



**Auditor of State  
Betty Montgomery**

# RICHLAND COUNTY PERFORMANCE MANAGEMENT PROJECT

SEPTEMBER 9, 2004



## Auditor of State Betty Montgomery

To the Citizens, Commissioners, Auditor, and Project Team of Richland County:

Richland County (the County) and six other local governments were invited to participate in a Performance Management Project (the Project) because each was identified as a leader in financial reporting by professional organizations. This project was designed to enhance the City's public reporting process by assembling requested information in a user friendly manner. The seven entities participating in the Project include one county, four cities, one library, and one special district.

The mission of the Project is to provide citizens, officials, and employees with comprehensive and easily accessible indicators to assess the performance and enhance the planning process of a government entity. The report for the County contains socioeconomic indicators, key financial ratios, a review of General Fund revenues and expenditures, and a performance measurement exercise for two selected activities.

Reporting of socioeconomic conditions is important in the long-range planning process of an entity because it allows policies to be enacted within the parameters of quantifiable resources and needs of the community. Reporting of key financial ratios is important to the strategic planning and budgeting processes. By using financial ratios, the entity can develop financial policies that will define the amount of service available in a given time. Performance measurement allows the entity to determine the efficiency and effectiveness of an activity. This information can then be used to further enhance the strategic planning process and ensure the effective use of public dollars.

This report includes the following sections: project introduction; socioeconomic indicators; financial ratios; assessment of general fund budget growth; and performance management exercise. This report has been provided to the Commissioners, Auditor, and the Project Team of Richland County, and its contents have been discussed with the Project Team.

Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or toll free at (800) 282-0370. In addition, this report can be accessed online through the Auditor of State of Ohio website at <http://www.auditor.state.oh.us/> by choosing the "On-Line Audit Search" option.

Sincerely,

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
AUDITOR OF STATE

September 9, 2004

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## **Background on Performance Management**

Any organization requires reliable data to make informed decisions. Recent advances in information technology have made it possible to efficiently gather, sort and store data on internal and external factors impacting organizations. These repositories of data enable managers to analyze strengths, weaknesses, opportunities and threats to their organization like never before to benefit their consumers.

As citizens continually demand more responsive and competitive government, public officials are increasingly collecting data to assess both external socioeconomic indicators for planning services and measure the performance of those services. Other states and national researchers have labeled Ohio a forerunner in collecting elementary and secondary education data through the Educational Management Information System (EMIS), which contains more than 200 data elements. This data is constantly analyzed by educators, researchers, the media, policymakers and citizens to measure the efficiency and effectiveness of education in Ohio.

Nonetheless, there are thousands of other local governments in Ohio that do not have such an effective tool to analyze data for planning and measuring their services. They must use websites of various state, federal and private agencies to search databases on the information they desire on external factors in their communities. In addition, many local governments do not consistently collect and maintain data to measure performance and manage their operations effectively. While the implementation of the Governmental Accounting Standard Board's Statement No. 34 will make government financial data much easier to analyze for policy purposes, many officials may not understand how to use this data to its full potential.

## **Brief Project Description**

The Performance Management Project (PMP) attempts to transfer knowledge and information enabling local governments in Ohio to better serve citizens in an increasingly efficient and effective manner. It envisions a comprehensive portal system of data-sharing among Ohio's counties, municipalities, townships, libraries and other special districts. This network would offer a broad base of performance measures, both financial and socioeconomic, to help guide operating and policy decisions. It would also present an Internet class designed by academic experts to help local officials establish performance-based organizations. Site information could be tailored to the user profile.

This project takes into account that most organizations, government and non-government, go through cycles of high performance to low performance. Unlike many performance assessment programs, it does not attempt to institutionalize a methodology of performance management on any one or a group of governments. Rather, it provides a tool for all governments to use as they progress through the cycles.

This project is currently being piloted among several high-performing local governments, as defined by their financial reporting practices, which include the cities of Brecksville,

Upper Arlington, Sidney and Westlake; the Wayne County library system; Lake Metroparks; and Richland County. Each partner government is financially contributing to develop pilot performance measures in the areas of socioeconomic indicators, financial ratios, and operating performance measures.

Each partner will have a project team comprised of legislative, executive and operational members of the entity as well as one or more citizens. Team members involved with the PMP project for Richland County included:

<b><u>Name</u></b>	<b><u>Title</u></b>
Rick Gulley	Chief Deputy Auditor, Team Leader
Patrick Dropsey	Auditor
Edward Olson	Commissioner
Daniel Hardwick	Commissioner
Phillip Marcus	Chief Building Official, Plans Examiner
Cathy Mosier	Director of Purchasing
Richard Adair	Citizen, Executive Director Richland County Regional Planning Commission

This report concludes Phase I of the PMP project, and details the selection of performance measures and the tools necessary to develop a performance driven organization. Key objectives and action plans for approaching Phase II of the project include:

- 10-15 socioeconomic indicators to assist in high-level, long-term policy analysis;
- 16 financial ratios providing a deeper analysis of government finances to help guide policy in the short-term; and
- An exercise to develop objectives, performance measures and a self-assessment for two operational areas.

### **Background on Richland County**

Richland County is the most-populated county in the north-central portion of the state, though population peaked in the 1980s. The county has a long history of heavy industry and manufacturing remains the largest employer, although the local economy continues to grow in other areas. Nowhere is this more evident than in the city of Ontario, which has benefited from a booming commercial base that county officials believe attracts customers throughout north-central Ohio.

Richland County government has already demonstrated its progressiveness in financial management as it was one of the first governments in Ohio to adopt the new reporting model developed by the Governmental Accounting Standards Board (Statement No. 34). Consequently, it is the sole county government represented in the pilot PMP project.

During the initial meeting with Richland County officials in July 2003, they expressed a desire to use data and conclusions generated in this pilot project for two primary purposes. First, county government lost nearly \$7 million in funding in 2002 as a result of federal and state cutbacks and is relying on the renewal of a local sales issue in March 2003 to keep operations solvent. It wished to use data gathered in this project to help inform the public of external and internal factors impacting county government. Secondly, the county desired to use this project in helping to formulate its ongoing strategic plan.

### **Socioeconomic Indicators**

Socioeconomic indicators encompass economic and demographic characteristics of the community, including population, income levels, age distribution, property values, employment, and business activities. They allow a government analyst to focus on external opportunities (e.g, new revenue sources) and threats (e.g, increasing service demands).

For this project section, the AOS mined databases from numerous state, federal and private organizations to develop potential socioeconomic indicators. It categorized hundreds of indicators into the following groups:

- Population and Demography
- Geography and housing,
- Environment,
- Public safety,
- Local business climate,
- Local labor market,
- Personal finance,
- Property taxes,
- Sales taxes,
- Income taxes,
- Other taxes,
- Abatements, and
- Local government fund.

