



**MONTGOMERY COUNTY  
ADMINISTRATION BUILDING**

451 West Third Street  
P.O. Box 972  
Dayton, Ohio 45422-1326

**COUNTY COMMISSIONERS**

Judy Dodge  
Dan Foley  
Deborah A. Lieberman

**COUNTY ADMINISTRATOR**

Joseph P. Tuss

April 8, 2013

Dear Montgomery County Resident:

In December 2009, we presented the 2010-2014 General Fund Financial Plan. The plan contained 35 recommendations regarding revenue generation, funding alternatives, efficiency and effectiveness, economic development and public policy strategies to aid the county through severe financial distress and uncertainty in our economy.

Attached, please find the 2010 – 2014 General Fund Financial Planning document with updated actions and outcomes following implementation of the recommendations. Recent County actions over the last 12 months have included:

- MCOFuture Forums with recommendations forthcoming to strengthen the economy, build a 21<sup>st</sup> century workforce, encourage service efficiency and cost sharing.
- Creation and funding of the Dayton Regional Green 3 sustainability program.
- Ohio public pension reform implementation by the State in 2013.
- Policy design changes in the County health care plan with a total savings of \$1.2 million in the General Fund and \$16.4 million countywide.
- Funding ED/GE and Arts Programs in the annual budget with new casino revenues.
- Hiring of Chief Information Officer for Board of County Commission operations.
- Replacement of the County payroll and human resources system is underway.

We are pleased that the national economy is showing positive signs of growth. Locally, Sales Tax receipts have rebounded significantly. However, continuing concerns for the General Fund include the decline of Property Tax receipts due to the revaluation of property and Investment Income receipts that remain at all-time record lows. Additionally, the impact of the proposed State biennium budget is unclear.

Through ongoing collaboration with our elected officials, we have been able to maintain financial stability in the General Fund while continuing to provide quality services to our residents. We can all be proud that the County has remained financially strong during these challenging times.

Sincerely,

Dan Foley  
President

Judy Dodge

Deborah A. Lieberman



**2010-2014**  
**General Fund**  
**Five Year Financial Plan**  
**Year 3 Accomplishments & Update**



## **General Fund Financial Planning Committee Findings and Recommendations**

Montgomery County has a reputation within the State of Ohio and throughout the nation as a leader in providing effective and innovative services to its citizens. Just a few examples of these innovations include: The Montgomery County Job Center, one of the first employment one-stops in the nation, brings together over 30 partner agencies to provide employment, social and educational services to job seekers and employers; the Economic Development/Government Equity (EDGE) Program developed in 1991, one of the only regional collaboration and tax sharing efforts for economic development in the nation; the combined human services levy, one of only two in the State of Ohio, strengthens the County's safety net through a comprehensive approach to the financing of the human service needs of our citizens; and the Montgomery County Arts and Cultural District is seen as a model to support the arts in the community. Government leaders and academics from across the nation have visited Montgomery County to learn from its best practices and the County's elected officials, staff and citizens should be commended for their commitment to service excellence.

### ***General Fund Financial Planning Committee***

Recognizing the serious financial challenges facing the County, the County Commission appointed the General Fund Financial Planning Committee (Committee) on June 17, 2008. The Committee held its first meeting in that same month with a goal to recommend strategies for a balanced General Fund Financial Plan covering the five years beginning 2010 and to provide a framework for annual spending reflecting service priorities, state and federal mandates, as well as community needs. Previously, Montgomery County appointed similar task forces for 10-year plans from 1990-1999 and 2000-2009. The charge of the Committee was to focus on the finances of the County's General Fund. The General Fund is the County's primary operating fund and in 2009 had a budget of \$157.9 million. Although it represents only 16.2% of the County's total \$977.8 million budget, it represents the most flexible funds available to the County. The balance of County revenues are directly tied to specific purposes including the Human Services Levy programs, sewer and water services, solid waste services and federal and state funds primarily to support public assistance programs. The creation of the Committee was consistent with the County Commission's Strategic Initiatives, as well. These strategic initiatives were created by the County Commission as a road map to focus energy, time and resources. The initiatives of Economic Development, Human Services Safety Net, Operational Efficiency, Regional Collaboration and Quality of Life outline the beliefs, challenges, strategies and goals for each. The Operational Efficiency Initiative speaks directly to the efforts of the Committee:

#### *Implementation of a 5 Year Financial Plan which includes:*

- *A balanced General Fund budget plan which right-sizes expenses to revenues;*
- *Continued collaboration with County elected officials, commissions and agencies;*
- *Prioritization of spending, which reflects state and federal mandates and community need;*
- *An adequate fund reserve level to support bond ratings and cash flow; and*
- *Development of long-term capital planning for infrastructure projects.<sup>1</sup>*

---

<sup>1</sup> Montgomery County, 2009 – 2010 Strategic Initiatives (Dayton: Board of County Commissioners, 2009)

The Committee process started with an overview of County government, a review of the former financial plans and a review of the County's current financial status and financial projections. A presentation was made regarding the region's changing economic climate. Spotlight presentations from departments and offices in the General Fund included an overview of the department/office, services provided, trends and upcoming issues. After these introductory meetings, the full Committee was subdivided into three subcommittees: Community and Economic Development, General Government, and Justice and Law Enforcement. These groups were asked to engage in detailed review and discussion and to make recommendations to the Board of County Commissioners about the programs in their respective areas.

## COMMITTEE RECOMMENDATIONS

The subcommittee members discussed a wide range of issues. Recommendations are both short and long-term, some directly impacting county government and some public policy recommendations, which more generally affect Montgomery County communities and the region. The Committee recognized that the County is facing a serious and immediate budget shortfall and focused a great deal of its efforts on recommendations, which address operational efficiency, streamlined business practices and programs not directly mandated by state law.

**However, it was the firm conclusion of the Committee members that ongoing fiscal stability for the County will not be achieved until the economy of Montgomery County and the Dayton region rebounds. It is therefore critical, the members believe, that the County continue to play an important role in economic development and that this priority be reflected in the General Fund budget.**

A theme throughout the subcommittee discussions was that of the many state mandated functions of county government versus services and programs that are discretionary. County government provides a vast array of mandated services dictated by the *Ohio Revised Code* (ORC). Mostly, the type, frequency and nature of these services are required by state or federal law. Over time, County offices have enhanced services under these mandates in response to an identified community need or to better serve the citizens of Montgomery County. However, the Committee believes that in a time of extreme fiscal distress it is critical that all County offices examine their mandated and non-mandated responsibilities and ensure that all mandated services are met prior to providing other services. Non-mandated services should be prioritized by their importance to the community. Those services of least significance or those which can be accessed through other agencies or jurisdictions should be abolished. Additionally, due to the interrelationships of County offices, especially in the justice and law enforcement system, each office should consider the impact of its budget decisions on the cost and operations of other offices.

Another important issue the Committee discussed was the need for good labor/management relations. Labor unions represent 36% of Montgomery County employees. The Committee recognized the critical importance of meaningful and frequent communication between management and labor if the necessary operational efficiencies recommended in this report are going to be implemented successfully.

The members of the Committee recognize the great challenges faced by County officials. The recommendations included in this report are offered with the hope that they will assist in providing a framework for maximizing revenues and adjusting costs to live within those revenues.

Due to the far-reaching nature of many of the recommendations, the members of the Committee request that they be convened annually by the Board of County Commissioners to monitor progress on the implementation of the recommendations.

## **Recommendations regarding revenue generation**

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

The Sheriff provides high quality policing services to Harrison, Jefferson and Washington Townships through contracts. These townships benefit from the support services, training and coordination provided by the Sheriff's Office, which has received accreditation through the Commission on Accreditation for Law Enforcement Agencies for 23 years. These contracts make good sense as they minimize the number of independent police agencies in the County thereby reducing unnecessary duplication and overall cost. However, as these policing contracts are discretionary (not mandated by the Ohio Revised Code) services provided to independent political jurisdictions, the County's General Fund should not subsidize them. All costs related to these services should be included in the contracts. It is recommended that a cost allocation study be completed by an independent public accounting firm for this purpose. The cost allocation study should serve as a basis for the renegotiation of the township policing contracts and billing for other services. Further, the Sheriff from time to time provides other specialized services such as violent crimes investigators and evidence technicians, upon request, to non-contracted jurisdictions. The Committee recognizes that these support services are valuable to smaller police agencies; however the serious financial pressure now facing the County dictates that the Sheriff review these services to determine whether they should be continued and, if continued, be billed to the user jurisdiction.

