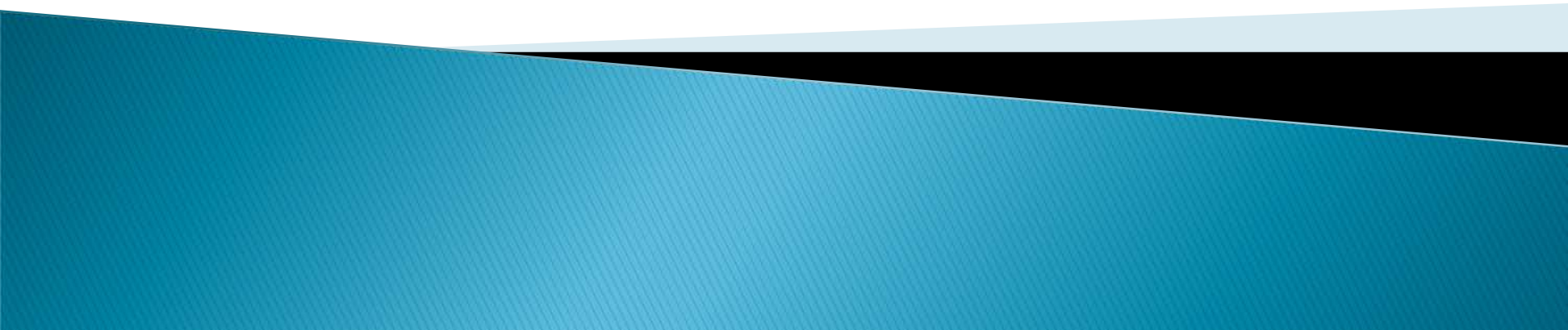


Marion County Sales Tax Presentation



Five Year Forecast

Updated: 10/21/11

Projected with no % increases in expenses, with 6 months of adjusted sales tax

	2011	2012	2013	2014	2015
PROJECTED BEGINNING OF THE YEAR CARRYOVER	\$2,477,936.98	\$779,105.61	\$43,596.14	(\$2,550,396.73)	(\$5,139,760.60)
PROJECTED REVENUE	\$14,124,689.97	\$14,950,371.63	\$13,093,310.73	\$13,098,762.23	\$13,229,658.18
PROJECTED EXPENSES	\$15,823,521.34	\$15,685,881.10	\$15,687,303.60	\$15,688,126.10	\$15,673,348.60
PROJECTED END OF THE YEAR CARRYOVER	\$779,105.61	\$43,596.14	(\$2,550,396.73)	(\$5,139,760.60)	(\$7,683,954.98)

Projected with a 3% increase in all expenses

	2011	2012	2013	2014	2015
PROJECTED BEGINNING OF THE YEAR CARRYOVER	\$2,477,936.98	\$779,105.61	(\$426,980.29)	(\$3,974,820.82)	(\$8,016,444.39)
PROJECTED REVENUE	\$14,124,689.97	\$14,950,371.63	\$13,093,310.73	\$13,098,762.23	\$13,129,154.22
PROJECTED EXPENSES	\$15,823,521.34	\$16,156,457.53	\$16,641,151.26	\$17,140,385.80	\$17,654,597.37
PROJECTED END OF THE YEAR CARRYOVER	\$779,105.61	(\$426,980.29)	(\$3,974,820.82)	(\$8,016,444.39)	(\$12,541,887.54)

Projected with a 3% increase in all expenses and 1/4 percent increase in sales tax effective October 1, 2011, collecting January 1, 2012

	2011	2012	2013	2014	2015
PROJECTED BEGINNING OF THE YEAR CARRYOVER	\$2,477,936.98	\$779,105.61	\$383,519.71	(\$1,543,320.82)	(\$3,963,944.39)
PROJECTED REVENUE	\$14,124,689.97	\$15,760,871.63	\$14,714,310.73	\$14,719,762.23	\$14,750,154.22
PROJECTED EXPENSES	\$15,823,521.34	\$16,156,457.53	\$16,641,151.26	\$17,140,385.80	\$17,654,597.37
PROJECTED END OF THE YEAR CARRYOVER	\$779,105.61	\$383,519.71	(\$1,543,320.82)	(\$3,963,944.39)	(\$6,868,387.54)