In addition to the indicators presented, clients could also request analysis of specific socioeconomic indicators. For example, Richland County requested data on the impact of out-of-county residents on county sales tax collections. To allow for trend analysis, the AOS gathered historical data whenever possible.

After assessing the options, Richland County officials chose to have the AOS populate the following indicators:

1. Population by age. The team also desired demographic information on female-led households. It also wished to factor out the large prison inmate population as much as possible.
2. Historical sale price data on homes from the National Board of Realtors.
3. Median mortgage costs, owner costs without a mortgage, median gross rent, percent of renters with gross rent 35 percent of household income, and homeownership versus rental rates.
4. Historical water/sewer rates for county communities.
5. Full-time employees for sheriff's office (per capita) and breakdown of sworn vs. civilian staff.
6. Jail statistics (average population, capacity, daily cost, inmate waiting list).
7. Net business formations by county.
8. Quarterly employment, wages by industry measured by the North American Industry Classification System (NAICS).
9. Taxable sales by county. For this measure, the team wished for a review of the regional impact of revenue brought in by residents of other counties.
10. Household, family and per capita income as measured by both the Census and the Bureau of Economic Analysis (BEA). This will include BEA breakdowns among wages, dividends and transfer payments.
11. Impact of real property annexation on communities within Richland County on municipal property valuations.
12. Abatements, concerning value of real property exempt from taxation due to abatements. This includes a detailed review of enterprise zone agreements.

Finally, clients had the option to gather indicators on peers of their choice for benchmark comparisons. Richland County requested data on Clark, Allen and Hancock counties.

The following pages describe the result of each request, as well as observations made by the AOS and discussion generated by the county team.

## *A. Population and Demography*

### *Issues to Look For*

Studying changes in population helps governments assess potential revenue streams and potential service level adjustments. Factoring out a large prison population provides a more accurate picture of true consumers of county services. Population changes in female-led households can dramatically impact human service levels provided by the county.

### *Observations Made*

- Richland's population has remained relatively stable from 1990-2002, especially when the county's prison population is factored out (page 7). While the Department of Development (DOD) forecasts less than three percent population growth through 2030, most other mid-size urban counties including Clark and Allen are projected to lose population (pages 10-13).
- One encouraging indicator from the Census Bureau shows that between 1995-2000, only 1,000 more people moved out of Richland County than moved in. In Clark and Allen, numbers of out-migrants are 3,500-4,500 (page 8).
- Between 1990 and 2000, Richland had the fastest growth rate for seniors of all the peers, from 13 percent of total population to 14.2 percent. This is inclusive of the prison population (page 7). By removing the prison population, the rate grows even more since this is essentially a non-senior group.
- Family households led by females (no husband present) are growing rapidly, yet this increase is not reflective of single-parent families with young children (page 8). This is explained by either more adult children with their mothers or more cases where single women are taking care of elderly parents. A 2003 Census report, *Internal Migration of the Older Population*, stated increasing mobility at the most advanced ages may be due to health concerns forcing some people to move in with their children
- More women are living on their own in non-family households, both old and young (pages 8). This may require more services to be directed to them.
- The county, like all three peers, will be an "aging" county for the next several decades. Seniors will rise from 14.2 percent of total population in 2000 to 15 percent by 2010, 17.5 percent by 2020 and 19.1 percent by 2030, according to the Ohio Department of Development (pages 10-13).
- As the senior population increases, the county needs to consider the growing percentage of elderly women living alone, who tend to be one of the poorest groups and in most need of services. This population increased four percent last decade (page 8). Further, projections by the Ohio Department of Development indicate elderly females will increase 10.7 percent from 2005 to 2015 (pages 11-12).



- The population posing the greatest demand may be the most elderly. The number of Richland county residents over 85 increased 28.9 percent between 1990 and 2000. (page 9) The Department of Development projects this age to increase another 25 percent by 2010 (page 11).
- Even though the senior population is projected to increase, the youth population is expected to remain stable for the next 30 years. This means that by 2020, 43.5 percent of the population will be either 0-19 or 65 plus, compared to 41.5 percent in 2000. These two groups are the most demanding of services and offer the least potential for significant revenues. (page 12-13)

Discussion

The team noted that population under 34 is continuing to drop. At same time, cost of living is so reasonable there may be a population of Columbus commuters building – especially with the widening of Interstate 71.

## POPULATION AND DEMOGRAPHY

### ENTIRE POPULATION

	Allen	Clark	Hancock	Richland
<b>1990</b>	109,755	147,548	65,536	126,137
<b>2000</b>	108,473	144,742	71,295	128,852
<b>Percent change</b>	-1.17%	-1.90%	8.79%	2.15%
<b>2002</b>	108,120	143,416	72,286	128,004
<b>Percent change from 2000-02</b>	-0.33%	-0.92%	1.39%	-0.66%

Source: U.S. Census Bureau

### POPULATION MINUS STATE REFORMATORIES

	Allen	Clark	Hancock	Richland
<b>1990</b>	107,140	147,548	65,536	123,907
<b>2000</b>	105,163	144,742	71,295	123,913
<b>Average annual percent change</b>	-1.85%	-1.90%	8.79%	0.00%
<b>2002</b>	105,216	143,416	72,286	123,457
<b>Average annual percent change from 2000-02</b>	0.05%	-0.92%	1.39%	-0.37%

Source: U.S. Census Bureau, Ohio Department of Rehabilitation and Correction

### POPULATION AGE 65 AND OVER

	Allen	Clark	Hancock	Richland
<b>1990</b>	14,689	20,445	8,492	16,377
<b>As a percent of entire population</b>	13.4%	13.9%	13.0%	13.0%
<b>2000</b>	15,366	21,262	9,423	18,243
<b>As a percent of entire population</b>	14.2%	14.7%	13.2%	14.2%
<b>Population 65 and over, overall percent change</b>	4.6%	4.0%	11.0%	11.4%

Source: U.S. Census Bureau

**FAMILY HOUSEHOLDS LED BY FEMALES, NO HUSBAND PRESENT <sup>1</sup>**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>1990</b>	4,628	6,556	1,965	4,944
<b>2000</b>	5,043	7,271	2,435	5,630
<b>Percent change</b>	8.97%	10.91%	23.92%	13.88%
<b>With own children under 18 years</b>				
<b>1990</b>	3,252	4,362	1,333	3,465
<b>2000</b>	3,281	4,447	1,583	3,462
<b>Percent change</b>	0.89%	1.95%	18.75%	-0.09%

Source: U.S. Census Bureau

<sup>1</sup> A household includes all the people who occupy a housing unit as their usual place of residence. A family is a group of two or more people who reside together in a household and are related by birth, marriage or adoption.