### ***County Response***

- 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.
- Actual and estimated General Fund collections:
  - 2011: \$150,000
  - 2012: \$300,000
  - 2013: \$450,000
  - 2014: \$600,000
  - 2015: \$600,000
- County security contracts paying administrative costs as well.
- Jefferson Township contract may be negotiated upon renewal.
- State budget reductions and revaluation of property negatively affected township levies.

## ***2. Full billing of Miami Valley Regional Crime Lab services***

The Miami Valley Regional Crime Lab provides a variety of forensic services to over 110 entities in seven counties and is one of only eight accredited crime labs in the State of Ohio. The Coroner's Office provides forensic autopsy services to 22 counties in the State of Ohio. The Committee recommends a cost allocation study be completed by an independent public accounting firm to ensure that services provided to other entities are appropriately billed to cover the additional cost incurred by Montgomery County.

### ***County Response***

- The Miami Valley Regional Crime Laboratory and SNA International completed a rate study.
- Crime Lab increased fees moderately for 2012.

## ***3. Review all fees to determine where increases are possible and desirable***

Many fees that support County operations are outlined in the ORC. They include fees charged by the courts, recorder's office, sheriff and others for a variety of services provided. In most cases, modifications to fees and fee structures require changes to state laws. Although it does not appear that there is significant additional revenue that could be generated from increasing these fees, all agencies should review those fees which they administer to determine if any adjustments can be made. Where limitations in state law exist, consideration should be given to lobbying the legislature for flexibility and equity.

### ***County Response***

- In surveys with elected officials and county offices, rates and fees are at maximum levels.
- County Office of Management and Budget (OMB) reviews non-mandated fees with offices on an annual basis.
- OMB will work with offices annually on fees and potential law changes from the State of Ohio.

## ***4. Reinstitute collection by the Clerk of Courts for fees owed by prisoners in state prisons***

The Clerk of Courts is charged to maintain and make available all court records for Common Pleas and County Courts. The Clerk of Courts also processes court documents including court costs. One of the responsibilities is the collection of authorized fees from prisoners who have been transported to state facilities. In 2008, this function was eliminated. Due to the ability to recoup revenue, this function should be reinstated. The Clerk stated that this abolished position generated revenue to the General Fund in an amount greater than the actual cost of the position.

### ***County Response***

- In 2010, the Clerk of Court's Office added a full-time Accounting Clerk position.
- Reinstatement of the prisoner collection program has occurred.
- Actual revenue collections in 2010 were \$101,370, in 2011 were \$154,784 and in 2012 were \$129,549.
- Revenues received exceed the cost of the new position.

### ***5. Courts should review the suspension and waiving of fines and court costs***

Fines and court costs are a source of revenue not only to the County, but to other jurisdictions as well. The County receives approximately \$1.8 million annually from court fees. Where possible, courts should suspend the waiving of fines and court costs. Though this recommendation may not result in significant increased dollars, it may have a significant impact on some program areas. Of particular concern is the loss of revenue to the Animal Resource Center, where it is estimated that as much as \$14,000 may be lost each year.

#### ***County Response***

- A sampling of Animal Shelter cases reveals nearly 70% of citations have fines waived or dismissed at disposition.
- At a subsequent Municipal Court Judges meeting, it was determined that many violators, in connection with the Animal Resource Center, had low incomes and the waiving of fines and costs for these citizens would continue.

### **Recommendations regarding funding alternatives for County services**

#### ***6. Maximize Human Services Levy funding for qualifying services/programs***

The Committee recognizes that tax dollars collected by Human Services Levies are to be used solely for health, human and social needs of Montgomery County citizens. However, some programs provided by offices/departments of the General Fund meet these criteria. The County should examine programs currently funded by the General Fund to determine if they meet the eligibility requirements for funding by the Human Services Levy process and if so, explore the ability to acquire such funding.

#### ***County Response***

- A current review of items funded by the levy in the General Fund includes Public Assistance Mandated Share, Incarcerated Medical, Juvenile Court and Criminal Justice Council.
- From 2011-2012, General Fund Human Services Levy allocations decreased by \$0.9 million.
- Since the 2012-2013 biennial State budget, the Human Services Levies lost \$6.7 million in 2012 and will continue to lose, from 2013 and beyond, \$9.4 million annually from the phase out of the Tangible Personal Property Tax Fixed Rate Reimbursement and Public Utility Deregulation.
- Levy funding focuses on the mandated social service agencies of county government.
  - ADAMHS Board
  - Board of DDS
  - Children Services
  - Other Countywide Social Service Initiatives
  - Public Health-Dayton & Montgomery County
  - Stillwater Center

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

Another non-mandated service operated by the County is the Judge Frank W. Nicholas Residential Treatment Center for Youth (NRTC), a 22 bed, all male, residential treatment facility for adjudicated youth. NRTC is managed by the Juvenile Court. The Court should aggressively explore other funding alternatives for Nicholas including Title IV-E of the Social Security Act – Federal Payments for Foster Care and Adoption Assistance. If no alternative is available, the Court should consider the feasibility of closing the facility and housing these young offenders in other community options. The building currently housing the NRTC could be used for another function or demolished. Demolition of the buildings would provide an even greater savings to the County. In addition, examination of the long-term success rate of the program at NRTC should be reviewed as well as the impact on the juvenile justice center population if this program were to be modified.

#### ***County Response***

- The County's Department of Job & Family Services and Office of Management & Budget formed a committee with Juvenile Court and led efforts to secure Title IV-E eligibility for the Nicholas Residential Treatment Center during 2010.
- Title IV-E of the Social Security Act provides federal payments for foster care and adoption assistance. This program helps to provide safe and stable out-of-home care for children until the children are safely returned home, placed permanently with adoptive families or placed in other planned arrangements for permanency.
- Approval as a IV-E Court and as a provider was received from the Ohio Department of Job and Family Services during 2010.
- 2011 General Fund revenue was \$408,000, 2012 revenue was \$471,000 and 2013 revenue for this program is estimated at \$550,000 against a \$1.3 million budget.
- Neither the long-term success rate of the NRTC program nor implications of its possible modification were reviewed. To maintain support for this program, Juvenile Court reduced funding in other areas to ensure its continuation. NRTC is seen by the Court as a valuable program having positive community impact.

### **Recommendations regarding efficiency/effectiveness of programs/services**

#### ***8. More extensive utilization of JusticeWeb***

JusticeWeb is a justice and law enforcement information system which consolidates and reports data from 51 justice and law enforcement offices and agencies in 15 counties. The system has over 3,300 registered government users from 23 counties in 2 states, along with 11 federal and 11 state agencies. Through access to this critical data, law enforcement agencies including police departments, courts, county jails, prosecutors and public defenders are able to do their jobs more efficiently and effectively. With respect to the County budget, utilization of JusticeWeb has resulted in a greater ability to manage the jail population reducing the need for expensive out of County housing of prisoners. Additional uses of JusticeWeb should continue to be explored. One area of cost savings recommended by the Committee is for greater use of JusticeWeb by the Clerks' staffs in the County and municipal courts to eliminate the unnecessary issuance of warrants resulting from defendants failing to appear for a scheduled court appearance when they are confined in the County jail. Additionally, the Committee recommends that the County initiate a reasonable fee for the use of this valuable management information tool to reduce the



subsidy. However, caution should be exercised to ensure that the fee is not set at a level that will discourage system utilization.