***Sales tax figures is an estimated \$1,621,000 for an additional 1/4 percent increase based on collections from 2000-2010**

Projected with a 3% increase in all expenses and 1/2 percent increase in sales tax effective October 1, 2011, collecting January 1, 2012

	2011	2012	2013	2014	2015
PROJECTED BEGINNING OF THE YEAR CARRYOVER	\$2,477,936.98	\$779,105.61	\$1,194,019.71	\$888,179.18	\$88,555.61
PROJECTED REVENUE	\$14,124,689.97	\$16,571,371.63	\$16,335,310.73	\$16,340,762.23	\$16,371,154.22
PROJECTED EXPENSES	\$15,823,521.34	\$16,156,457.53	\$16,641,151.26	\$17,140,385.80	\$17,654,597.37
PROJECTED END OF THE YEAR CARRYOVER	\$779,105.61	\$1,194,019.71	\$888,179.18	\$88,555.61	(\$1,194,887.54)

***Sales tax figures is an estimated \$3,242,000 for an additional 1/2 percent increase based on collections from 2000-2010**

Departments Funded by the General Fund

- ▶ Multi-County Jail
- ▶ Sheriff
- ▶ Commissioners' Office
- ▶ Auditor's Office
- ▶ Treasurer's Office
- ▶ Board of Elections
- ▶ Recorder's Office
- ▶ Prosecuting Attorney's Office
- ▶ Veterans' Office
- ▶ Clerk of Courts
- ▶ Common Pleas Court
- ▶ Adult Probation
- ▶ Juvenile Detention
- ▶ Probate Court
- ▶ Coroner
- ▶ Municipal Court
- ▶ County Engineer—minimal funding
- ▶ Family Court
- ▶ Data Processing

Main Sources of General Fund Revenue

- ▶ Sales Tax – before emergency measure 6.5%
 - 5.5 % to State of Ohio
 - 1% to Marion County
- ▶ Local Government
- ▶ Investment Income
- ▶ Property Taxes
 - Approximately 5% of Property Taxes paid go to the Marion County General Fund

What has occurred to cause the projected deficit?

➤ Revenue

- A decrease of \$3,580,780.68 in revenue since 2007

➤ Appropriations/Expenses

- \$1,933,900.05 has been cut since 2008.

▶ Beginning Year Balance

- \$2,682,215.53 – January 1, 2011
- \$779,105.61 – Projected Balance January 1, 2012

▶ Sales Tax

- Decreased by \$706,563.89 from 2007 to date 2011.
 - In addition, merchant overpayments of \$214,062 were returned in 2011.

▶ Investment Income

- Decreased by \$1,664,697 from 2007 to 2010.
- Projected to decrease another \$153,833.12 in 2011.

▶ State Cuts to Local Government

- Elimination of tangible personal property tax, cuts to local government, elimination of public utility reimbursements will cause a total decrease of \$655,229 for 2012 and an additional \$792,692 for 2013.

▶ Local Decreases

- Property Transfer Tax
 - Decreased by \$273,537.30 from 2007–2010.
- House Trailer Tax
 - Decreased by \$3,844.37 from 2007–2010

▶ General Fund Expenses

◦ State Mandated Indigent Defense

- Expenses have grown 20% from 2008 to 2010.
- \$422,191.08 has been spent year-to-date.
- \$475,000 was budgeted for 2011
- Additional \$150,000 will be needed for expenses related to capital cases, murder trials.

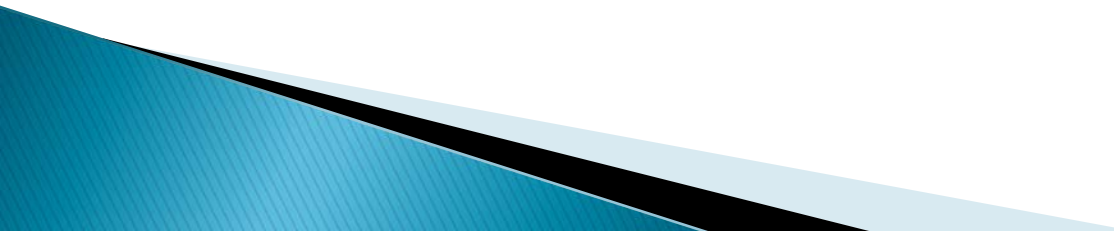
◦ Debt

- 2011 \$691,051.59 out of the general fund for debt payments
- Outstanding general fund debt \$9,320,000