**NONFAMILY HOUSEHOLDS LED BY FEMALES**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>1990</b>	6,337	8,806	3,853	7,652
<b>2000</b>	6,935	9,861	4,807	8,516
<b>Percent change</b>	9.44%	11.98%	24.76%	11.29%

Source: U.S. Census Bureau

**NONFAMILY FEMALE HOUSEHOLDER OVER 65, LIVING ALONE**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>1990</b>	3,632	4,736	2,056	3,993
<b>2000</b>	3,557	4,845	2,177	4,160
<b>Percent change</b>	-2.06%	2.30%	5.89%	4.18%

Source: U.S. Census Bureau

**DOMESTIC MIGRATION, 1995-2000**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>Moving into the county</b>	13,564	17,083	11,148	16,143
<b>Moving out of the county</b>	17,053	21,466	11,574	17,148
<b>Net difference</b>	-3,489	-4,383	-426	-1,005

Source : U.S. Census Bureau

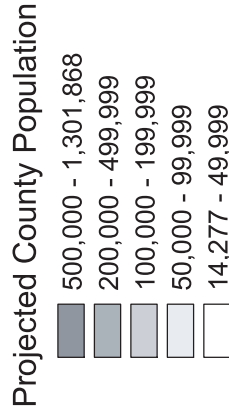
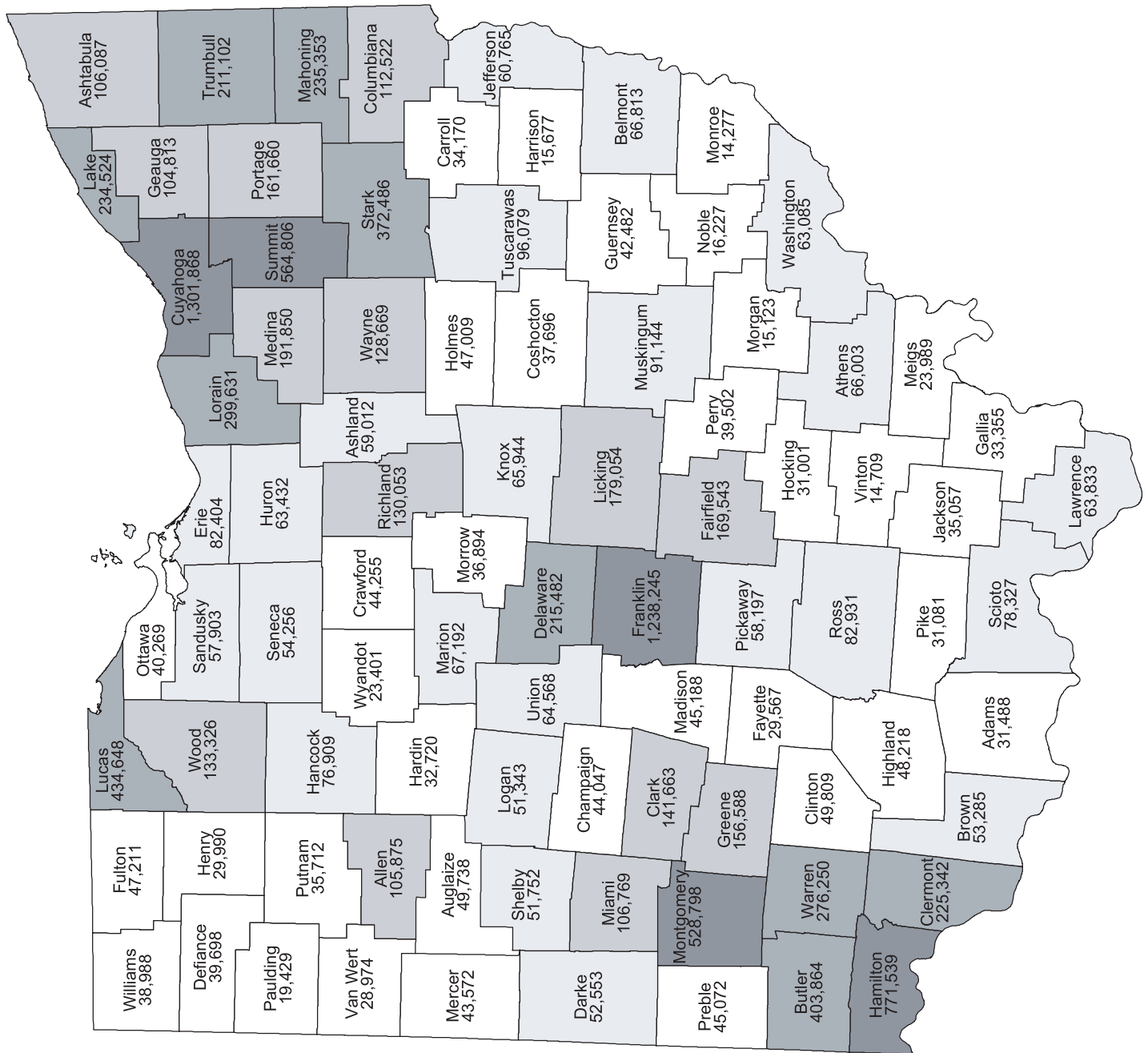
**CENSUS POPULATION BY AGE**

