



**2010–2014 General Fund Financial Planning Committee  
Financial Plan Review  
April 22, 2013**



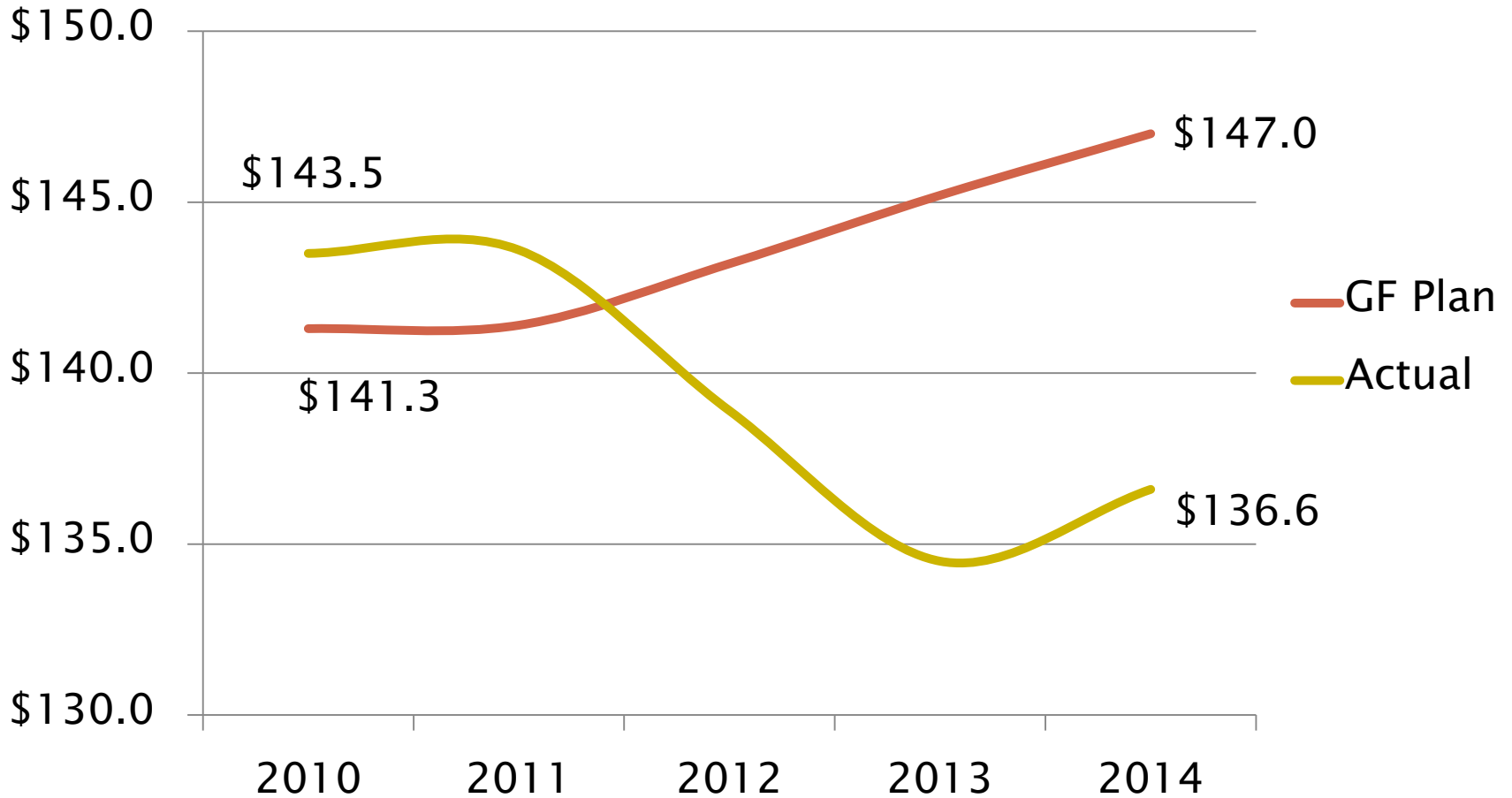
# Factors Impacting the Montgomery County General Fund