### ***County Response***

- Extensive use of JusticeWeb
  - Import data from 14 jails, one Coroner's Office and one health department
  - Data received from 15 counties in southwest Ohio.
- Marketing additional uses for JusticeWeb, including premium services.
- OMB is reviewing a "user fee" and developing a possible rate structure to charge jurisdictions and users for access to JusticeWeb.
- The county did not initiate a fee to non-major users of JusticeWeb based on state budget cuts that local jurisdictions received over the last biennium and the value trade-off to the county of having these agencies freely supply data.

### ***9. Continued commitment to jail population management***

It is essential that the County jail population be maintained below the maximum bed capacity of the jail in order to avoid the costly practice of housing prisoners at surrounding county jails. One of the highest priorities of County government is to ensure the safety of its citizens. Having a jail with sufficient beds to incarcerate all offenders who pose a threat to our community is critical to public safety. In the past overcrowding in the jail has resulted in release of non-violent prisoners or the purchasing of additional beds in surrounding counties, a costly and inefficient practice. Great success has been achieved over the last several years in controlling the jail population through the cooperative efforts of the courts and law enforcement. Focus should remain on the effective use of jail space including:

- Efficient procedures for prisoner processing in and out of the jail;
- Efforts to develop consensus within the criminal justice community as to the type of violators that should be housed in the jail;
- Expansion of alternatives to incarceration for non-violent offenders including the continued use of electronic home detention;
- Standardized arrest policies and forms for use among police departments throughout the County;
- Electronically sharing Pretrial Services interviews with other Justice & Law Enforcement agencies to eliminate duplication; and
- Explore alternative ways for managing mentally ill offenders within the criminal justice system because expanded use of mental health courts and other alternatives could reduce the jail population and associated costs.

### ***County Response***

- Montgomery County continues to be proactive in the management of daily prisoner population.
- Average 2010 daily population for the jail was 842, down from an all-time high of 975 in 2006. Average daily population for 2011 and 2012 were 836 and 813 respectively.
- Am. Sub. H.B. 86 is a major revision of Ohio's criminal sentencing practices that became effective on September 30, 2011.

- The purpose of the sentencing reform was to ease state prison overcrowding and reverse the practice of placing low-level, non-violent offenders with more serious offenders in prison.
- H.B. 86, as enacted, contains a provision that allows a judge to sentence a low-level felony offender to state prison if an appropriate community sanction does not occur locally, and the Department of Rehabilitation and Correction is unable to identify a program that meets the court's requirements for the offender.
- These low-level offenders are F-4 and F-5 offenders, the two least serious of the felony categories. The Montgomery County Common Pleas Court makes every effort to deal with these offenders locally. Consequently, only those who have failed locally receive a prison sentence.
- Because of the efforts of the Common Pleas Court in the handling of these offenders prior to the passage of H.B. 86, this law has had minimal impact on increasing our jail population.
- Pre-trial Investigations (Bond Investigations) are not shared with anyone by the court as it is a confidential document. Pre-sentence reports are provided to the judge and to the Ohio Department of Rehabilitation and Corrections if the defendant is sentenced to a state institution and are considered confidential reports pursuant to ORC 2951.03 and Criminal Rule 32.2. The court has some latitude pursuant to this section; but nothing to the extent that it would ultimately prevent or eliminate defendant interview duplication. Specifically, interviews conducted by Pre-trial Services and the Public Defender's Office.
- Electronic advances have been made in the filing of felony criminal charges and the prosecution providing the defense with discovery packages. Currently nine (9) law enforcement agencies are completing felony filings and submitting discovery packages to the Montgomery County Prosecutor's Office electronically. It is anticipated that by the end of May, 2013, the remaining law enforcement agencies within Montgomery County will be following the same process with the exception of the Dayton Police Department. Dayton Police will be the last agency to move to the electronic method due to the volume of cases. This will give the Prosecutor's Office every opportunity to work out any glitches that may not have been resolved. This process then allows the Prosecutor's Office to electronically provide defense counsel with the discovery package electronically. This process also allows for the filing of felony charges without the necessity of officers having to leave their jurisdiction to meet with an assistant prosecutor for felony filing approval.
- Mental Health Court currently operates out of the Dayton Municipal Court. This is a specialized docket court authorized by the Ohio Supreme Court. The Mental Health Court is available to any municipal court in Montgomery County. If the defendant meets the criteria for the Mental Health Court, the defendant's entire case is transferred to the Dayton Municipal Court for adjudication. In the process the defendant is then engaged in the Mental Health Court. This is a very effective program. It should be noted this service is not available to defendants in the Common Pleas Court.
- Montgomery County recently lost 40 inpatient beds for females when the Center for Alcohol and Drug Addiction Services (CADAS) and Project C.U.R.E., Inc. lost funding from the ADAMHS Board to maintain those beds.
- Wright State University in Conjunction with Montgomery County is currently working on a grant submission to the Substance Abuse and Mental Health Services Administration

(SAMHSA) for the treatment of ex-offenders, including those exiting the Montgomery County Jail that are in need of substance abuse and mental health services. This grant, if awarded, would bring \$430,000 annually for three (3) years to assist in the treatment of these individuals. This could have a significant impact on the jail population.

- Resulting from the recommendations of the Alcohol & Drug Abuse Task Force, the ADAMHS Board released on February 15, 2013, four (4) Requests for Proposals for the following initiatives:
  - Ambulatory Detoxification Services
  - Forensic Outpatient Treatment Services
  - Medication Assisted Treatment
  - Screening, Brief Interventions, and Referral to Treatment Services

The first two recommendations listed above have a direct impact on the jail population. Detoxification Services will involve diverting individuals from the jail to a detox facility when the only violation is intoxication by alcohol and/or other drugs.

The Forensic Outpatient Services initiative deals with those individuals that are found Not Guilty by Reason of Insanity and Incompetent to Stand Trial-Unrestorable. These individuals would not be housed in the county jail; but in a structured living environment where comprehensive psychological treatment services are provided.

These initiatives will run for a trial period of July 1, 2013 through June 30, 2014, as they are all pilot projects.

***10. Exploration of options for further collaboration and consolidation among the County Sheriff, Dayton Police Department and other jurisdictions should occur***

The County Sheriff's Office and the Dayton Police Department maintain separate records offices and property rooms within walking distance of each other, provide court security, operate SWAT teams and purchase many of the same items and equipment. The Sheriff and Dayton Police Chief should actively pursue joint operation of these services to achieve cost savings and efficiency. The Sheriff and Dayton Police Chief should invite area jurisdictions to participate in these collaborative operations to enhance cost savings.

***County Response***

- Community to Reduce Gun Violence program
  - Dayton
  - Sheriff
  - Trotwood
- Regional Area Narcotics and Gun Enforcement (RANGE) Task Force
  - ATF
  - BCI
  - Clayton
  - Five Rivers MetroParks

- Miami Township
- New Lebanon
- Perry Township
- Riverside
- Sheriff
- Trotwood
- Regional Dispatch
  - Dayton Police and Fire fully integrated in 2010
  - 19 jurisdictions have joined, covering 67.0% of County population
- The Sheriff and the Dayton Police Chief met and discussed the merging of the Special Weapons and Tactics Team (SWAT), combining or merging both the Records Sections and Property Rooms into one (1) Records Section and one (1) Property Room. The Sheriff has indicated that while the discussions have taken place, sufficient common ground could not be established for such mergers to occur.

### ***11. County Court consolidation***

Ohio's judicial structure is comprised of four levels of courts. Three of these levels operate within Montgomery County: 1) County and Municipal Courts, 2) Common Pleas Courts, and 3) Second District Court of Appeals. The fourth level is the Ohio Supreme Court. The County and Municipal Courts serve the function of handling misdemeanor offenses and arraignments for felony crimes. The Common Pleas Court consists of four divisions: the General Division which handles civil and felony criminal cases, Domestic Relations Court, Juvenile Court and Probate Court. The court system of each County is established in the Ohio Revised Code.