AGE COHORTS	ALLEN			CLARK			HANCOCK			RICHLAND		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE
	<b>1990</b>			<b>1990</b>			<b>1990</b>			<b>1990</b>		
0-4	8,290	4,320	3,970	10,250	5,250	5,000	4,870	2,470	2,400	8,760	4,440	4,320
5-9	8,470	4,420	4,050	10,680	5,410	5,270	5,050	2,560	2,490	9,070	4,610	4,460
10-14	8,430	4,360	4,060	10,580	5,390	5,190	4,830	2,440	2,390	9,520	4,900	4,620
15-19	8,600	4,550	4,040	11,460	5,830	5,630	4,870	2,500	2,370	9,130	4,820	4,310
20-24	7,250	3,780	3,470	10,730	5,320	5,410	4,500	2,270	2,230	8,400	4,540	3,860
25-29	8,310	4,240	4,070	10,290	4,970	5,320	5,240	2,590	2,650	9,430	4,870	4,560
30-34	9,320	4,920	4,400	11,290	5,400	5,890	5,610	2,780	2,820	10,080	5,070	5,010
35-39	8,520	4,330	4,190	10,890	5,270	5,630	5,150	2,580	2,570	9,780	4,760	5,020
40-44	7,380	3,790	3,590	10,680	5,200	5,480	4,630	2,250	2,380	8,940	4,360	4,580
45-49	5,770	2,860	2,910	8,950	4,480	4,470	3,680	1,790	1,890	7,470	3,580	3,890
50-54	5,000	2,440	2,560	7,810	3,820	3,980	3,150	1,560	1,590	6,790	3,310	3,480
55-59	4,790	2,310	2,480	6,740	3,240	3,500	2,800	1,350	1,450	6,240	3,010	3,230
60-64	4,960	2,340	2,620	6,760	3,090	3,670	2,670	1,270	1,410	6,160	2,910	3,250
65-69	4,660	2,030	2,630	6,660	2,950	3,710	2,600	1,150	1,450	5,490	2,560	2,940
70-74	3,790	1,600	2,190	5,180	2,130	3,050	2,230	940	1,280	4,280	1,800	2,480
75-79	2,820	1,100	1,720	3,960	1,540	2,420	1,720	660	1,060	3,080	1,190	1,890
80-84	1,820	570	1,250	2,570	880	1,700	1,050	360	690	2,010	680	1,330
85+	1,600	390	1,210	2,080	570	1,520	900	230	680	1,520	390	1,130
<b>TOTAL</b>	<b>109,760</b>	<b>54,340</b>	<b>55,410</b>	<b>147,550</b>	<b>70,710</b>	<b>76,840</b>	<b>65,540</b>	<b>31,740</b>	<b>33,800</b>	<b>126,140</b>	<b>61,800</b>	<b>64,340</b>
	<b>2000</b>			<b>2000</b>			<b>2000</b>			<b>2000</b>		
0-4	7,260	3,660	3,600	9,480	4,820	4,670	4,830	2,400	2,430	8,240	4,220	4,020
5-9	7,830	4,000	3,840	10,090	5,170	4,920	5,180	2,690	2,490	8,870	4,650	4,230
10-14	8,120	4,210	3,900	10,400	5,370	5,030	5,180	2,650	2,520	9,180	4,680	4,500
15-19	8,550	4,630	3,920	10,700	5,460	5,240	5,370	2,650	2,720	9,000	4,760	4,240
20-24	7,110	3,760	3,340	8,820	4,240	4,590	4,730	2,300	2,430	7,490	4,030	3,460
25-29	6,520	3,440	3,080	8,400	4,080	4,310	4,570	2,270	2,300	7,910	4,350	3,550
30-34	6,770	3,560	3,220	9,280	4,600	4,680	4,730	2,360	2,360	8,700	4,720	3,980
35-39	7,930	4,020	3,910	10,280	5,010	5,270	5,440	2,740	2,710	9,720	5,110	4,600
40-44	8,670	4,540	4,130	10,840	5,250	5,590	5,740	2,860	2,890	10,480	5,480	5,000
45-49	7,980	4,100	3,890	10,580	5,110	5,460	5,160	2,550	2,610	9,700	4,910	4,790
50-54	6,880	3,500	3,390	10,050	4,940	5,120	4,600	2,250	2,350	8,580	4,240	4,340
55-59	5,210	2,580	2,630	7,960	3,940	4,030	3,490	1,740	1,740	6,830	3,320	3,510
60-64	4,270	2,040	2,230	6,600	3,150	3,450	2,850	1,400	1,460	5,920	2,820	3,100
65-69	3,970	1,850	2,120	5,580	2,520	3,060	2,430	1,110	1,320	5,200	2,390	2,820
70-74	3,900	1,730	2,170	5,300	2,210	3,090	2,210	970	1,240	4,730	2,100	2,630
75-79	3,330	1,320	2,010	4,710	1,870	2,840	1,990	760	1,220	3,830	1,600	2,230
80-84	2,240	790	1,450	3,080	1,080	2,000	1,520	580	950	2,520	920	1,600
85+	1,920	510	1,410	2,590	780	1,810	1,270	320	950	1,960	550	1,410
<b>TOTAL</b>	<b>108,470</b>	<b>54,230</b>	<b>54,240</b>	<b>144,740</b>	<b>69,570</b>	<b>75,170</b>	<b>71,300</b>	<b>34,610</b>	<b>36,690</b>	<b>128,850</b>	<b>64,850</b>	<b>64,010</b>

Source: Ohio Department of Development, Office of Strategic Research

# Projected Population Distribution 2020

Projected State Population  
12,005,733



Source:  
Ohio Department of Development,  
Office of Strategic Research

Prepared by:  
Ohio Department of Development,  
Office of Strategic Research (September 2003)