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- ▶ **Economic Recession**
  - Due to the economic recession, the nation was impacted by severe unemployment, a housing and foreclosure crisis and a contraction of consumer-based spending. This crisis impacted revenues flowing into all levels of government.
- ▶ **State Budget Reductions**
  - The State of Ohio had to balance a \$8.1 Billion deficit in the 2011–2012 Biennium Budget cycle. Major revenue reductions to counties included a 50% reduction in Local Government Funds and the loss of Tangible Personal Property Tax Reimbursements.
- ▶ **Local Housing Market and Property Tax Revaluations**
  - With the condition of the local housing market, the General Fund has realized reductions in the collection of Real Estate Based Fees as well as Property Tax receipts. This situation has also impacted Human Services Levy receipts and allocation to the General Fund.
- ▶ **General Fund Adopted Budget**
  - The General Fund budget declined by \$26.3 million and 489 budgeted positions from 2008–2013.



## 2010–2014 General Fund Revenues – Plan Versus Actuals In Millions





## 2010–2014 General Fund Revenues – Plan Versus Actuals In Millions

Revenue Source	2010 Plan	2013 Budget	Variance	Comments
Sales Tax	\$61.2	\$68.0	\$6.8	Economic Recession: Rebound of a 9.3% loss or \$6.1 million of tax revenues in 2009. Addition of \$3.0 million annually on new Medicaid Managed Care Programs sales tax proceeds. Projected an annual growth of 1.0% in plan from 2011–2014.
Property Tax	\$15.0	\$13.0	(\$2.0)	Impact of housing crisis, foreclosures and triennial property revaluations. Total assessed value loss was 7.1% from 2011–2012.
Local Government Funds	\$12.9	\$7.3	(\$5.6)	2011–2012 State Biennium Budget reductions: LGF reduced a total of 50%.
Intergovernmental Revenues	\$9.3	\$6.7	(\$2.6)	State Biennium Budget Reductions: Loss of Tangible Personal Property and Electric Deregulation funding.
Casino Revenue	\$0.0	\$3.0	\$3.0	2013 represents a full year of funding from Casino Proceeds from the State of Ohio.
Investment Income	\$11.3	\$6.9	(\$4.4)	Economic Recession: Federal funds rate at all time lows since great recession in 2008.
Other Financing	\$6.3	\$4.3	(\$2.0)	Impact of housing crisis: Property value loss impacted Human Service Levy Allocation for the General Fund. State revenue reductions for TANF funds for Juvenile Court.
Other Categories	\$25.3	\$25.3	\$0.0	Includes Other Taxes, Real Estate Fees, Licenses, Fines and Charges for Services.
<b>Totals</b>	<b>\$141.3</b>	<b>\$134.5</b>	<b>(\$6.8)</b>	