In Montgomery County, there are five municipal courts which are operated and funded by cities and a County court which is funded by Montgomery County. The boundaries of these courts were established over the years and only can be changed by state law. In Montgomery County, the County Courts currently operate in two locations, New Lebanon and Huber Heights. This arrangement results in higher facility and staffing costs than would result from a single location. The County Court should consolidate its operations into a single facility. On a broader scale, efforts can be undertaken to consolidate the five municipal and County courts into one municipal court serving the entire County from a single location. Such arrangements exist in many of the counties in Ohio including Hamilton County (Cincinnati). Consolidating the County and municipal courts would reduce redundancy of services, promote efficiency, lessen the number of attorneys needed by the Public Defender's Office and allow for the posting of dockets relating to all cases. Until full consolidation of courts can be implemented, municipal and County courts should coordinate the scheduling of dockets for efficiencies of the judicial, court, Prosecutor and Public Defender staffs. A feasibility study should be undertaken to determine efficiencies, costs and issues for consolidation options.

### ***County Response***

- On July 1, 2010, the Montgomery County - County Court was established as a municipal court through Ohio Revised Code 1901.01.
- The law established two full-time and two part-time judgeships.
- Two part-time judgeships abolished by December 2016.
- The courts continued with two locations: Huber Heights and New Lebanon.

- On the county level, the five Municipal Courts (Dayton, Kettering, Miamisburg, Oakwood and Vandalia) are identified in the Ohio Revised Code.
- The merger of the courts countywide has not been addressed.
- The county believes that savings can be realized through County Court consolidation. However, the county does not possess the political or fiscal influence to achieve County Court consolidation. The county believes this is a regional issue suitable for a Council of Governments to accomplish.

## **Recommendations regarding mandated versus non-mandated services**

### ***12. Review all non-mandated subsidies to determine continuation of funding***

In addition to the other non-mandated subsidies discussed in this report, subsidies are currently provided to the Agricultural Society, Cooperative Extension Service, Joint Office of Citizen Complaints, Soil & Water Conservation District and the 800 MHz radio system. These non-mandated subsidies should be reviewed and the appropriateness of funding re-evaluated.

#### ***County Response***

- For the 2011 Adopted Budget, the Agricultural Society, Cooperative Extension Service, Joint Office of Citizen Complaints, Soil & Water Conservation District and the 800 MHz radio system saw funding reduced by 3%.
- For the 2012 Adopted Budget, the Agricultural Society, Cooperative Extension Service, Joint Office of Citizen Complaints and the Soil & Water Conservation District saw funding reduced by 12%.
- Increased 800 MHz rates 5.0% for 2012.
- An 800 MHz Radio Migration Study was approved by the Board of County Commissioners to explore the County's options for moving toward a digital system. The study, expected in April 2013, will also advise us regarding an appropriate rate structure for determining jurisdictional costs.

### ***13. Review of STOP program***

The Secured Transitional Offender Program (STOP), operated by the General Division of the Common Pleas Court, is a short-term sentencing option for drug offenders. The program was initiated by the Court several years ago to address the pressing need for a drug treatment alternative in the community. This service is not a mandate for the County. The Committee recommends that the Common Pleas Court reexamine the program for cost efficiencies. Less costly options should be considered including joint locations where the program could be housed to save operating costs. Examination of the long-term success rate should be reviewed as well as the impact on the jail population if this program were to be modified.

#### ***County Response***

- (2012 data) 380 offenders were sentenced and accepted into the STOP program. This has become an increasingly important sentencing option for the court since several residential treatment programs have closed and the state of Ohio initiated a new risk assessment that prevents offenders from being accepted in Community Based Correctional Facilities and halfway house programs.
- 368 (97%) offenders successfully completed the STOP program.

- 45,423 hours of community service work performed by STOP participants.
- 51,797 jail bed days were saved based on a possible 180-day sentence in lieu of completing the STOP program.
- STOP Cost Per Offender is \$2,557 (average of \$63/day)
- Cost projection if sentenced to jail for 180 days at \$69/day would be \$12,420 per offender.
- Savings from utilizing STOP for 368 offenders successfully completing the program is \$3.5 million.

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

Montgomery County currently provides an enhanced level of services at the Animal Resource Center including adoption services, animal education, spay and neutering, and the housing of cats. The existing mandates in state law were written in the 1950s. They require the County to provide stray dog control, to hold a dog without a license for three days and fourteen days with a license. There is no requirement for adoptions, humane care or spay and neutering. The limited state mandates, in many cases, do not reflect the community standards for humane treatment of animals. These enhanced services require a subsidy from the County's General Fund. Every effort should be made to minimize this subsidy and to balance the costs of enhanced services with the many other County mandates. The recent increase in the dog license fee will aid in reducing this subsidy. Montgomery County has one of the highest rates of licensing in the State of Ohio at 56.7%. The average for Ohio's six most populous counties was 34.3% in 2006. However, even at the County's high rate and with an aggressive enforcement program that includes state mandated fines, based upon national statistics, it is estimated there are over 57,000 dogs without licenses. If licenses were purchased for these dogs it would generate an additional \$1.1 million and significantly reduce or eliminate the General Fund subsidy. Finally, the existing strong collaboration, known as the Dayton Alliance for Companion Animals (DACA), between the Animal Resource Center, the Humane Society of Greater Dayton and Society for the Improvement of Conditions of Stray Animals (SICSA) should support these objectives.

#### ***County Response***

- The Animal Control Subsidy was reduced by 25% from \$800,835 in 2009 to \$600,626 for the 2010 Adopted Budget.
- For 2011, there was a 3% reduction in funding to \$582,607.
- For 2012, there was a 31% reduction in funding to \$400,000.
- The focus on animal care is a main priority and other animal operations may be subject to service modifications.

#### ***15. The County should transfer all parks to home jurisdictions or other appropriate agencies***

Montgomery County operates a number of regional parks which were acquired many years ago. Over the years, the County has divested itself of several of these parks. A recent agreement with Huber Heights resulted in the transfer of Thomas Cloud Park to that city in August 2009 reducing the number of County owned parks to three. Additionally, due to budget cuts, all active recreation and camp programs in the parks were eliminated at the end of 2008. The County should continue its active efforts to divest itself of all County parks to the jurisdictions in which they are located, the Five Rivers MetroParks system or the Miami Conservancy District. The

County should also consider economic development opportunities utilizing existing park property as they arise.

### ***County Response***

- The transfer of Thomas Cloud Park to the City of Huber Heights was a positive move for the City and the County.
- Other local jurisdictions are not willing to accept and operate the parks.
- Discussions with Five Rivers MetroParks have determined the County parks do not fit into their mission.
- The remaining County parks are Art Van Atta, Arthur Fisher and Madison Lakes.
- Costs to operate the parks were reduced by over \$1.0 million or 63% from 2009 to 2013.

### **Recommendations regarding operational efficiency**

#### ***16. Continue aggressive cost containment of health care***

Healthcare represents a large and growing expense to all employers including Montgomery County. In 2008, \$14.7 million of the County General Fund budget was spent on healthcare. Countywide this expense totals \$48.7 million. Despite efforts at cost containment, healthcare costs have grown from \$7.3 million to \$14.7 million, or by 102% from 2001 to 2008 in comparison to the growth of County revenues of 1.9% over the same period. The County has made progress in controlling healthcare costs, but the existing plan design and employee cost participation is still significantly more generous than that offered in the private sector. Suggested areas for savings include:

- Increased employee contributions to health care;
- Modifications to plan design including the offer of a “buy-up” plan by offering a single plan with lower coverage with the option of a plan with higher coverage whereby the employee pays the difference; and moving to Health Savings Account (HSA) or Health Reimbursement Account (HRA) approach;
- Emphasis on employee wellness including consideration of financial incentives for employees to participate in health screening tests (i.e. mammography, colonoscopy, cholesterol screening, etc.)

The County should review annually best practices in the private sector to ensure that it continues to aggressively manage this large expense.

### ***County Response***

- 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 and non-smoking. These 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.