**POPULATION PROJECTIONS BY AGE**

AGE COHORTS	ALLEN			CLARK			HANCOCK			RICHLAND		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE
	2005			2005			2005			2005		
0-4	7,120	3,660	3,460	9,060	4,630	4,440	4,660	2,420	2,240	8,180	4,210	3,970
5-9	7,180	3,610	3,570	9,510	4,830	4,670	4,870	2,430	2,440	8,430	4,330	4,100
10-14	7,650	3,920	3,730	9,960	5,120	4,840	5,140	2,670	2,470	8,690	4,580	4,110
15-19	8,060	4,260	3,800	10,720	5,450	5,270	5,540	2,740	2,810	8,170	4,190	3,980
20-24	8,240	4,550	3,700	10,100	5,090	5,020	5,210	2,600	2,610	8,620	4,790	3,830
25-29	6,520	3,480	3,050	8,110	3,900	4,210	4,620	2,250	2,360	7,730	4,220	3,500
30-34	6,470	3,450	3,020	8,390	4,080	4,310	4,570	2,280	2,280	8,000	4,420	3,580
35-39	6,720	3,590	3,130	9,170	4,550	4,630	4,760	2,380	2,380	8,770	4,780	3,990
40-44	7,780	3,980	3,790	10,170	4,950	5,220	5,420	2,710	2,710	9,500	4,990	4,500
45-49	8,290	4,260	4,030	10,620	5,110	5,510	5,710	2,840	2,870	10,030	5,160	4,880
50-54	7,570	3,830	3,750	10,190	4,890	5,300	5,050	2,490	2,560	9,180	4,590	4,590
55-59	6,440	3,200	3,250	9,550	4,620	4,930	4,430	2,160	2,270	7,980	3,850	4,130
60-64	4,810	2,340	2,470	7,330	3,530	3,810	3,290	1,610	1,680	6,370	3,010	3,360
65-69	3,860	1,780	2,070	5,870	2,700	3,170	2,640	1,250	1,390	5,300	2,440	2,860
70-74	3,440	1,530	1,910	4,910	2,120	2,790	2,150	940	1,210	4,520	1,970	2,550
75-79	3,210	1,300	1,910	4,260	1,620	2,630	1,880	780	1,100	3,840	1,630	2,210
80-84	2,430	890	1,540	3,380	1,230	2,160	1,510	520	990	2,670	990	1,680
85+	2,290	640	1,650	2,820	980	1,840	1,590	480	1,110	2,200	740	1,450
<b>TOTAL</b>	<b>108,080</b>	<b>54,260</b>	<b>53,820</b>	<b>144,130</b>	<b>69,390</b>	<b>74,740</b>	<b>73,030</b>	<b>35,540</b>	<b>37,490</b>	<b>128,190</b>	<b>64,900</b>	<b>63,280</b>
	2010			2010			2010			2010		
0-4	7,100	3,630	3,470	9,100	4,650	4,450	4,440	2,280	2,170	8,160	4,190	3,970
5-9	7,010	3,610	3,400	9,030	4,580	4,450	4,670	2,430	2,240	8,190	4,220	3,970
10-14	7,130	3,580	3,540	9,580	4,890	4,690	4,880	2,430	2,450	8,520	4,380	4,140
15-19	8,180	4,350	3,830	10,540	5,400	5,140	5,620	2,820	2,800	9,010	4,910	4,110
20-24	7,540	4,070	3,470	9,740	4,860	4,880	5,350	2,690	2,670	8,250	4,510	3,740
25-29	6,920	3,810	3,110	8,750	4,330	4,410	4,930	2,470	2,460	8,310	4,630	3,680
30-34	6,490	3,500	2,990	7,890	3,780	4,120	4,590	2,230	2,350	7,780	4,270	3,510
35-39	6,460	3,500	2,960	8,390	4,090	4,300	4,570	2,280	2,290	8,000	4,410	3,590
40-44	6,520	3,500	3,020	9,000	4,470	4,530	4,730	2,360	2,370	8,630	4,660	3,980
45-49	7,360	3,720	3,650	10,010	4,850	5,160	5,370	2,680	2,690	9,100	4,690	4,410
50-54	7,850	3,950	3,900	10,250	4,930	5,320	5,600	2,770	2,830	9,590	4,830	4,760
55-59	7,120	3,530	3,580	9,630	4,560	5,070	4,880	2,400	2,480	8,630	4,230	4,400
60-64	5,900	2,870	3,030	8,640	4,060	4,570	4,170	2,000	2,170	7,430	3,490	3,950
65-69	4,270	2,030	2,250	6,470	3,010	3,470	2,990	1,420	1,570	5,740	2,600	3,140
70-74	3,360	1,460	1,900	5,230	2,300	2,930	2,310	1,050	1,260	4,640	2,080	2,560
75-79	2,890	1,220	1,670	3,990	1,580	2,410	1,820	740	1,080	3,680	1,500	2,170
80-84	2,420	900	1,520	3,160	1,110	2,050	1,480	560	920	2,790	1,100	1,690
85+	2,470	700	1,780	2,930	1,080	1,850	1,770	540	1,230	2,440	920	1,520
<b>TOTAL</b>	<b>106,990</b>	<b>53,930</b>	<b>53,060</b>	<b>142,300</b>	<b>68,520</b>	<b>73,790</b>	<b>74,180</b>	<b>36,150</b>	<b>38,040</b>	<b>128,900</b>	<b>65,590</b>	<b>63,300</b>

Source: Ohio Department of Development, Office of Strategic Research

**POPULATION PROJECTIONS BY AGE**

AGE COHORTS	ALLEN			CLARK			HANCOCK			RICHLAND		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE
	<b>2015</b>			<b>2015</b>			<b>2015</b>			<b>2015</b>		
0-4	6,950	3,570	3,380	8,910	4,560	4,350	4,700	2,460	2,240	8,300	4,270	4,030
5-9	7,030	3,590	3,440	9,110	4,660	4,460	4,560	2,350	2,210	8,280	4,260	4,020
10-14	6,870	3,550	3,310	8,980	4,560	4,420	4,590	2,390	2,200	8,080	4,180	3,900
15-19	7,360	3,810	3,540	10,250	5,170	5,080	5,230	2,480	2,750	8,070	4,240	3,830
20-24	8,080	4,410	3,670	10,130	5,150	4,980	5,440	2,750	2,680	9,050	5,220	3,830
25-29	6,900	3,760	3,150	9,000	4,510	4,480	5,340	2,690	2,650	8,420	4,660	3,760
30-34	6,900	3,830	3,060	8,720	4,310	4,410	4,980	2,520	2,460	8,350	4,660	3,690
35-39	6,480	3,560	2,920	7,820	3,730	4,090	4,680	2,280	2,400	7,810	4,290	3,520
40-44	6,350	3,480	2,870	8,310	4,040	4,270	4,570	2,260	2,310	7,790	4,270	3,520
45-49	6,160	3,220	2,940	8,830	4,350	4,480	4,730	2,370	2,360	8,220	4,330	3,890
50-54	6,960	3,440	3,530	9,690	4,660	5,030	5,240	2,620	2,620	8,620	4,360	4,260
55-59	7,380	3,620	3,760	9,790	4,630	5,150	5,380	2,640	2,730	8,980	4,410	4,570
60-64	6,590	3,210	3,380	8,870	4,080	4,790	4,600	2,210	2,380	8,060	3,840	4,220
65-69	5,310	2,500	2,800	7,640	3,470	4,170	3,870	1,800	2,080	6,690	3,010	3,670
70-74	3,700	1,670	2,030	5,680	2,530	3,160	2,660	1,200	1,460	5,010	2,170	2,840
75-79	2,800	1,100	1,700	4,220	1,690	2,520	1,990	860	1,130	3,780	1,620	2,170
80-84	2,150	840	1,300	2,950	1,070	1,880	1,370	490	880	2,620	960	1,660
85+	2,730	810	1,920	3,060	1,180	1,880	1,820	570	1,250	2,650	1,090	1,560
<b>TOTAL</b>	<b>106,700</b>	<b>53,980</b>	<b>52,720</b>	<b>141,950</b>	<b>68,360</b>	<b>73,590</b>	<b>75,740</b>	<b>36,950</b>	<b>38,790</b>	<b>128,770</b>	<b>65,830</b>	<b>62,940</b>
	<b>2020</b>			<b>2020</b>			<b>2020</b>			<b>2020</b>		
0-4	7,010	3,590	3,420	9,030	4,620	4,400	4,390	2,220	2,160	8,440	4,330	4,100
5-9	6,850	3,520	3,330	8,900	4,540	4,360	4,870	2,590	2,290	8,290	4,260	4,030
10-14	7,000	3,570	3,430	9,150	4,680	4,460	4,670	2,410	2,260	8,310	4,280	4,030
15-19	7,560	4,090	3,480	9,890	4,990	4,900	5,120	2,560	2,570	8,540	4,590	3,950
20-24	7,080	3,780	3,300	9,870	4,950	4,920	4,910	2,350	2,550	8,660	4,910	3,750
25-29	6,830	3,720	3,110	9,250	4,720	4,530	5,100	2,570	2,530	9,020	5,230	3,790
30-34	6,890	3,800	3,100	8,910	4,460	4,460	5,480	2,750	2,730	8,390	4,640	3,740
35-39	6,920	3,910	3,020	8,680	4,280	4,400	5,070	2,580	2,490	8,300	4,620	3,690
40-44	6,310	3,490	2,830	7,730	3,680	4,050	4,720	2,310	2,410	7,620	4,120	3,500
45-49	5,940	3,200	2,750	8,170	3,930	4,240	4,560	2,240	2,320	7,410	3,940	3,470
50-54	5,770	2,930	2,840	8,560	4,190	4,370	4,670	2,340	2,340	7,820	4,000	3,820
55-59	6,530	3,150	3,380	9,260	4,390	4,880	5,050	2,530	2,520	8,110	4,000	4,110
60-64	6,790	3,260	3,530	8,990	4,140	4,850	5,040	2,440	2,610	8,400	4,020	4,390
65-69	5,880	2,790	3,090	7,840	3,480	4,360	4,190	1,950	2,230	7,280	3,320	3,960
70-74	4,590	2,030	2,560	6,700	2,910	3,790	3,420	1,520	1,900	5,860	2,560	3,300
75-79	3,110	1,320	1,790	4,580	1,860	2,720	2,280	960	1,310	4,100	1,680	2,420
80-84	2,150	780	1,370	3,160	1,160	1,990	1,610	640	970	2,770	1,090	1,680
85+	2,630	790	1,840	2,990	1,200	1,790	1,760	520	1,230	2,720	1,150	1,580
<b>TOTAL</b>	<b>105,870</b>	<b>53,710</b>	<b>52,160</b>	<b>141,660</b>	<b>68,190</b>	<b>73,480</b>	<b>76,910</b>	<b>37,490</b>	<b>39,420</b>	<b>130,050</b>	<b>66,740</b>	<b>63,310</b>