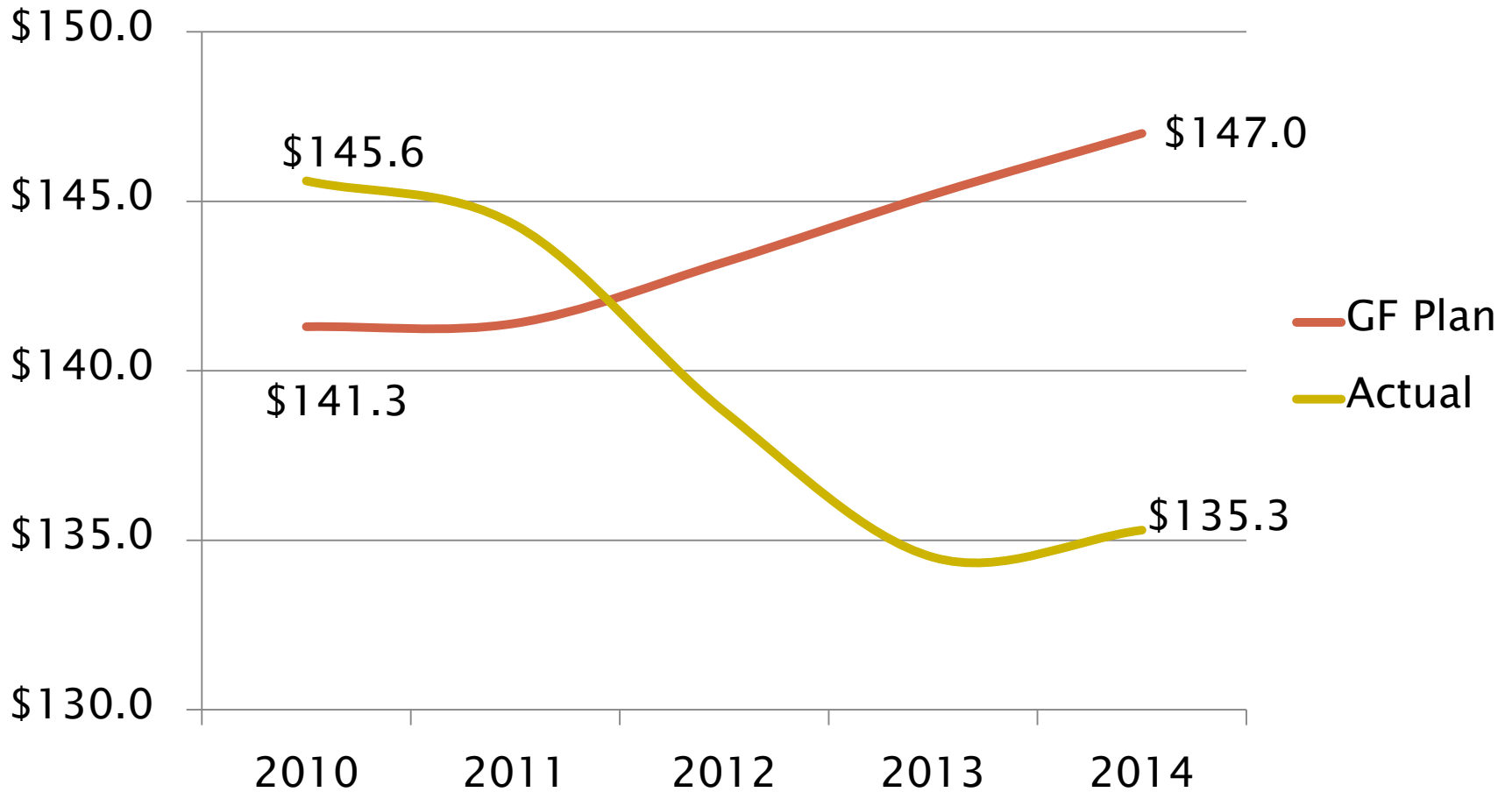
## 2010 Plan –2013 Adopted General Fund Revenues Plan Versus Adopted Budget Comments

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- **Sales Tax**– The growth in this revenue source from the 2010 Plan to the 2013 Adopted Budget is \$6.8 million or 11.1%. This is due to the rebound of the economy and Medicaid Managed Care Sales Tax.
- **Property Tax** – The reduction in this revenue is due to the reappraisal of property. Property Tax reflects a decline of \$2.0 million or 13.3%.
- **Local Government Funds (LGF)** – The State of Ohio reduced this revenue source by 50% to counties. LGF funds declined \$5.6 million or 43.4% from the 2010 plan estimates.
- **Investment Income** – Receipts have been severely impacted due to the low federal funds rate and reinvestment of the portfolio. This line item shows a reduction of \$4.4 million or 38.9% from 2010.
- **Other Financing Sources** have decreased \$2.0 million or 31.7% due to the reduction in Human Service Levy dollars to the General Fund.