***17. All business processes within the County should be analyzed to ensure cost efficiency***

A thorough review of all business processes and practices should be undertaken. The decentralized nature of county government, the many mandates in Ohio law and the lack of one single management authority creates an environment where the most efficient business practices may not be in place countywide. In a time of severe fiscal stress, it is critical that all business processes be analyzed and improvements implemented including technology efficiencies, best practices and appropriate cost allocation. The Committee believes that significant savings can be achieved through a robust evaluation of business practices. The County should utilize professional services for this review.

***County Response***

- Administrative Services implemented a computerized maintenance management system to provide efficient building maintenance procedures.
- Board of Elections reduced the number of voting precincts by 34% and the number of polling locations by 51%.
- Probate Court implemented an online marriage license application and now accepts credit card payments.
- Treasurer developed new merchant services solution and tax delinquency research program.
- General Fund budget reductions of \$12.1 million took place from 2010-2012. As a result, departments strived for efficient business practices to ensure they could deliver equal services with less resources:
  - The 2010 budget was reduced 10.5% from the 2009 budget
  - The 2011 budget was reduced 2.0% from the 2010 budget
  - The 2012 budget was reduced 6.7% from the 2011 budget

***18. Management span of control should be evaluated***

In the private sector, the span of control for managers/supervisors has greatly expanded to generate efficiencies and increase productivity. Private industry best practices have indicated that the role of Managers and Supervisors includes the management of staff as well as performing multi-functional jobs. Current best practices by job function should be reviewed for staffing/reorganization consideration.

***County Response***

- The General Fund eliminated 91 positions through a Voluntary Separation Plan offered to County employees.
- Job Center merged into Office of Family and Children First.
- Office of Management & Budget assumed the Hotel/Motel Tax program from Community & Economic Development.
- Public Works merged into Administrative Services (General Fund operations) and Environmental Services (Solid Waste operations) for the 2010 budget.

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

An analysis of staffing of all departments/offices/agencies should be made taking into consideration public and private sector best practices, where appropriate. A comparison of this



County's staffing levels and caseloads should be undertaken to conform with productivity initiatives adopted by the private sector. The County should utilize professional services in performing these reviews.

***County Response***

- As the County continues to implement General Fund budget reductions, elected offices and agencies have made "tough decisions" on the level of staffing within their offices.
- For the 2012 Adopted Budget, targeted budget reductions across all departments totaled \$12.8 million or 9.2% against the 2011 Adopted Budget.
- The number of positions budgeted for the General Fund decreased by 212 from 2010 to 2012.

***20. Outsourcing should be implemented where feasible to reduce cost of administrative support services***

It is the Committee's belief that Montgomery County's cost to provide many of its support services is higher than that of the private sector. To achieve efficiencies in the private sector, businesses have outsourced many administrative services to realize savings. Accordingly, the County should review opportunities to outsource. Where appropriate and cost effective, the outsourcing of custodial, data processing, building maintenance, records storage and disposal, printing services and vehicle maintenance should occur to significantly cut costs and provide funds for mandated and essential services.

***County Response***

- Reduction of custodial services and building maintenance staffing began in 2010.
- Preventive building maintenance contracts and snow removal are outsourced.
- Mailroom, Printing and Stockroom Services service levels declined in 2010 - 2011.
- Environmental Services and Administrative Services are currently reviewing the vehicle maintenance functions for operational and organizational efficiency.
- Further outsourcing of building and facility costs is currently under review.

***21. Greater utilization of central services by all County offices/departments***

County government is comprised of a large number of offices, departments and agencies. While some of these are under the control of the Board of County Commissioners through the County Administrator, many are led by separately elected officials or independent boards. As a result of this decentralized organizational structure, there is costly redundancy in administrative support functions. All County offices should utilize the central administrative functions of data processing, telecommunications, purchasing, human resources, printing, stockroom and vehicle maintenance to achieve economies of scale and purchasing power to reduce overall cost.

***County Response***

- Under the State budget bill for 2012-2013, there are proposals for usage of County centralized services as purchasing, printing, transportation, vehicle maintenance, etc.
- Montgomery County currently operates centralized services functions.
- We will review our centralized services functions if state law changes.

**22. *Montgomery County should make every effort to reduce the number of County buildings that it operates and should sell/transfer excess property.***

Montgomery County owns over 40 buildings and properties. Many of these serve specific and unique uses (i.e. Crime Lab, Animal Resource Center) others provide space for general office operations. The maintenance of these buildings is expensive and every effort should be made to reduce these costs. Private industry has experienced substantial savings by adopting office and density standards. The County should engage a consultant in general office space design to assist in reviewing best practices and standards for office density. Those standards should be used to determine the savings that can be achieved through the consolidation of space, the sale of unnecessary or underutilized buildings and the reduction in the operating costs of County-owned property. The County has already made the decision to demolish the former Family Courts building. Other property considerations should include:

- Demolition of the cottages at Shawen Acres. These cottages are deteriorating and unsafe. The City of Dayton Landmarks Commission has not yet approved a demolition permit. This should continue to be pursued;
- Sale or demolition of idle properties or properties with low utilization, such as Dora Tate Center to save annual operating costs; and
- Lease/Transfer Old Courthouse and Memorial Hall to appropriate community organizations

***County Response***

- The Common Pleas Court-General Division functions consolidated in the Reibold Building-eliminating some leased space.
- The Family Courts building demolition allowed construction of a surface parking lot for jurors and court operations.
- The lease arrangement at Sunrise Center on Fifth Street with the City of Dayton terminated December 2011.
- Demolition of the Shawen Acres cottages occurred in 2012. The site development plan calls for green space, walking paths and shelters to allow full utilization by children, families and staff.
- Management agreements are in place with Dayton History for the Historic Courthouse and Memorial Hall facilities in downtown Dayton.
- Total Building square footage removed from active operating inventory by end of year 2012 is 220,586.
- County government has unique space requirements (judges & courtrooms, jails, juvenile detention, Coroner and Crime Laboratory, and large public queuing areas for a multitude of government services)
- Reibold Building renovation for Adult Probation (21,900 sq. ft.) adopted higher office density levels and is a LEED-Platinum certified renovation.
- All staff members, including supervisors, work in 83 sq. ft. (avg.) workstations.
- Future renovations will incorporate higher density norms and specific and unique County operations considered.

**23. *Comprehensive review of service levels and frequency***

Montgomery County is a large and diverse organization which provides a large number of mandated and non-mandated services. In light of the fiscal challenge the County is facing, all

services should be analyzed to determine; 1) if the level and frequency of services can be reduced, 2) if non-mandated services can be eliminated, and 3) if operational efficiencies can be implemented. Examples for review include regularity of mandated gas pump audits, level of custodial service, frequency of records imaging, mailroom/courier drops and recording/scanning of documents.

### ***County Response***

- Administrative Services custodial service levels decreased beginning in 2010.
  - Cleanliness of restrooms and common areas is top priority.
  - Employees now empty their own trash receptacles.
  - Vacuuming occurs weekly.
- These actions happen in most downtown office buildings including the Administration, Common Pleas Court, Coroner/Crime Lab, DayMont Courts, Jail, Juvenile Justice Center and the Reibold Building.
- Because of the 2012 budget reductions, each elected official reviewed service levels. Total targeted budget reductions were \$12.8 million and positions decreased by 184 when compared to 2011.

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

Data Processing services are coordinated and overseen by the Data Processing (DP) Board as authorized by the ORC. The DP Board is tasked with coordinating the use of all automatic data processing equipment throughout the County offices. The County Auditor is the chief administrator of the Data Processing Board. In Montgomery County, the Data Processing Board consists of the County Treasurer, Auditor, Recorder, Clerk of Courts, Sheriff, Coroner, Board of County Commissioners, Board of Elections and Common Pleas Court. The Data Processing Board oversees and approves the purchase of data processing equipment, both hardware and software, and develops data processing standards for County operations. The Data Processing Board, its structure and function as determined by the ORC should be reviewed for efficiency and effectiveness. This will allow Montgomery County to advocate for legislative change if that is deemed appropriate.