Source: Ohio Department of Development, Office of Strategic Research

**POPULATION PROJECTIONS BY AGE**

AGE COHORTS	ALLEN			CLARK			HANCOCK			RICHLAND		
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE
	<b>2025</b>			<b>2025</b>			<b>2025</b>			<b>2025</b>		
0-4	6,760	3,470	3,290	8,980	4,620	4,360	4,780	2,530	2,250	8,590	4,420	4,180
5-9	6,960	3,550	3,400	9,000	4,590	4,410	4,580	2,340	2,240	8,490	4,360	4,130
10-14	6,760	3,490	3,270	9,070	4,620	4,450	4,760	2,530	2,230	8,250	4,250	4,000
15-19	7,510	3,980	3,530	10,620	5,430	5,190	5,000	2,420	2,580	8,340	4,440	3,900
20-24	7,680	4,290	3,390	10,050	5,110	4,940	4,910	2,470	2,440	8,950	5,180	3,770
25-29	6,380	3,440	2,950	9,190	4,640	4,550	5,010	2,410	2,600	8,780	5,020	3,760
30-34	6,840	3,760	3,070	9,170	4,650	4,520	5,200	2,670	2,530	9,020	5,230	3,790
35-39	6,930	3,880	3,050	8,900	4,410	4,490	5,620	2,820	2,790	8,370	4,630	3,740
40-44	6,820	3,880	2,940	8,590	4,200	4,390	5,080	2,560	2,520	8,090	4,440	3,650
45-49	5,950	3,180	2,760	7,640	3,570	4,070	4,740	2,340	2,400	7,210	3,770	3,440
50-54	5,570	2,920	2,660	8,020	3,820	4,200	4,440	2,210	2,240	6,980	3,610	3,370
55-59	5,390	2,640	2,740	8,310	4,010	4,300	4,470	2,220	2,240	7,300	3,630	3,670
60-64	6,060	2,860	3,200	8,540	3,930	4,610	4,760	2,340	2,430	7,580	3,630	3,950
65-69	6,110	2,840	3,260	7,900	3,510	4,390	4,710	2,210	2,500	7,570	3,470	4,100
70-74	5,080	2,280	2,800	6,860	2,910	3,950	3,720	1,650	2,070	6,360	2,800	3,560
75-79	3,810	1,550	2,260	5,390	2,140	3,250	2,930	1,250	1,690	4,780	1,990	2,800
80-84	2,340	930	1,420	3,500	1,320	2,180	1,680	620	1,060	2,960	1,110	1,860
85+	2,720	810	1,910	3,180	1,330	1,850	1,880	590	1,290	2,820	1,240	1,580
<b>TOTAL</b>	<b>105,660</b>	<b>53,750</b>	<b>51,910</b>	<b>142,900</b>	<b>68,810</b>	<b>74,090</b>	<b>78,250</b>	<b>38,160</b>	<b>40,090</b>	<b>130,460</b>	<b>67,220</b>	<b>63,240</b>
	<b>2030</b>			<b>2030</b>			<b>2030</b>			<b>2030</b>		
0-4	6,710	3,440	3,270	9,090	4,660	4,430	4,100	2,050	2,050	8,700	4,460	4,240
5-9	6,680	3,430	3,250	9,000	4,640	4,360	5,130	2,770	2,360	8,570	4,400	4,170
10-14	6,940	3,550	3,390	9,000	4,600	4,400	4,800	2,470	2,330	8,470	4,350	4,120
15-19	7,630	4,140	3,500	10,320	5,200	5,120	5,340	2,710	2,630	8,840	4,750	4,090
20-24	7,470	4,100	3,370	10,820	5,560	5,260	4,540	2,210	2,330	9,460	5,480	3,990
25-29	6,490	3,640	2,850	9,620	4,980	4,640	4,520	2,240	2,270	9,210	5,370	3,850
30-34	6,400	3,490	2,910	9,250	4,660	4,590	5,320	2,550	2,770	8,670	4,950	3,720
35-39	6,900	3,860	3,040	9,080	4,560	4,520	5,380	2,790	2,590	8,920	5,150	3,770
40-44	6,780	3,820	2,960	8,850	4,350	4,500	5,730	2,890	2,840	8,130	4,400	3,720
45-49	6,400	3,560	2,840	8,440	4,060	4,380	5,100	2,550	2,550	7,680	4,060	3,620
50-54	5,550	2,880	2,680	7,470	3,440	4,030	4,720	2,340	2,380	6,830	3,440	3,390
55-59	5,190	2,640	2,550	7,790	3,650	4,140	4,270	2,150	2,120	6,560	3,280	3,280
60-64	4,940	2,360	2,580	7,750	3,640	4,110	4,170	2,040	2,120	6,860	3,310	3,540
65-69	5,410	2,480	2,930	7,540	3,360	4,190	4,340	2,060	2,280	6,850	3,140	3,710
70-74	5,280	2,310	2,970	6,890	2,930	3,960	4,190	1,880	2,310	6,650	2,950	3,700
75-79	4,220	1,770	2,450	5,520	2,130	3,390	3,180	1,320	1,860	5,210	2,180	3,020
80-84	2,910	1,100	1,810	4,000	1,460	2,540	2,340	920	1,420	3,500	1,330	2,160
85+	2,810	860	1,950	3,520	1,530	1,990	1,890	550	1,330	3,060	1,360	1,700
<b>TOTAL</b>	<b>104,720</b>	<b>53,440</b>	<b>51,290</b>	<b>143,960</b>	<b>69,400</b>	<b>74,560</b>	<b>79,040</b>	<b>38,490</b>	<b>40,540</b>	<b>132,180</b>	<b>68,380</b>	<b>63,800</b>

