

Date: June 15, 2017

To: Members of the Ohio Senate Finance Committee
From: Rev. Randy Smith, Meigs County Commissioner VP
Re: Substitute HB 49 – State Biennial Budget

Chairman Oelslager, Vice Chair Manning, Ranking Member Skindell and members of the Finance Committee, my name is Randy Smith. Thank you for allowing me the opportunity to submit written testimony regarding Sub House Bill 49.

Last summer when we were first made aware of the full impact the loss of the MCO sales tax would have on Meigs County we were shocked to say the least. Over the last several years Meigs County, like all counties across the state, have been faced with challenges. Issues stemming from “The Great Recession”, the rising cost of healthcare, unfunded mandates, the need for capital improvements, and others have at times put Meigs County in difficult situations.

In 2012 the board of commissioners made the difficult decision to enact a 0.5% increase in our sales tax. While this was not a decision that was taken lightly, it was out of absolute necessity that it happen. In the few years leading up to the decision to increase the sales tax, Meigs County was actually at a place where we had to prioritize bills based on disconnect notices. Advances had to be taken on real estate settlements to make payroll and there was a genuine concern that layoffs would occur to an already thin workforce.

Once collection began on the new sales tax things seemed to begin to level out. While this move didn't put Meigs County into a perfect world, the need to worry about making payroll or paying utility bills wasn't the concern it once was. Over the past four years our office holders and department heads have worked hard to stay within our means and run Meigs County in the most efficient way possible. Our elected officials most often work 40 plus hours per week to keep from having to hire additional staff and it was in 2015 that we were able to finally bring our hardworking employees to at least \$10.00 per hour. Up until then we had many making \$9.75 per hour or less.

In 2015 Meigs County collected \$2,647,626.00 in total sales tax. \$574,302.00 of that (or 21.7%) revenue came from the MCO sales tax. The MCO portion of our revenue is nearly 10% of our total operating budget. This includes crucial services like EMS and the Sheriff's Office. There is no way for the general fund to absorb that kind of cut without it resulting in a cut to these and other services. Normally our county sees no more than two deputies on per shift as a part of normal day to day so you can see how this loss of revenue will cripple budgets across the board and leave us more vulnerable than we already are. With the opiate epidemic plaguing communities across the state operating expenses, inmate housing, and manpower needs are on the rise with no end in sight.

While the county doesn't subsidize many offices or programs we work with a few that will almost have to cease if we lose this revenue. Our county extension office (4H program), our economic development office and our soil and water agency to name a few. Our economic development office for example is made up of two employees. A director and his administrative assistant. We provide \$75,000.00 and our CIC provides \$75,000.00. They are instrumental in bringing business and funding for other projects to the county.

Honestly, they do the work of dozens and we pull it off with two. We are not afraid to share services and partner up agencies to be more effective. Meigs county has done that as a way of life for decades.

We understand that the state stood to lose millions of dollars because of this revenue loss. Seeing the administration find a way to make the state whole and not the counties was really discouraging. These funds truly are a life line for our county. They aren't used to create a slush fund or pad salaries and benefit packages, it truly is how we survive. If we are to pave the way for a prosperous future for Meigs County then we have to have stable revenue.

Please consider amendments and/or options that will equally make the counties and transit authorities whole like the state. We have learned of an amendment that Senator Dolan has presented that we urge you to support.

We extend our gratitude for your willingness to hear and read testimony on this very important issue.

Respectfully,

Rev Randy Smith, Commissioner
Meigs County Ohio