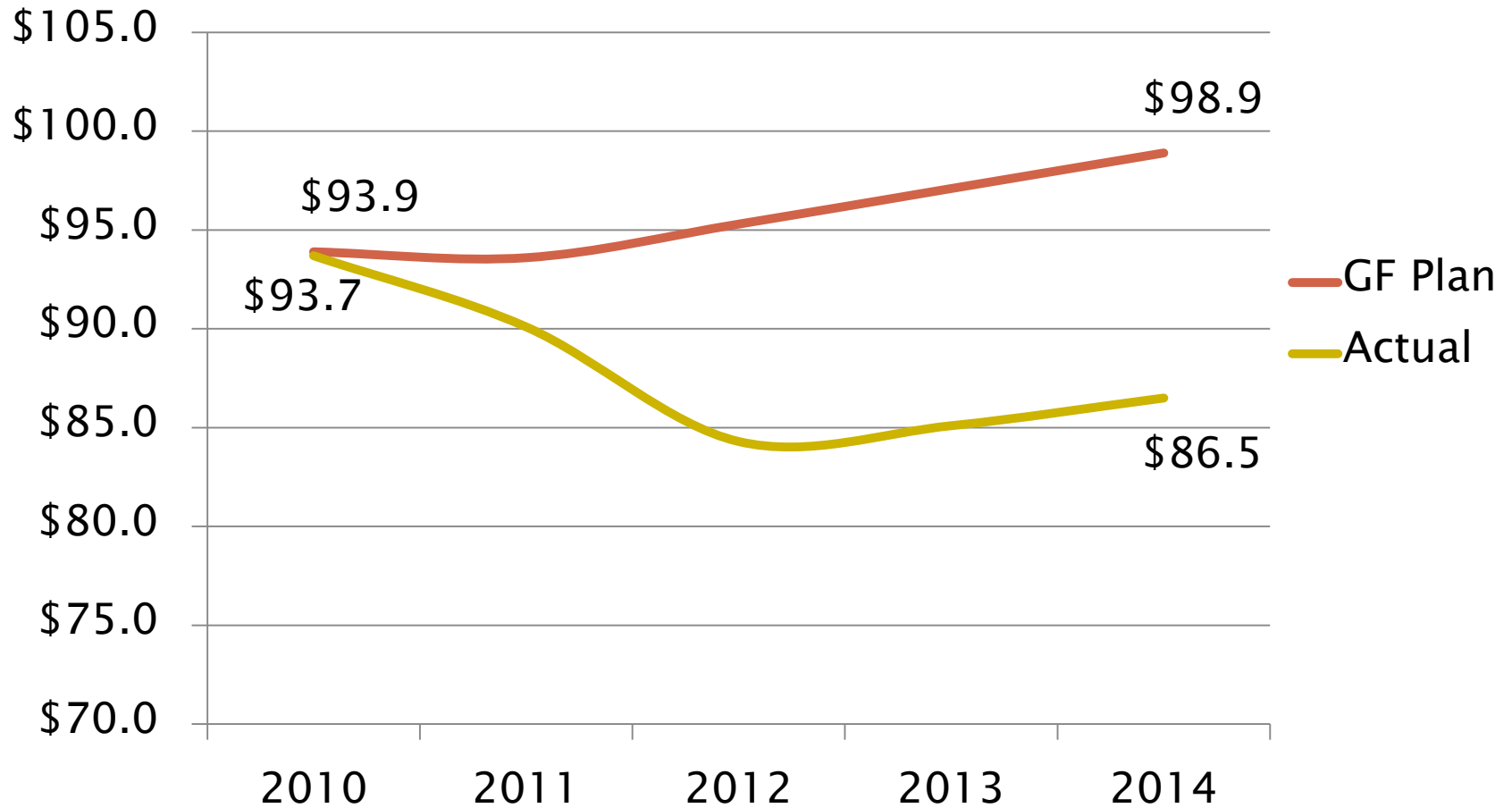


## 2010–2014 General Fund Expenses – Plan Versus Actuals In Millions





## 2010–2014 General Fund Salary & Fringe Benefits Plan Versus Actuals In Millions





## 2010 Plan –2013 Adopted General Fund Expenses Plan Versus Adopted Budget Comments

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- **Salary and Fringe Benefits** – This category has been reduced by \$8.8 million or 7.2% from the 2010 Plan Year. In addition, 201 budgeted positions were reduced from the table of organization.
- **Operating Expenses** – General operating expenses have declined by \$1.3 million or 7.7% due to right-sizing of budgets.
- **Professional Services** – Professional Services have decline by \$0.8 million or 6.3% due to right-sizing of budgets.
- **Community Programs** – The ED/GE Program and Arts Contribution have been reinstated in the General Fund budget for \$2.0 million and \$0.5 million respectively.
- Building Depreciation for \$0.9 million and Capital Replacements for \$1.4 million were included in the 2013 Adopted Budget.