Source: Ohio Department of Development, Office of Strategic Research



## *B. Housing and Geography*

### Issues to Look For

Regional home sale data is an indicator of trends in housing values, and the potential need to adjust development and other housing-related policies.

A low vacancy rate (under 5 percent) is generally a good indicator of future real estate price appreciation, while high vacancy rates tend to indicate an excess supply of rentals. High vacancy rates (7-10 percent) are generally a bad sign for real estate prices. Rental rates also provide a useful indicator for housing demand. A tight rental market (as evidenced by increasing rents and low vacancy rate) is a sign that little new housing is being built.

### Observations Made

- Both in terms of median value as measured by the Census and data from the Ohio Association of Realtors (page 15), Richland places third among the counties in terms of residential property values. According to the Census, 13.4 percent of homes were valued under \$50,000 in 2000. However, lower property values contribute to lower monthly housing costs.
- Rental indicators show that less people are spending 35 percent of their income on rent in Richland than Clark and Allen. However, the low rental rates are also a sign that there are probably a lot of excess rentals in Richland County, which in turn depresses real estate prices (page 16).
- Richland County has improved vacancy rates from 8.2 percent in 1990 to 6.6 percent in 2000, which is much lower than Clark and Allen and comparable to Hancock (page 17).

### Discussion

- The team noted how wealth is being built more and more into real estate than liquid assets. They also noted the difficulty this creates when aging population has to move into nursing homes and sell assets to qualify for Medicaid. However, they perceive an increasing trend of seniors divesting homes to their children years in advance of applying for Medicaid so they don't have to spend down their assets.
- In regards to observation on potential excess rentals in county, the team noted the county had invested creating new rental properties for low-income people about 6-7 years ago due to lack of quality rentals.

## GEOGRAPHY AND HOUSING

### VALUE OF OWNER-OCCUPIED UNITS

County	Median value			Percent less than \$50,000		Percent more than \$200,000	
	2000	1990 <sup>1</sup>	Percent change	2000	1990 <sup>2</sup>	2000	1990 <sup>2</sup>
Allen	\$81,800	\$66,565	22.9%	19.4%	47.3%	4.2%	0.7%
Clark	\$90,500	\$68,865	31.4%	9.6%	44.7%	5.1%	0.7%
Hancock	\$100,400	\$80,747	24.3%	5.4%	31.5%	9.5%	1.7%
Richland	\$88,100	\$66,054	33.4%	13.4%	47.7%	4.7%	0.5%

Source: Ohio Department of Development, Office of Strategic Research

<sup>1</sup> Adjusted for inflation

<sup>2</sup> Not adjusted for inflation

### HOME SALE PRICES

Multiple Listing Service	2003 (Jan.-June)	2002	Annual percent change	2001	Annual percent change	2000	Annual percent change
West Central/Lima <sup>1</sup>	\$97,861	\$93,019	5.21%	\$93,521	-0.54%	\$89,215	4.83%
Western Regional <sup>2</sup>	\$109,540	\$112,182	-2.36%	\$107,240	4.61%	\$106,674	0.53%
Hancock	\$121,717	\$128,491	-5.27%	\$123,425	4.10%	\$119,820	3.01%
Mansfield <sup>3</sup>	\$100,912	\$104,173	-3.13%	\$99,965	4.21%	\$96,071	4.05%

Source: Ohio Association of Realtors

<sup>1</sup> Includes Allen County

<sup>2</sup> Includes Clark County

<sup>3</sup> Includes Richland County

**MONTHLY OWNDER COSTS OF SPECIFIED OWNER-OCCUPIED UNITS**

County	Median cost, with a mortgage			Median cost, without a mortgage		
	2000	1990 <sup>1</sup>	Percent change	2000	1990 <sup>1</sup>	Percent change
<b>Allen</b>	\$774	\$675	14.7%	\$244	\$230	6.1%
<b>Clark</b>	\$853	\$705	21.0%	\$281	\$250	12.4%
<b>Hancock</b>	\$890	\$759	17.3%	\$266	\$247	7.7%
<b>Richland</b>	\$810	\$686	18.1%	\$269	\$248	8.5%

Source: Ohio Department of Development, Office of Strategic Research

**MONTHLY RENTAL COSTS**

County	Median Gross Rent			Percent of renters with gross rent at least 35% of household income	
	2000	1990 <sup>1</sup>	Percent change	2000	1990
<b>Allen</b>	\$446	\$442	0.9%	27.4%	29.4%
<b>Clark</b>	\$487	\$461	5.6%	27.3%	31.7%
<b>Hancock</b>	\$487	\$468	4.1%	22.5%	24.8%
<b>Richland</b>	\$451	\$438	3.0%	24.8%	26.5%

Source: Ohio Department of Development, Office of Strategic Research

<sup>1</sup> Adjusted for inflation

## HOUSING UNIT DATA

2000<sup>1</sup>

County	Housing Units					Vacancy Rate	
	Total Housing Units	Occupied Housing Units	Percent Owner Occupied	Percent Renter Occupied	Percent Vacant	Home-owner	Rental
Allen County	44,245	40,646	66.2%	25.7%	8.1%	1.6%	11.3%
Clark County	61,056	56,648	66.3%	26.4%	7.2%	1.8%	9.3%
Hancock County	29,785	27,898	68.5%	25.2%	6.3%	1.8%	7.9%
Richland County	53,062	49,534	66.8%	26.6%	6.6%	1.4%	8.9%

Source: U.S. Census Bureau

<sup>1</sup> Percentages based on total housing units

1990<sup>1</sup>

County	Housing Units					Vacancy Rate	
	Total Housing Units	Occupied Housing Units	Percent Owner Occupied	Percent Renter Occupied	Percent Vacant	Home-owner	Rental
Allen County	42,758	39,408	66.1%	28.3%	11.9%	1.4%	10.6%
Clark County	58,377	55,198	65.4%	30.9%	8.3%	1.2%	7.3%
Hancock County	26,107	24,642	70.0%	25.8%	8.0%	1.6%	7.3%
Richland County	50,350	47,573	66.9%	29.2%	8.2%	1.1%	7.0%

Source: U.S. Census Bureau

<sup>1</sup> Percentages based on total housing units

### *C. Environment*

#### Issues to Look For

Tracking historical water/sewer rates helps officials determine how much it costs to manage utilities among communities. Wide discrepancies should be investigated.

