Public Hearing

County Administrator proposal to adjust the Montgomery County sales tax rate from 1.0% to 1.25%

June 19, 2018
Montgomery County General Fund

2018
$154.7 Million

- Judicial & Law Enforcement: $109M (70.5%)
- General Government: $30.6M (19.8%)
- Social Services: $6.3M (4.1%)
- Community Development: $5.2M (3.4%)
- Debt Service: $2.6M (1.7%)
- Environmental Public Works: $1.0M (0.6%)
County General Fund

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

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.

Annual loss: $9.0 Million
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).
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 x 7.25% = $72.50 (Sales Tax)

- Ohio $57.50
- Montgomery County $10.00
- RTA $5.00
County Administrator Recommendations

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

<table>
<thead>
<tr>
<th>COMMUNITY</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ED/GE</strong></td>
<td>$2.0M</td>
<td>$2.5M</td>
<td>$2.5M</td>
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<td><strong>Arts &amp; Culture</strong></td>
<td>$500K</td>
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<td><strong>MicroEnterprise Grants</strong></td>
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<tr>
<td><strong>Strategic Community Projects</strong></td>
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</table>

To be funded on an annual basis from year-end cash savings.

**TOTAL** | $2.5M | $3.2M | $3.3M | $3.4M | $3.5M | $3.6M |
## General Fund Strategic Investments

<table>
<thead>
<tr>
<th>PEOPLE</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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</thead>
<tbody>
<tr>
<td>o Adult Workforce</td>
<td>$500K</td>
<td>$500K</td>
<td>$500K</td>
<td>$500K</td>
<td>$500K</td>
<td>$500K</td>
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<tr>
<td>o YouthWorks</td>
<td>$500K</td>
<td>$500K</td>
<td>$500K</td>
<td>$500K</td>
<td>$500K</td>
<td>$500K</td>
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<tr>
<td>o PreSchool Promise</td>
<td>$2.0M</td>
<td>$3.0M</td>
<td>$3.0M</td>
<td>$4.0M</td>
<td>$4.0M</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$1.0M</td>
<td>$3.0M</td>
<td>$4.0M</td>
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<td>$5.0M</td>
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# General Fund Strategic Investments

<table>
<thead>
<tr>
<th>CRIMINAL JUSTICE</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tbody>
<tr>
<td>o Alternatives to Incarceration</td>
<td>$1.5M</td>
<td>$1.5M</td>
<td>$1.5M</td>
<td>$1.5M</td>
<td>$1.5M</td>
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<tr>
<td>o Bail Reform *</td>
<td>$225K</td>
<td>$300K</td>
<td>$375K</td>
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<tr>
<td>o County Jail **</td>
<td>$2.5M</td>
<td>$500K</td>
<td>$2.5M</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$5.7M</td>
<td>$4.3M</td>
<td>$4.9M</td>
<td>$2.9M</td>
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* 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

## Government Infrastructure

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<td>Building Improvements</td>
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<td>$2.5M</td>
<td>$2.5M</td>
<td>$2.5M</td>
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<td>Capital Equipment</td>
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<td>Facility Depreciation</td>
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<td>$2.0M</td>
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</tbody>
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**TOTAL** $4.8M $6.5M $6.5M $6.5M $6.5M $6.5M
## General Fund Strategic Investments

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>$8.3M</td>
<td>$18.4M</td>
<td>$18.1M</td>
<td>$18.8M</td>
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<td><strong>NET COST</strong></td>
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**COMMUNITY**

**PEOPLE**

**CRIMINAL JUSTICE**

**GOVERNMENT INFRASTRUCTURE**
Next Steps

• Public Hearing:
  • Tuesday, June 26 – 1:30 p.m.
    Hearing will be held on the 10th 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