# Accomplishments & Updates

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## RECOMMENDATIONS REGARDING REVENUE GENERATION



## 1. Full billing of policing services to other jurisdictions

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- ▶ **County Sheriff, County Administration and OMB developed an internal billing model in 2010 (no outside consultant hired).**
- ▶ **Sheriff negotiated agreements with Harrison and Washington Townships to bill administrative costs to jurisdictions.**
- ▶ **Estimated General Fund collections:**
  - 2011: \$150,000
  - 2012: \$300,000
  - 2013: \$450,000
  - 2014: \$600,000
  - 2015: \$600,000
- ▶ **County security contracts paying \$107,490 as well.**



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# RECOMMENDATIONS REGARDING FUNDING ALTERNATIVES FOR COUNTY SERVICES



## 7. Reduce/eliminate General Fund support of the Nicholas Residential Treatment Center

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- ▶ **Title IV–E approval secured in 2010**
- ▶ **Estimated General Fund collections:**
  - 2011: \$408,000
  - 2012: \$471,000
  - 2013: \$550,000
- ▶ **To maintain support for this program, Juvenile Court reduced funding in other areas to ensure its continuation.**
- ▶ **Montgomery County highly utilizes IV–E funds across many departments.**



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## **RECOMMENDATIONS REGARDING EFFICIENCY/EFFECTIVENESS OF PROGRAMS/SERVICES**



8. More extensive utilization of JusticeWeb
  9. Continued commitment to jail population management
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- ▶ **Extensive use of JusticeWeb**
  - Import data from 51 justice and law enforcement agencies
  - Data is received from 15 counties in southwest Ohio.
- ▶ **Montgomery County continues to be proactive in the management of daily prisoner population**
- ▶ **Average daily population for the jail:**
  - 2006 = 975
  - 2010 = 842
  - 2011 = 836
  - 2012 = 813
- ▶ **Wright State /Montgomery County are submitting a grant application (\$430,000/3 years) to the Substance Abuse and Mental Health Services Administration (SAMHSA) for the treatment of ex-offenders, including those exiting the Montgomery County Jail.**
  - Impact on the jail population could be significant.



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## RECOMMENDATIONS REGARDING MANDATED VERSUS NON-MANDATED SERVICES



## 14. Reduce the General Fund subsidy to the Animal Resource Center

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- ▶ **The Animal Control Subsidy :**
- ▶ **2009 subsidy was \$800,835.**
- ▶ **2010 subsidy was reduced by 25% to \$600,626 .**
- ▶ **2011 subsidy was reduced by 3% to \$582,607.**
- ▶ **2012 subsidy was reduced by 31% to \$400,000.**
- ▶ **Animal care is a main priority and other animal operations may be subject to additional service modifications.**