At present, there are information technology and data processing employees throughout the many departments and offices in Montgomery County. Some data processing functions are centralized and some are decentralized. There is no Chief Information Officer (CIO) position for Montgomery County government as a whole. Given the complexity and rapid changes in technology, the Committee believes the County would benefit financially and operationally if it had a highly specialized CIO. The County also must consolidate information technology and data processing functions to eliminate costly duplication. The data processing function should be analyzed across all County entities to determine the appropriate organizational structure, service levels and policies that will result in cost savings. One area which should be addressed as soon as possible is a review of all software and hardware maintenance contracts to determine the impact of modifying service provisions and combining vendor contracts to achieve economies of scale. The Committee believes that substantial savings can be attained.

### ***County Response***

- Data Processing staff under the Board of County Commissioners has 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.

### ***25. Reduce costs of telecommunications through implementation of Voice over Internet Protocol and new cell phone policies***

Due to the size, diversity and scope of Montgomery County's services, as well as its need to communicate with the public, it is highly dependent upon telecommunications. The committee believes several steps can be taken to reduce telecommunications costs.

Montgomery County utilizes a Centrex telephone system through AT&T to provide telecommunications services. Savings may be achieved through replacing this telecommunications system with a Voice over Internet Protocol (VoIP) system. We recommend a review of this potential efficiency.

Montgomery County pays for cell phone equipment and a plan for County employees who must use a mobile phone for County business. Over 450 cell phones are supplied to employees. Reimbursement for personal cell phone calls is required. The County should implement a monthly cell phone allowance policy for employees reducing the annual cost and the administrative effort involved in the reimbursement process.

### ***County Response***

- Telecommunications released a Request for Information (RFI) in early 2011 to determine the cost to replace the Centrex telephone system. The responses ranged in cost from \$1.4 to \$2.0 million to replace our current system with VoIP. Our estimated return on investment was 4 1/2 to 5 yrs. This result led us to enter into a 2-year Centrex contract with AT&T.
- Telecommunications is planning to release another RFI this spring.
- To comply with IRS regulations, the Board of County Commissioners adopted an Electronic Device Allowance Policy in 2010. In most instances the County no longer provides electronic devices (i.e. cell phones, Blackberries) but authorizes an allowance for employees who need the device for their job.

### ***26. Payroll system should be improved***

Over \$106.4 million of the County's General Fund budget is for personnel costs. Countywide, the payroll and fringe benefit costs are \$297.7 million. It is critical that this expense be managed as effectively as possible. The County's existing payroll system is antiquated and unable to provide critical management reports. The Committee recommends that the payroll system be upgraded, replaced or the service outsourced. A thorough analysis of the payroll business practices and structures Countywide must be conducted in conjunction with any system change. Business processes to gain operational efficiencies Countywide should be put in place.

A Return on Investment (ROI) analysis should be completed to determine whether the purchase of a system or an outsource arrangement of payroll services is most cost effective. If a system is purchased, an analysis to determine the funding of the system should be conducted.

### ***County Response***

- Replacement of the County payroll and human resources system is underway.
- Implementation will be complete in January 2014.

### ***27. Efforts should be made to change Ohio laws which drive up County expenses or require unfunded mandates***

County government is a “creature” of state government. Statutorily, it has no home rule powers and is constrained by what is specifically permitted in Ohio law. There are numerous provisions of the ORC which drive expenses and over which the County has no control. The County should advocate for legislative change in the following areas:

- Board of Elections: Elimination of special elections to reduce workload and cost. Advocate for decision on a single election method, i.e. paper ballots or electronic ballots rather than two fully operational ballot systems currently mandated;
- Collective Bargaining: Change the collective bargaining laws to allow for a more balanced approach to conflict resolution;
- Data Processing Management: Change the way in which the Data Processing function is managed in Ohio counties including permissive legislation allowing for the creation of a Chief Information Officer for counties;
- Records Retention: Update laws to change the official record retention format from a microfiche system to an electronic format;
- Ohio Tax Law: Advocate allowing interest to be paid on monthly property tax payments or for the ability to offer a discount for pre-paid taxes;
- Public notice/legal ads: Legal ads can be required for public hearings, large purchases, delinquent tax notices, fee increases and for many other reasons. These legal notices are often required to run in a newspaper of general circulation. With the onset of electronic technology format, there are now less expensive and faster ways to reach the public. Legislation should be changed to allow for an updated way to notify the public of important events, policy changes, information and meetings; and
- Local Government Fund: Local Government Funds (LGF) are distributed within counties based on the annual tax budget (not utilized in large counties) or an alternate formula adopted by the jurisdictions within the County. Montgomery County utilizes an alternate formula which allots to the County approximately 42% of the LGF received. Currently, based on state law, if the municipal population (those not living in townships) within a County reaches 81% of total population, the County share of LGF is reduced to 30% of the allotment. Montgomery County should advocate for a change in law that would allow the County to receive 42% of the LGF allotment regardless of the municipal population percentage.

### ***County Response***

- The State of Ohio budget deficit of \$8.0 billion caused numerous legislative changes including:
  - Local Government Funds distribution declined \$4.2 million in 2012 and again in 2013 by \$2.1 million.
  - JobsOhio (privatization of the Ohio Department of Development).
- The County Commissioners Association of Ohio (CCAO) has developed a legislative program for the State of Ohio that is supportive of counties.
- In addition, CCAO produced a presentation on the state budget and initiatives to improve efficiency; manage the County budget and remove state mandates. These include:
  - Unfunded Mandates
  - Management Improvement, Efficiency and Cost Allocation Initiatives
  - Revenue Flexibility and Fees
  - County Government Structural Changes and Governance Reform

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

Montgomery County is a large consumer of energy because it owns and operates many building and vehicles. The County is to be commended for its many energy efficiency projects over the years which have reduced the energy consumption of County buildings. Its efforts were recognized in 2006 when it received the Governor's Award for Excellence in Energy. Most recently, the Board of County Commissioners established a Green Taskforce to examine other ways in which the County can become more energy efficient and to cooperate with other jurisdictions and organizations to improve community-wide energy efficiency. Sustainability policies are available for workplace buildings and operations. These should be researched for applicability and adoption for Montgomery County offices.

### ***County Response***

- 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.
- Montgomery County has 14 accounts with the County Commissioners Association of Ohio - County Natural Gas Purchasing Program, with savings of 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%.
- Dayton Regional Green 3 program fully funded for 2013. ([www.mcoho.org/DRG3](http://www.mcoho.org/DRG3))

## **Recommendations regarding economic development**

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

Montgomery County Government must continue to play a meaningful role in the attraction, retention, and expansion of businesses. It is only through a revitalized local economy that Montgomery County can achieve fiscal stability into the future. Not only must the County overcome governmental roadblocks that prevent successful and substantial economic growth, it must have a consequential amount of resources available to help develop economic packages to serve as incentives. The Committee makes the following observations and recommendations with respect to economic development:

- ***A successful private/public partnership is the most effective approach to economic development. The County should support a regional private development entity with private/public leadership.***

Montgomery County and the region have been experiencing the most serious economic challenges faced in many decades. The reasons for these difficulties are many and most are not within Montgomery County's control. However, it is the Committee members' deepest belief that without attraction of new businesses and the retention and expansion of existing businesses, the future of the County cannot be vibrant and prosperous.

Montgomery County has a marvelous history, and with the right strategies, a bright future. Since the success of the future is directly related to the steady growth of the business community, Montgomery County must have within it a strong, coordinated, and meaningful business attraction, retention and expansion program that emphasizes speed and responsiveness. The region's current public and private business attraction, retention and expansion programs are fragmented, needlessly competitive, and duplicative and do not always achieve the optimum economic development results.

Montgomery County government has played a crucial role in economic development and must continue to be an important player. The Committee believes that government should not be the leader in economic development efforts. In most areas where attraction, retention and expansion have been successful, the efforts have been led by a private/public partnership with the full cooperation and participation of local governments. It is this type of model that is advocated for Montgomery County.

The County should encourage and support a regional private development entity with public and private sector leadership and funding to take the responsibility for the coordination of all business attraction, retention and expansion. The County should exercise its influence to overcome fragmentation and competition within the County and the region.

