

Digest Reduction Scenario

March 17, 2010





Digest Scenario

2009 Net Tax Digest = \$29.0 billion

A 10% decrease in the digest equates to a \$2.9 billion reduction, or a net digest of \$26.1 billion.

General Fund Reduction:

With the 2009 millage rate of 11.78 mills that equates to a loss of revenue =
\$34,162,000

Recreation Fund Reduction:

With the 2009 millage rate of 1.00 mills that equates to a loss of revenue =
\$2.9 million

Impact of Scenario



If the reduction in the digest on slide 1 occurred, the resulting impact is a decline in revenue. Based upon their share of the operating budget, departments would need to make the following cuts:

Area / Group	% of Operating Budget	Operating Budget	Reduction Scenario
Public Safety & Courts	39.9%	\$220,094,986	\$13,630,638
Planning & Development	1.2%	\$6,833,943	\$409,944
Transportation	2.6%	\$14,570,912	\$888,212
Fire	13.8%	\$75,957,552	\$4,714,356
Community Service & Sub.	2.5%	\$13,934,811	\$854,050
Libraries	3.6%	\$19,797,254	\$1,229,832
Recreation & Parks	100%	\$41,446,148	\$2,900,000

Revenue Options



Property Tax Increase

Using a \$26.1 billion digest, 1 mill = \$26,100,000

Property tax increase available for General Fund only

Sales Tax

Generates approximately \$120 million annually (including amount to be shared with cities and administrative fees paid to DOR)

100% of the tax revenue can be used to rollback property taxes, making it revenue neutral (known as LOST); or

50% of the tax revenue can be used to rollback property tax and the remaining 50% can be used for County operations (known as LOST II)

Exchange Revenue / Fees for Service

Policy discussion on % of expense covered by revenue, i.e. 100%?

50%? 25%?