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## RECOMMENDATIONS REGARDING OPERATIONAL EFFICIENCY



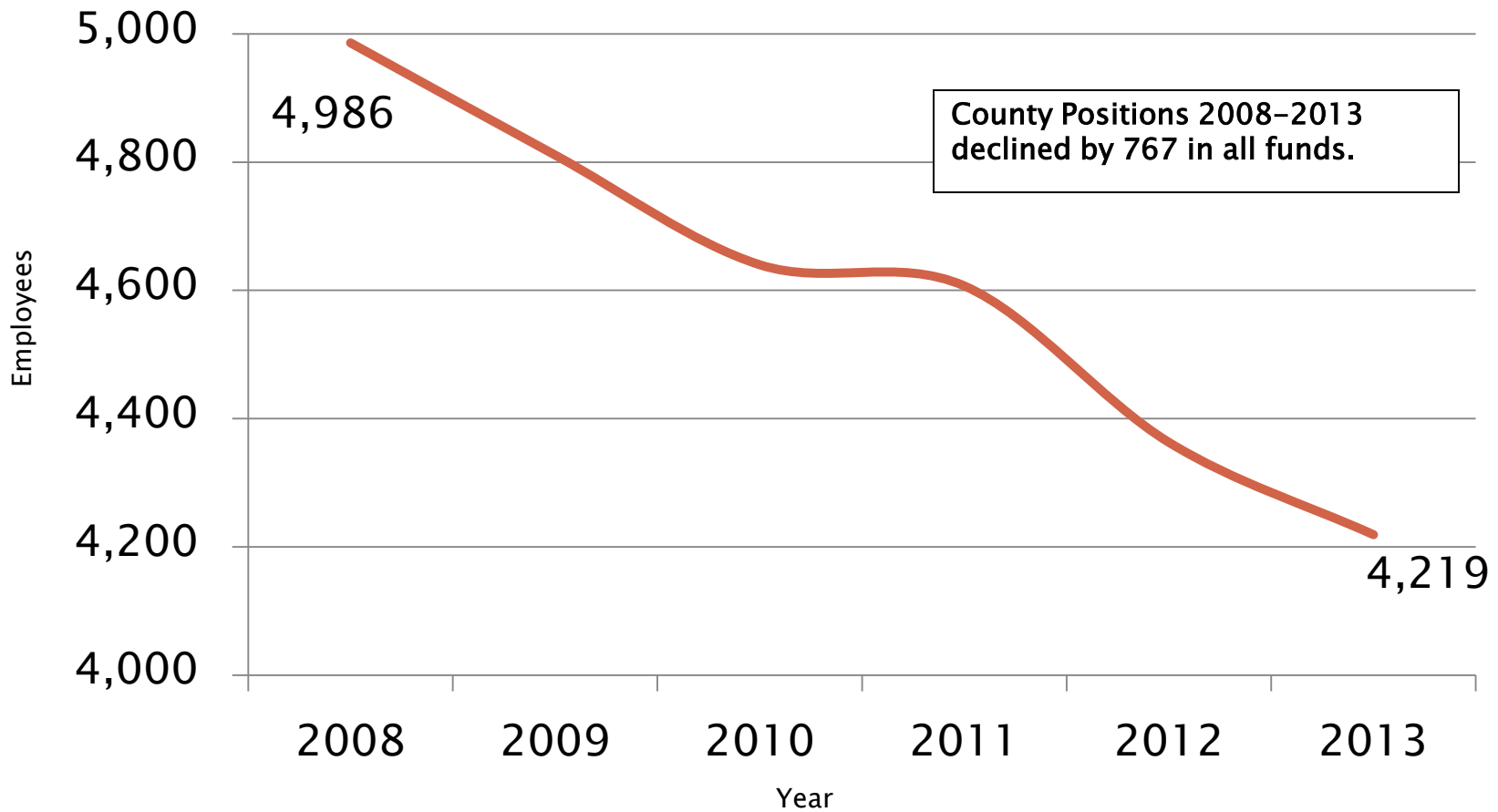
## 16. Continue aggressive cost containment of health care

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- ▶ A Health Insurance Task Force addressed the continued increase in cost for the County Health Insurance Program.
- ▶ For the 2011 open enrollment period, the County created a high deductible health insurance plan with a health savings account component. As of July 2012, 37% of employees are on this plan.
- ▶ The County maintained a choice of a health insurance buy-up plan for employees.
- ▶ The program utilizes incentives for wellness to reduce the monthly employee share of costs.
- ▶ Since 2010, implementing these health care changes has led to a total savings of \$1.2 million in the General Fund and \$16.4 million countywide.
- ▶ Cost containment will continue in the 2013–2014 plan year.
  - New hires offered only county plan