- ***Support and utilize the regional marketing and branding strategy***

It is critical that the Dayton region have an effective and recognizable branding and marketing strategy for use both internally and externally. Montgomery County should support and participate in the regional marketing and branding strategy developed by the Dayton Development Coalition. In doing so, the County should use the regional strategy

to emphasize the value of doing business in and living in the County. The County should communicate to other jurisdictions and businesses that supporting the regional marketing and branding initiative will strengthen our collective brand and will benefit all the communities in the region.

- ***County officials should work to ensure effective engagement with the State of Ohio in Economic Development***

A winning economic development strategy must combine the resources and expertise of the state with the knowledge and tactics of regional private and public economic development leaders. As such, successful business attraction, retention and expansion programs require meaningful state participation. It is the belief of the Committee that the County should: 1) encourage the state to continue its marketing and monetary support for regional economic development strategies, and 2) work with the region's public and private leaders so that our region participates fully in, and receives its share of benefits from, such state strategies.

- ***Evaluate ED/GE program to determine future***

Montgomery County is to be commended for its commitment over the last twenty years to economic development and inter-jurisdictional revenue sharing through its Economic Development/Government Equity ED/GE program. The revenue sharing component of ED/GE remains one of the few in the country and has been invaluable in fostering balanced economic development in the County. The ED/GE program was created 20 years ago and the economic environment has changed dramatically over this period of time. Due to the severe fiscal challenge the County is now facing, continued funding for the program is uncertain after 2010. The Committee believes that this is the appropriate time to evaluate the ED/GE program to determine: (i) whether and in what form ED/GE should be continued beyond 2010, and (ii) whether and in what form other opportunities for ongoing regional cooperation and revenue sharing should be pursued.

- ***Commit a portion of any increases in investment income to economic development***

The Committee believes that to compete in the national and world economies, Montgomery County must continue to allocate funding for strategic economic development projects and incentives related to those projects. The historical County funding target of \$5.0 million annually should be the minimum amount allocated from the General Fund over the planning period. These County funds should directly leverage additional economic development funding from federal, state and private sources. The Committee recommends that increases to the recommended \$5.0 million annually be funded from increases in revenue received from investment income. Investment income is a highly fluctuating revenue source as it is based on the Federal Reserve interest rate. Under Ohio law, the County, as well as all governmental jurisdictions, is severely limited in its investment options. All investments must be in government securities with a time horizon of no more than five years. These requirements make County investments highly dependent on the interest rate and therefore revenue fluctuates widely. Collections have ranged from \$28 million in 2000 to anticipated collections in 2010 of \$11.9 million. Due to these fluctuations, it has been a long-standing policy of Montgomery County to avoid reliance on investment income as part of the base budget. However, in recent years, due to the severe drop in revenue, all investment income has been used to maintain County



operations. The Committee agrees with the County's past policy related to investment income. In order to ensure ongoing financial stability, the Committee does not believe the full amount of investment income should be relied upon to support the County's general operations. Therefore, the Committee recommends a portion of future increases in investment income be utilized for economic development.

- ***Every effort should be made to ensure County operations are business friendly***

Doing business in Montgomery County should be consistently a high-quality experience. The County should review permit processes and other regulatory processes to ensure that they are well-mapped out, clearly communicated, user-friendly, responsive, rapid and flexible. The County should exercise its influence to encourage other jurisdictions to similarly review and improve their processes.

### ***County Response***

- Investment Income receipts have reached an all-time low. For 2012, the County received \$7.8 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 on an annual basis based on receiving new casino revenue.
- County has made a commitment to fund the ED/GE Program at \$2.0 million annually based on receiving new casino revenue.
- Full evaluation of ED/GE program took place in 2010.
- Continue participation with Dayton Development Coalition.
- Support of JobsOhio.

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

Arts and cultural organizations and programs are an important measure of a community's quality of life. Such organizations and programming enrich the lives of our communities' adults, and provide crucial and meaningful enrichment experiences to our children. Arts and cultural activities support a region's economic development story and are part of business attraction, retention and expansion.

Montgomery County Government should continue to play a meaningful role in assisting the region in sustaining and enhancing arts and culture. However, due to severe fiscal constraints, Montgomery County cannot continue to use scarce General Fund dollars to provide direct programmatic and other support to arts and cultural organizations. We commend the County for its commitment to support the arts and cultural organizations at the \$1.0 million annual level through 2010. This will provide time for the arts and cultural organizations to develop alternative support and programmatic strategies including collaboration and consolidation of arts organizations.

Montgomery County should work to identify revenue sources outside of the General Fund to provide funding support to arts and cultural organizations. Funding should be phased in (if alternative revenue sources can be identified) and should be available up to \$500,000 annually during the planning period.

The Committee believes arts and cultural organizations and programming should be funded primarily through private sector support and community fund raising. Montgomery County should develop a strategy to encourage greater private sector support of arts and cultural organizations.

Arts and cultural organizations are regional assets that benefit all of the citizens of the County and the region. Montgomery County should develop a strategy to encourage local jurisdictions (inside and outside of the County) to support and invest in arts and cultural institutions that benefit such jurisdictions and their citizens.

Montgomery County should evaluate the role of the Montgomery County Arts and Cultural District (MCACD) and the effectiveness of the current cultural support formula to determine whether and in what form it should continue beyond 2010. The cultural support formula was created 20 years ago and the funding environment and the arts and culture environment have both changed dramatically over this period.

In the future, the Committee recommends that Montgomery County's arts and cultural funding not be used for general operating support. Rather, the funding should be used strategically to develop and strengthen the County's arts and cultural framework so that current and future arts and cultural organizations can pursue their missions with even greater vigor and effectiveness, and in a manner that supports the County's overall economic development strategy.

#### ***County Response***

- 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.

## PUBLIC POLICY STRATEGIES

**Public Policy Strategies** are broad issues regarding Montgomery County, its relationship to its various local governments, state government and in some cases, the region. These strategies encompass community consensus and cooperation in many areas that affect the County's ability to control costs, streamline services and provide for economic development.

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

Due to the changing economy, in some cases, over the last several years public employees, particularly at the lower pay levels, have become more highly compensated than private sector counterparts when factoring in salary, medical benefits and pension contributions. At the upper level managerial classifications, often the private sector significantly outranks the public sector employees. Total compensation of the public and private sector should be more closely aligned where possible. Particular consideration should be given to defined benefit pension plans still offered to all public employees in Ohio. In 2007, only 21% of all private sector employees are still offered these retirement plans<sup>2</sup>. With flat or shrinking tax dollars, the Committee questions the long-term financial viability of these plans as currently defined for all levels of local government in Ohio.

The Committee believes that there are some changes in the state laws governing the pension system which could result in substantial savings to the County and other local governments. These changes, among others, are (1) change the law regarding the contracting of County functions to private entities which currently requires continued participation in the public pension system; (2) An age requirement for retirement benefits should be added to the programs (Social Security requires those born after 1960 to work until age 67 because currently individuals can retire at any age with the necessary years of service resulting is significant expense to the programs; (3) Changing the formula of how retirement benefits are calculated.

### ***County Response***

- 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.
  - Required employees to pay minimum of 15% toward the costs of health insurance

---

<sup>2</sup> "Jobs That Still Offer Traditional Pensions", U.S. News and World Report, June 1, 2009, 29 September 2009 <http://www.usnews.com/money/personal-finance/retirement/articles/2009/06/01/jobs-that-still-offer-traditional-pensions.html>.

- Defined mandatory subjects of bargaining (wages, hours and terms/conditions of employment)
- Prohibited minimum staffing and pension pick-ups
- Modified dispute settlement procedures and eliminated binding conciliation and right to strike

***32. Changes in the Ohio Revised Code should be sought to eliminate outdated, cumbersome and inefficient mandates***

The ORC defines the powers and responsibilities of county government. The state legislature modifies sections of the ORC. Many parts of the code are outdated, cumbersome and inefficient. The powers and responsibilities often do not reflect the emerging needs of county government. The ORC as it relates to county government needs to be restructured to affect positive change and efficiencies for county government and its citizenry.

