



Lake County Board of Commissioners

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Lake County, Ohio

PRESS RELEASE

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The Lake County Board of Commissioners, in an attempt to prevent further deterioration of the county's ability to perform state-mandated responsibilities and to insure some stability to the county's finances and credit rating, has proposed a plan that accomplishes that objective. It is a plan that will reduce the county government's reliance on property taxes and increase the reliance on sales taxes.

Effective April 1, 2012, the county piggyback sales tax will be increased for the first time since it was instituted in 1969 by $\frac{1}{2}$ of 1 percent. This will be coupled by the first reduction in the county's general fund inside millage since the 1930's. That rate of 2.1 mills will be reduced by the Board of Commissioners by more than half to 1.0 mills, effective with tax year 2012. It should be pointed out that this is unvoted millage, within Ohio's constitutional 10 mill limit, and can only be reduced by act of the Commissioners.

A further reduction in property tax bills will also be implemented beginning in 2013, as the Board of Commissioners will reduce stormwater management user fees to the property owners in the county's stormwater management district communities by 50%.

"We believe that we are addressing the county's budget crisis responsibly," Lake County Commissioner Daniel P. Troy said. "The additional revenues generated will still leave us at an overall general revenue fund of less than we had as recently as four years ago. But by this action, we are shifting our tax base away from one based on property ownership to one based more on consumption."

"Previous reductions in county government will be sustained—we have shrunk county government to its present bare bones level, and will continually advocate for changes in state law that currently gives us little flexibility in terms of structural efficiency," said Raymond E. Sines, President of the Board of Commissioners.

"What we will not do, and in reality will not be able to do as a result of us combining tax cuts with tax increases, is re-grow county government back to previous levels. It is important that our officeholders and department heads understand that," Sines said.

"With these changes in the county's tax structure, we certainly will not have the highest sales tax rate in Ohio, but we will have the lowest unvoted property tax rate for general county government operations of all of Ohio's 88 counties," Troy added.

“It can be accurately stated that this action reduces property taxes for Lake County citizens, and replaces much of that revenue from non-Lake County residents,” said Commissioner Robert E. Aufuldish.

The Commissioners believe that this proposed approach allows a longer range of fiscal stability. While due diligence on all aspects of county revenues and expenditures will continue, these steps will reduce the almost daily task of balancing and re-balancing the county general fund budget. The County will be better able to concentrate on needed activities including economic development that retains and/or creates additional private sector jobs. It will also allow for proper maintenance and repairs to county facilities, which are in reality owned by the taxpayers, who have entrusted the stewardship of those assets to the Board of Commissioners.

“At this point in time the sales tax is the only option. Over the past four years County government has cut personnel, merged or eliminated services, and changed operational procedures at every level to curtail costs. As a Sheriff’s Office we have cut our budget from 15 million dollars down to 10 since 2008. This included closing a jail, laying off or not replacing 55 employees and 20 part-time staff, and not replacing equipment and programs that we depend upon to service the community. You reach a point where any further cuts threaten the level of services to community, its economic stability, and its safety and security. We have not replaced vehicles in four years, the buildings have deteriorated, the jail is at capacity, and warrant and paper service has backed-up due to an inability to handle the load with such reduced. In short, there is nowhere else to cut. This sales tax is the only viable option to citizens at this time. Failure to act now will have dire consequences to Lake County at all levels.”

Sheriff Dan Dunlap

“Over the last several years, I have watched the deterioration of the County’s revenue, while the demands to provide the statutorily mandated services have not lessened. This in fact puts the credit rating of the County in jeopardy. That is why I am supporting the sales tax increase in conjunction with the property tax decrease as a creative and balanced approach to this situation.”

Auditor Ed Zupancic

Thank you for your attention.