

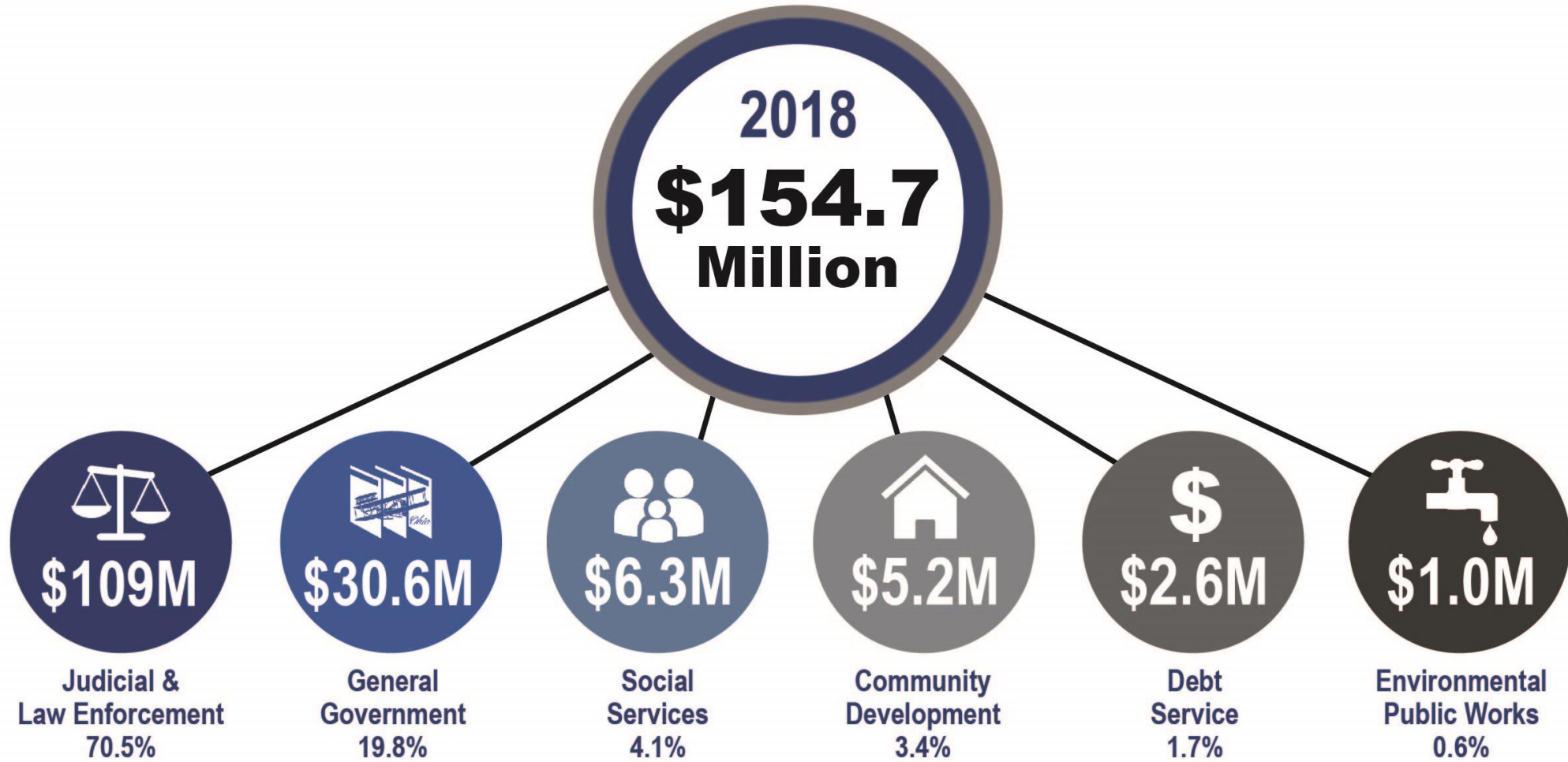


Public Hearing

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

June 26, 2018

Montgomery County General Fund



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).

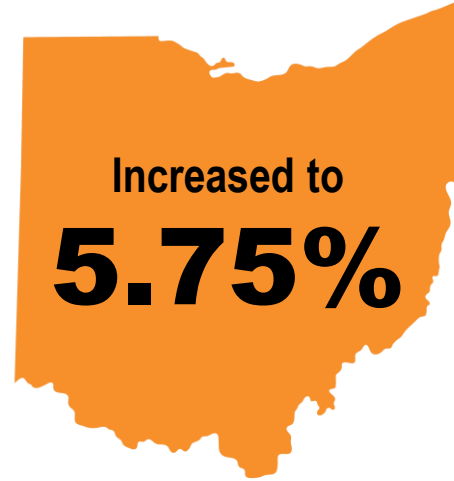


Sales Tax

- \$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).



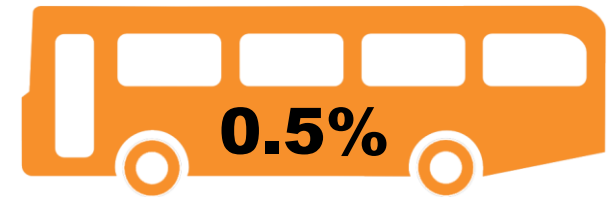
Sales Tax - Background



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

**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

COMMUNITY

PEOPLE

CRIMINAL
JUSTICE

GOVERNMENT
INFRASTRUCTURE

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



Next Step

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