***County Response***

- Montgomery County and County Commissioners Association of Ohio (CCAO) continue to work on these issues.
- CCAO’s “Platform Priorities for 2013-2014” regarding these issues is attached to this document.

***33. The tax burden on businesses within the County should be reduced to support economic growth***

Conducting economic development “as usual” is no longer an option. Montgomery County needs to change the game. The County needs to identify and pursue tactics that will give it a substantial marketable economic advantage over its competitors. A tactic County jurisdictions should consider is reducing the overall local tax burden of doing business within the County in order to stimulate economic investment. One example for the local jurisdictions to consider is the reduction or elimination of the corporate income tax. To accomplish this, Ohio’s laws must be changed. Although the local corporate income tax rates are relatively low, a dramatic shift away from corporate taxation could provide the Montgomery County area with a “story” that would demonstrate that the region is serious about business attraction. It would also benefit and encourage existing businesses to remain and expand their presence in our communities.

***County Response***

- This item is of great significance to the current state administration.
- The County will be following this issue closely in 2013.

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

There are 26 separate political jurisdictions in the County where the same or similar services are being performed with the main difference primarily being jurisdictional boundaries. Members of the Committee believe the level of resources required to support these similar services detracts from the County’s capability to offer a coherent economic development plan. The County’s elected officials and staff must help leverage opportunities for communities to come together by

creating and building upon inter-city partnerships and, at the same time, identify opportunities to use its resources to accelerate consolidation and enhancement of services across the region.

As a “statutory” form of government, Montgomery County is, in many ways, hostage to the various and often archaic dictates of the Ohio Revised Code. It has little of the independence found in the “home rule” jurisdictions that make up the majority of the cities within the County’s borders. Summit County currently operates as a charter county with a County Executive. Recently, Cuyahoga County voters have overwhelmingly voted to move to charter county status with a County Executive. Montgomery County needs to aggressively review whether a change from statutory government to a charter county would benefit the citizens of the county and the region by providing Montgomery County additional flexibility to meet the economic issues at hand; as well as maintaining Montgomery County’s competitive position as compared to Summit County, Cuyahoga County and other Ohio counties that may elect to move away from the restrictions embodied in their current form of government.

#### ***County Response***

- Board of County Commissioners has sponsored a series of public forums regarding regionalism titled MCOFuture ([www.mcofuture.com](http://www.mcofuture.com)).
- The next MCOFuture forum is February 20, 2013. Recommendations to implement various initiatives including formation of a countywide council of governments will be a part of the presentation.

#### ***35. Changes in criminal justice policy should be sought at the state level***

As justice and law enforcement expenditures and functions require the majority of the General Fund resources, policy reform at the state and local levels can have a large effect on the efficiency of operations across the County. A committee should be created consisting of policy makers, judicial and law enforcement personnel to review and recommend reform to criminal justice policies such as, but not limited to, Countywide arrest policies, incarceration standards and sentencing standards.

#### ***County Response***

- County Chiefs' Association began to formulate a standardized arrest policy for all law enforcement agencies within the County, but to considerable objections.
- Incarceration standards are difficult to obtain, as judges would have to agree collectively on these standards.
- Reform at the state level came in the form of H.B.86 and placed additional burdens on counties. It would appear that any criminal justice reform measures taken are going to have to be at the local level. The Montgomery County Criminal Justice Council and the Montgomery County Immigration Council are striving to make the changes necessary to ensure adequate space in the county jail for those offenders who require incarceration. At the same time, we must maintain the jail population at a level where outsourcing prisoner housing does not create a financial burden on the county.



## **Platform Priorities for 2013-2014**

### **Preserve Adequate Funding for County Services and Mandated Functions**

For counties to perform the services and mandates taxpayers expect, county budgets must be stabilized. The Local Government Fund and Tangible Personal Property and Public Utility Tax reimbursements should be restored given the state's budget is now balanced with a surplus and revenues continue to improve. In addition, cost-shifting state responsibilities to local governments or shifting revenue from counties to other political subdivisions based on the misconception of "high" casino revenue is contrary to constitutional intent. Broadening the sales tax base will help maximize both state and local revenues, as will collecting the sales tax on internet sales.

### **Appropriately Address the Challenge of Election Administration**

Fair elections are the underpinning of our democracy. In Ohio, the 88 county boards of elections are county funded, while state reforms and unfunded mandates have increased election costs at a time of strained county budgets. Unless costs are contained, and given the unique power of local boards of elections to seek judicial orders for funding, CCAO recommends boards of elections become state staffed and funded.

### **Public Defender Realignment**

CCAO recommends a systemic change to the delivery of indigent defense services with the state assuming total responsibility for the program over time. In the interim, CCAO asks the state to live up to its original commitment to reimburse counties for 50% of the cost. CCAO also recommends changes to certain criminal sanctions to reduce the cost and improve administration of the indigent defense system.

### **Oversight of Taxpayer Dollars**

While county commissioners are elected to manage county budgets on behalf of taxpayers, other officials – both elected and unelected – may court order additional county funds for increases in salary and administrative costs. Currently boards of elections, courts, county prosecutors, and veteran service commissions can secure funding without county commissioners' approval via a court order. CCAO seeks to limit this extraordinary authority, particularly in regards to salary increases.

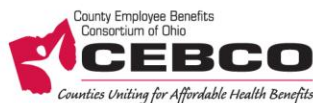
### **Improve County Budget Accountability**

Commissioners, as the budgetary authority for the county, must be given enhanced management control and oversight over the county budget. They should be granted broad revenue flexibility including the ability to adjust user fees established by state law and establish other user fees to support county services; allocate general fund costs to special funds as the state does; have access to special funds when fund balances are high and during periods of fiscal stress; and charge other political subdivisions of the county, on a cost allocation methodology, for all mandatory services provided by the county, including but not limited to services provided by the county engineer, sheriff, and prosecutor.



County Risk  
Sharing Authority

Fax: 614-220-0209  
www.corsa.org



Fax: 614-229-4588  
www.cebco.org



County Commissioners  
Association of Ohio  
Service Corporation

Fax: 614-221-6986  
www.ccao.org

### **Authorize County Government Structural Reforms**

CCAO supports efforts to re-examine the traditional structure of county government and explore ways to consolidate services and operations to gain efficiencies. In addition, CCAO seeks specific authority to eliminate the office of elected coroner when operations for such office have been regionalized. And, to provide authority for voters to eliminate or combine current county elected offices as an alternative to a county charter.

### **Maintain Local Responsiveness to Human Need in Workforce and Health Transformation**

CCAO supports the Administration's efforts to improve and transform current workforce and health care systems. However, it is critical that counties are adequately funded to provide core services to address human need and be responsive to business, particularly to help Ohioans during periods of temporary unemployment. Given the diversity of Ohio, CCAO will continue to advocate that counties, with sufficient technical assistance and appropriate funding from the state, are best suited to determine which programming will be most effective in meeting the needs of its residents.

### **Address/Balance/Foster Energy Development Opportunities and Responsibilities**

CCAO supports state policies to encourage the development of new energy sources which offer great opportunities to Ohio. Such development must be done responsibly from the beginning to address expensive, vital infrastructure; environmental safeguards; community needs; and financial impacts on jurisdictions impacted.

### **Recognizing the Public Purpose of Solid Waste Management**

As the Administration and General Assembly review Ohio's solid waste delivery system, CCAO asks that policy and lawmakers recognize the importance public oversight of this utility service available to and needed by all Ohioans. We also support initiatives to maximize the use of waste as a resource through financially sustainable policies, programs, and facilities that promote public health, safety, and general welfare. CCAO also supports public/private solid waste management partnerships.

### **Expand Shared Services Opportunities**

While shared services cannot provide the total answer to offset revenue reductions, enhanced collaboration and shared services need to be considered to achieve long term efficiencies. Thus, CCAO seeks additional authority for boards of county commissioners to require other county offices to use centralized services for a myriad of functions, including IT, when it makes solid business sense. Counties also support countywide solutions to emergency communications to achieve better service and greater efficiencies.