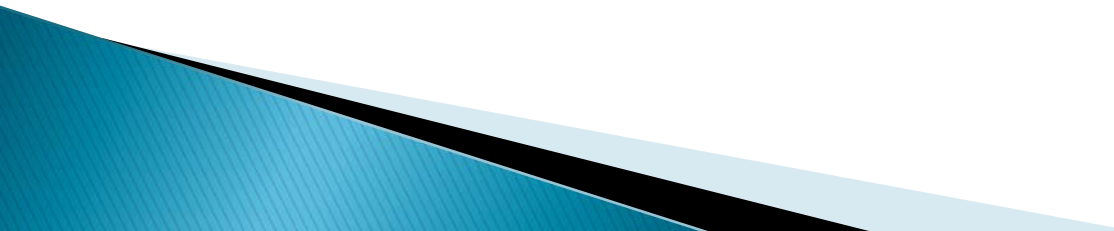
Losses in Revenue \$3.9 (07-13)

Source	2007-2010	2011	Projected 2012	Projected 2013
Sales Tax	\$682,425	\$0	\$0	\$0
Investment Income	\$1,664,697	\$153,833	\$0	\$0
Tangible Personal Property	\$67,885	\$169,126	\$93,874	\$0
TPP Fees	\$0	\$0	\$35,000	\$0
Local Government	\$241,446	\$0	\$337,438	\$241,679
Pubic Utility Reimb.	\$0	\$10,300	\$20,600	\$0
Property Transfer Tax	\$273,537	\$0	\$0	\$0
House Trailer Tax	\$3,844	\$0	\$0	\$0
Total	\$2,933,834	\$333,259	\$486,912	\$241,679

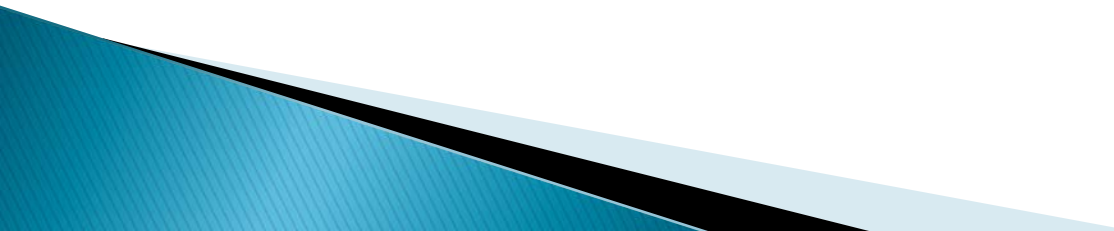
What has already been done to cut costs?

- ▶ **Department Cuts**
 - In 2009, departments took a 6% cut.
 - In 2010, departments took a 20% cut.
 - In 2011, the departments maintained 2010 appropriations.
 - ▶ **Employee Pensions**
 - Employee pays 10%
 - Employer pays 14%
 - ▶ **Health Insurance**
 - Marion County Employee share is 15%
 - Employees pay 30% for dependents
 - Single Deductible \$2,500
 - Family Deductible \$5,000
- 

Spending Reductions

- Many departments have not had cost-of-living raises since 2007.
 - Many departments have not hired new employees when an employee left or retired.
 - Some departments have laid off employees.
 - Some departments took furlough days.
 - Commissioners gave back a portion of their salary.
 - Some employees are paying for travel and training out-of-pocket.
 - Cleaning is being done by many employees so that we can cut the cost of the cleaning contract.
 - Cleaning contract has been cut to 4 days instead of 5 days.
- 

Spending Reductions (cont.)

