	<b>\$2.5M</b>	<b>\$3.2M</b>	<b>\$3.3M</b>	<b>\$3.4M</b>	<b>\$3.5M</b>	<b>\$3.6M</b>



# General Fund Strategic Investments

PEOPLE	2018	2019	2020	2021	2022	2023
	○ Adult Workforce	\$500K	\$500K	\$500K	\$500K	\$500K
○ YouthWorks	\$500K	\$500K	\$500K	\$500K	\$500K	\$500K
○ PreSchool Promise		\$2.0M	\$3.0M	\$3.0M	\$4.0M	\$4.0M
<b>TOTAL</b>	<b>\$1.0M</b>	<b>\$3.0M</b>	<b>\$4.0M</b>	<b>\$4.0M</b>	<b>\$5.0M</b>	<b>\$5.0M</b>



# General Fund Strategic Investments

<b>CRIMINAL JUSTICE</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
○ Alternatives to Incarceration		\$1.5M	\$1.5M	\$1.5M	\$1.5M	\$1.5M
○ Bail Reform *		\$225K	\$300K	\$375K	\$375K	\$375K
○ Security		\$1.5M	\$2.0M	\$500K	\$500K	\$500K
○ County Jail **		\$2.5M	\$500K	\$2.5M	\$500K	\$500K
<b>TOTAL</b>		<b>\$5.7M</b>	<b>\$4.3M</b>	<b>\$4.9M</b>	<b>\$2.9M</b>	<b>\$2.9M</b>

\* Bail Reform Staffing Allocations: 3 staff in 2019, 4 in 2020 and 5 in 2021 through 2023.

\*\* Addition of up to 10 Sheriff's Deputies or Corrections Officers (5 for Criminal Justice Complex Security and 5 for Jail Operations).



# General Fund Strategic Investments

<b>GOVERNMENT INFRASTRUCTURE</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
○ Building Improvements	\$2.8M	\$2.5M	\$2.5M	\$2.5M	\$2.5M	\$2.5M
○ Capital Equipment		\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$2.0M
○ Facility Depreciation	\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$2.0M
<b>TOTAL</b>	<b>\$4.8M</b>	<b>\$6.5M</b>	<b>\$6.5M</b>	<b>\$6.5M</b>	<b>\$6.5M</b>	<b>\$6.5M</b>



# General Fund Strategic Investments

COMMUNITY

PEOPLE

CRIMINAL  
JUSTICE

GOVERNMENT  
INFRASTRUCTURE

	2018	2019	2020	2021	2022	2023
<b>TOTAL</b>	<b>\$8.3M</b>	<b>\$18.4M</b>	<b>\$18.1M</b>	<b>\$18.8M</b>	<b>\$17.9M</b>	<b>\$18.0M</b>
<b>Less Operating Efficiencies</b>	<b>-</b>	<b>\$4.6M</b>	<b>\$4.6M</b>	<b>\$4.6M</b>	<b>\$4.6M</b>	<b>\$4.6M</b>
<b>NET COST</b>	<b>\$8.3M</b>	<b>\$13.8M</b>	<b>\$13.5M</b>	<b>\$14.2M</b>	<b>\$13.3M</b>	<b>\$13.4M</b>



## 2018-2023 General Fund Revenue Projection (Millions)

Reporting Category	2018	2019	2020	2021	2022	2023
<b>Revenue</b>						
Property Tax	\$ 13.8	\$ 13.9	\$ 14.0	\$ 14.8	\$ 14.8	\$ 14.9
Sales Tax	77.2	79.2	79.2	81.2	83.2	85.3
Sales Tax - Transitional Aid	7.2					
Sales Tax - 1/4% Increase		19.3	19.3	19.8	20.3	20.8
Sales Tax - Internet Sales						2.0
All Other Revenue	56.5	59.2	59.9	60.8	60.5	61.1
<b>Total Revenue</b>	<b>\$ 154.7</b>	<b>\$ 171.6</b>	<b>\$ 172.4</b>	<b>\$ 176.6</b>	<b>\$ 178.8</b>	<b>\$ 184.1</b>





# Untaxed Sales and Loss of Sales Tax Revenue – Ohio

\$	5,000,000,000	Total Sales - Untaxed Sales by Out of State Vendors					
\$	350,000,000	Estimated - Untaxed Sales by Out of State Vendors					
\$	287,500,000	82.1%	State Share of Lost Sales Tax Revenues				
\$	62,500,000	17.9%	County/RTA Share of Lost Sales Tax Revenues				
\$	1,958,342	Estimated Montgomery County Share of Tax					
Source: Ohio Department of Taxation							
Streamlined Sales Tax Agreement							



## 2018-2023 General Fund Expense Projection (Millions)

Reporting Category	2018	2019	2020	2021	2022	2023
Beginning Cash Balance	\$ 30.8	\$ 30.8	\$ 32.6	\$ 33.8	\$ 38.1	\$ 39.5
Revenue	\$ 154.7	\$ 171.6	\$ 172.4	\$ 176.6	\$ 178.8	\$ 184.1
<b>Expense</b>						
Wages	71.8	71.5	75.8	75.1	77.0	78.9
Health Insurance	13.0	14.0	15.1	16.3	17.6	19.0
Other Benefits & PERS	12.6	12.6	13.3	13.4	13.6	14.0
Total Wages & Benefits	\$ 97.4	\$ 98.1	\$ 104.2	\$ 104.8	\$ 108.2	\$ 111.9
Community Programs	2.5	3.2	3.3	3.4	3.5	3.6
Investing in People	1.0	3.0	4.0	4.0	5.0	5.0
Criminal Justice & Law Enforcement	-	9.2	2.9	3.1	3.2	3.3
Government Infrastructure	4.8	13.0	7.0	7.0	7.0	5.0
Other Expenses	49.0	43.3	49.8	50.0	50.5	51.3
<b>Total Expenses</b>	<b>\$ 154.7</b>	<b>\$ 169.8</b>	<b>\$ 171.2</b>	<b>\$ 172.3</b>	<b>\$ 177.4</b>	<b>\$ 180.1</b>
Revenues Over/(Under) Expenses	\$ -	\$ 1.8	\$ 1.2	\$ 4.3	\$ 1.4	\$ 4.0
Ending Cash Balance	\$ 30.8	\$ 32.6	\$ 33.8	\$ 38.1	\$ 39.5	\$ 43.5
Reserve Percentage of Budget	18.1%	19.0%	19.6%	21.5%	21.9%	23.5%



# Next Steps

- County Administrator presents recommendation and resolution to set public hearings for Commissioners consideration and action:
  - Tuesday, May 15, 2018
- If approved by the Commissioners, two public hearings would be held per Ohio Revised Code:
  - Tuesday, June 19 – 6 p.m.
  - Tuesday, June 26 – 1:30 p.m.

*Both hearings would be held on the 10<sup>th</sup> floor of the County Administration Building, 451 W. Third Street in Dayton, Ohio.*
- Resolution to adjust the Montgomery County sales tax rate from 1.0% to 1.25% would be on the Commissioners agenda for consideration and action:
  - Tuesday, June 26 – Following public hearing

