Public Hearing

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

June 26, 2018
Montgomery County General Fund

2018
$154.7 Million

$109M Judicial & Law Enforcement 70.5%
$30.6M General Government 19.8%
$6.3M Social Services 4.1%
$5.2M Community Development 3.4%
$2.6M Debt Service 1.7%
$1.0M Environmental Public Works 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.
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%*

- **$800,000**  
  County Commission Operations

- **$600,000**  
  General Government Operations

- **$3.2M**  
  Criminal Justice Operations

**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

<table>
<thead>
<tr>
<th>COMMUNITY</th>
<th>PEOPLE</th>
<th>CRIMINAL JUSTICE</th>
<th>GOVERNMENT INFRASTRUCTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ED/GE</td>
<td>Adult Workforce</td>
<td>Alternatives to Incarceration</td>
<td>Building Improvements</td>
</tr>
<tr>
<td>Arts &amp; Culture</td>
<td>YouthWorks</td>
<td>Bail Reform</td>
<td>Capital Equipment</td>
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<tr>
<td>MicroEnterprise</td>
<td>PreSchool Promise</td>
<td>Security</td>
<td>Facility Depreciation</td>
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<tr>
<td>Grants</td>
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<td>County Jail</td>
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<tr>
<td>Strategic Community Projects</td>
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**Other**

- MicroEnterprise Grants
- Strategic Community Projects
- Alternatives to Incarceration
- Bail Reform
- Building Improvements
- Capital Equipment
- Facility Depreciation
# 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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<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>Less Operating</td>
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<tr>
<td>Efficiencies</td>
<td>-</td>
<td>$4.6M</td>
<td>$4.6M</td>
<td>$4.6M</td>
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<tr>
<td><strong>NET COST</strong></td>
<td>$8.3M</td>
<td>$13.8M</td>
<td>$13.5M</td>
<td>$14.2M</td>
<td>$13.3M</td>
<td>$13.4M</td>
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</table>

COMMUNITY | PEOPLE | CRIMINAL JUSTICE | GOVERNMENT INFRASTRUCTURE
Next Step

• Resolution to adjust the Montgomery County sales tax rate from 1.0% to 1.25%.