- Deferred vehicle repairs and purchases.
 - Deferred building maintenance and repairs.
 - Negotiated the % of increase for cost of doing business from various vendors.
 - Each department has made their own cuts.
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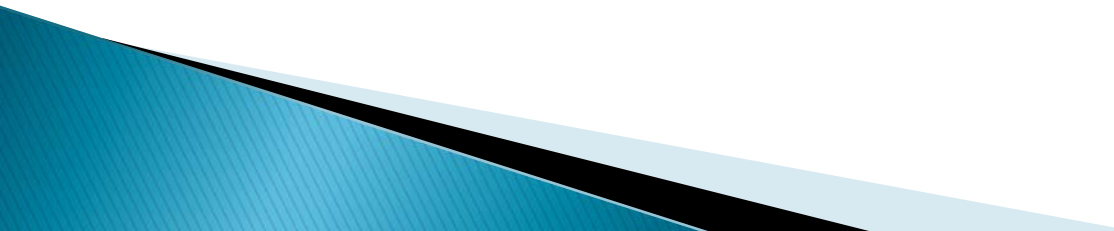
Plan for sales tax change

County Plan

▶ Priorities

- Maintain current services.
- Deliver the best services for the money.
- Continue to fund present and future State mandates
- Safety
 - No additional cuts will occur in these two departments, with the passage of the increase in sales tax:
 - Sheriff
 - Multi-County Jail
- Sustain and seek future cost-saving measures

County Fiscal Management

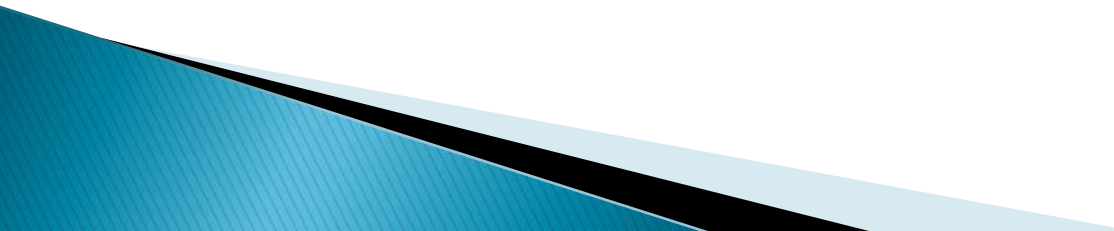
- ▶ Last increase in sales tax was implemented in 1992.
 - ▶ 19 years without an increase.
 - ▶ 62 out of 88 Counties have a higher percentage.
- 

Sales tax change

- ▶ \$100 spent on taxable sales would cost an additional \$.50 in sales tax
- ▶ \$1,000 spent on taxable sales would cost an additional \$5.00 in sales tax

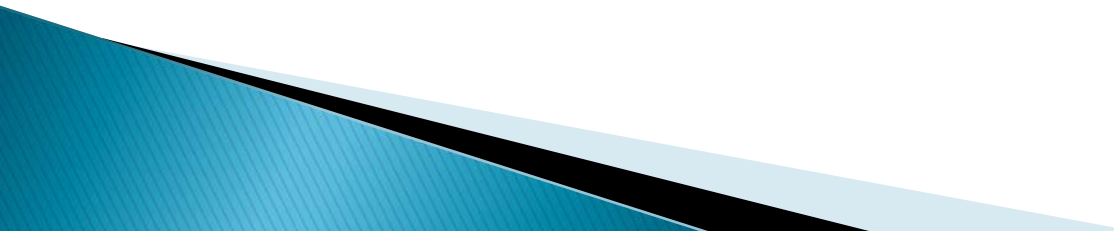
- ▶ Sales tax does not apply to:
 - Food
 - Gasoline
 - License Plate Fees

Why was the emergency sales tax enacted?

- ▶ A **\$1.6 million** dollar deficit was projected for 2012.
 - ▶ The emergency measure of increasing the sales tax prevented an immediate 20% cut.
 - ▶ Departments will still be required to make a 12% cut in 2012, if the sales tax is repealed.
- 

What will occur if the sales tax change is repealed?

What will occur if the sales tax change is repealed?

- ▶ Significant reduction in inmate housing.
 - ▶ Reduction in work-force.
 - ▶ Delays in emergency response times...most serious calls first.
 - ▶ Because government agencies are so interrelated, any further reduction in budgets or workforce will result in significant delays in providing services from all county general fund departments and agencies.
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Questions?