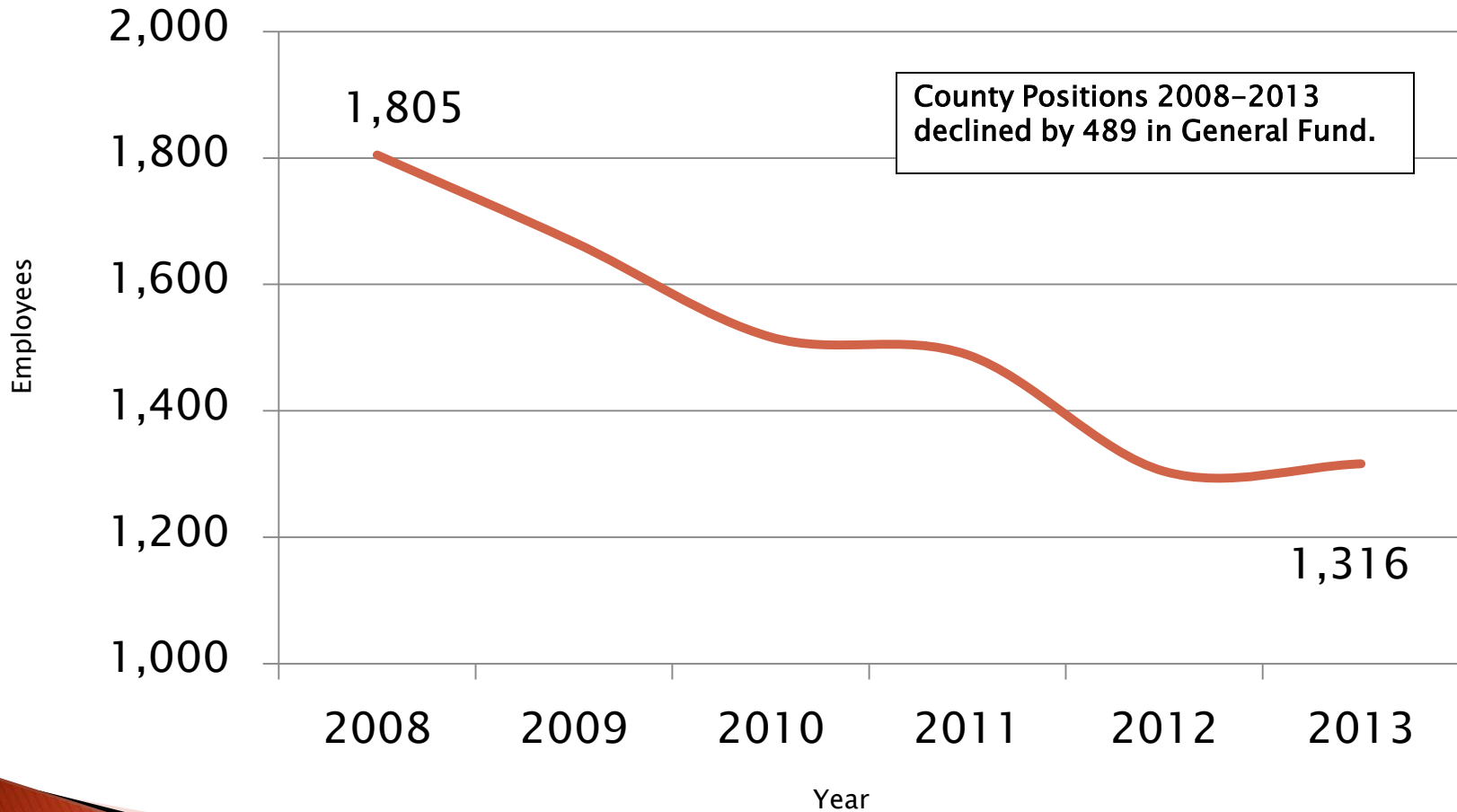


## 19. Staffing review of all departments/offices should be undertaken





## 19. Staffing review of all departments/offices should be undertaken (continued)





## 24. Thorough review of the organization and provision of data processing services should take place to determine if savings can be achieved

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- ▶ **Data Processing staff under the Board of County Commissioners have formed a committee to study possible efficiencies and areas for collaboration.**
- ▶ **Kronos Workforce Central is now the designated timekeeping system under the Board of County Commissioners and many other County departments have adopted this standard.**
- ▶ **In 2013, the Board of County Commissioners hired a Chief Information Officer to standardize and advance our technology platforms and to consolidate all BCC IT staff.**
  - **The Chief Information Officer will also work closely with the Data Processing Director to manage and improve the systems under the Board of County Commissioners.**



## 26. Payroll system should be improved

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- ▶ Replacement of the County payroll and human resources system is underway.
- ▶ Application will be operational January 1, 2014.



## 28. County should continue its commitment to energy conservation

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- ▶ **A County Energy Policy and Five Year Plan was adopted to:**
  - Track and reduce energy use and costs
  - Increase renewable energy utilization and production
  - Utilize programs and partnerships to meet our energy goals
- ▶ **An existing position was upgraded to the County's Sustainability Manager as a part of a \$2.7 million Energy Efficiency Comprehensive Block Grant (energy stimulus funds).**
- ▶ **Completed 24 energy efficiency projects resulting in some facilities now using 10 to 15% less energy.**
- ▶ **Utilized the County Natural Gas Purchasing Program to save 5 to 10%.**
- ▶ **Montgomery County has participated in Electric Demand Response programs with DPL Energy Resources.**
- ▶ **Montgomery County is purchasing electricity for nearly 200 accounts through DPL Energy Resources, with savings of 10 to 15%.**
- ▶ **Created and funded the Dayton Regional Green 3 program. ([www.mcoho.org/DRG3](http://www.mcoho.org/DRG3))**



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# RECOMMENDATIONS REGARDING ECONOMIC DEVELOPMENT





## 29. County government must continue to play a meaningful role in economic development

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- ▶ Investment Income receipts have reached an all-time low. For 2013, the County expects \$6.9 million, down from a peak of \$27.9 million in 2000.
- ▶ Through General Fund budgetary savings for Board of County Commissioners agencies, there is \$0.8 million appropriated to fund regional economic development activities.
- ▶ County has made a commitment to fund the ED/GE Program at \$2.0 million annually based on receiving new casino revenue.
- ▶ Support of JobsOhio.
- ▶ Partnerships with other jurisdictions and business community on economic development opportunities:
  - ED/GE Program
  - Transportation Improvement District (TID)
  - Port Authority
  - Business First Business Retention Program
  - Business recruitment with the Dayton Development Coalition
  - Downtown Dayton Partnership



### 30. Montgomery County Government should continue to play a meaningful role in assisting the region in sustaining and enhancing arts and culture

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- ▶ In 2012, the MCACD approved a plan to increase accountability and transparency regarding use of funds. The plan includes asking recipients to produce a final report detailing revenue/expense figures, demographics of audiences served, and a narrative summary on the organizations' programs, services, and impact on the community.
- ▶ In 2011 and 2012, special project grants and artist fellowship grants were placed on moratorium and funding was limited to major organizations and institutions.
- ▶ Beginning in 2013, the District is piloting a new program to reach out to artists by supporting career development opportunities.
  - The program is under review and will be presented, for approval, to the MCACD board in May 2013.
- ▶ Ongoing funding to the MCACD for 2013 (\$0.5 million) and beyond is based on receiving new casino revenue.



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## PUBLIC POLICY STRATEGIES



## 31. Total compensation of public employees (including pension and health insurance) is driving cost of government

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- ▶ **Ohio lawmakers reformed the five state retirement systems in September 2012 with the changes effective in January 2013.**
  - Increased age and service requirements
  - Increased employee contribution rates (not all systems)
  - Lower cost-of-living adjustments
  - Lower benefit formula
  - Comprehensive changes to health care
- ▶ **Senate Bill 5 – Collective Bargaining legislation passed in March 2011 and subsequently repealed by the Ohio electorate in November 2011.**



## 34. Consideration should be given to reducing the number of local governments and appointing authorities within Montgomery County

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- ▶ Board of County Commissioners has sponsored a series of public forums regarding regionalism titled MCOFuture ([www.mcofuture.com](http://www.mcofuture.com)).



2010–2014 General Fund Financial Planning Committee

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# Closing Remarks