#### Observations

- Mansfield residents paid far less in sewer fees in 2001 than comparably sized cities in other counties (e.g., Springfield and Lima), and slightly more in water charges. However, this does not include income or other taxes Mansfield may earmark for these utility costs (pages 19-20).
- Water and sewer charges in 2002 varied greatly among Richland County municipalities, from \$354 combined in Shiloh to \$909 in Lucas. The average 2002 water rate of \$210 and sewer rate of \$309 for Richland County were both lower than the peer county averages of \$319 for water and \$420 for sewer (page 19).

#### Discussion

- The Clean Water Act is fueling increase in sewer rates, making it very expensive to comply with sanitary sewage requirements. The county has spent more than \$30 million in sanitary sewers in the last 2 decades as more people switch over from septic tanks, quadrupling rates. The team noted that if one tracks water/sewer rates to household income, rates are probably very close to the affordability threshold. It is even worse in small communities like Lucas, where it is more difficult to spread costs among the small population.

## ANNUAL WATER AND SEWER RATES

### RICHLAND COUNTY

Municipality	2002		2001		1997	
	Sewer	Water	Sewer	Water	Sewer	Water
Bellville	\$265	\$110	\$265	\$110	\$265	\$110
Butler	\$375	\$228	\$375	\$228	\$375	\$204
Lexington	\$172	\$245	\$172	\$219	\$172	\$191
Lucas	\$605	\$304	\$605	\$256	\$605	\$256
Mansfield <sup>1</sup>	\$275	\$290	\$222	\$264	\$222	\$264
Ontario	\$286	\$131	\$213	\$131	\$213	\$124
Shelby	NA	NA	\$139	\$340	\$132	\$234
Shiloh	\$186	\$168	\$186	\$168	\$186	\$168
Averages	\$309	\$211	\$272	\$215	\$271	\$194

Source: Ohio Environmental Protection Agency

<sup>1</sup> Mansfield rates do not include income or other taxes earmarked for debt service, capital and treatment costs.

### ALLEN COUNTY

Municipality	2002		2001		1997	
	Sewer	Water	Sewer	Water	Sewer	Water
Beaverdam	\$421	\$512	\$421	\$512	\$421	\$490
Blufton	NA	NA	\$384	\$224	\$384	\$187
Elida	NA	NA	\$291	\$314	NA	NA
Lima	\$328	\$129	\$322	\$129	\$287	\$129
Spencerville	\$707	\$334	\$707	\$285	\$592	\$204
Averages	\$485	\$325	\$425	\$293	\$421	\$253

Source: Ohio Environmental Protection Agency

**CLARK COUNTY**

	<b>2002</b>		<b>2001</b>		<b>1997</b>	
<b>Municipality</b>	<b>Sewer</b>	<b>Water</b>	<b>Sewer</b>	<b>Water</b>	<b>Sewer</b>	<b>Water</b>
<b>Catawba</b>	\$390	\$225	\$390	\$225	\$390	\$225
<b>Enon</b>	NA	\$128	\$478	\$341	\$336	\$272
<b>South Charleston</b>	\$472	\$320	\$472	\$128	\$472	\$128
<b>South Vienna</b>	NA	NA	\$390	\$180	\$390	\$180
<b>Springfield</b>	\$486	\$287	\$294	\$175	\$272	NA
<b>Averages</b>	\$449	\$240	\$405	\$210	\$372	\$201

Source: Ohio Environmental Protection Agency

**HANCOCK COUNTY**

	<b>2002</b>		<b>2001</b>		<b>1997</b>	
<b>Municipality</b>	<b>Sewer</b>	<b>Water</b>	<b>Sewer</b>	<b>Water</b>	<b>Sewer</b>	<b>Water</b>
<b>Findlay</b>	\$361	\$279	\$295	\$256	NA	\$242
<b>McComb</b>	\$426	\$507	\$343	\$162	\$274	\$162
<b>Van Lue</b>	\$192	NA	\$192	NA	\$168	NA
<b>Averages</b>	\$326	\$393	\$277	\$209	\$221	\$202

Source: Ohio Environmental Protection Agency

## *D. Public Safety*

### Issues to Look For

Tracking safety service staff makeup in relation to changing population levels can help determine an appropriate level of resources, particularly for patrol staff. Since jails are one of the most costly and fastest growing operations for a county, historical data on average population, capacity and costs can help ensure effective management.

### Observations

- While Richland has the smallest staff per capita among the sheriff's offices (page 22), it had the second lowest average daily inmate population in 2003 (page 23). It had the smallest level of overall staff growth per capita compared to the peers since 1997 (page 22). While Richland had the lowest average daily population per FTE in 2000, 2001 and 2002, the ratio increased at a significantly higher rate than the peers from 2001 to 2002 (page 23-24). The layout and square footage of the facility, and inmate supervision methods can also impact jail staffing levels.
- The data on sworn officers for Clark appears skewed, which may be due to the manner in which it classifies jail staff (page 22).
- The level of civilian staff per 1,000 residents is less than sheriffs' offices in Hancock and Allen counties (page 22).
- Richland has the highest level of overcrowding among the counties. Until 2003, it was the only county that had waiting lists (page 23-24).
- The inmate waiting list has grown from 726 in 2000 to 1,058 in 2003 (page 23-24).
- Richland County did not report per diem bed cost data to the Ohio Department of Rehabilitation and Correction (ODRC) for 2001 and 2002 (page 23). Richland PMP team members stated the per diem cost was approximately \$52 in 2003, making it the least expensive among the peer counties.
- Richland County has decreased the average prisoner meal cost 43 percent from 2001 to 2003 (pages 23-24). In 2003, the average prisoner meal cost was similar to Allen County, and considerably lower than the other counties.

### Discussion

- The team noted the county is under federal court order that caps inmate population, and resulted in a waiting list to serve out sentences. The federal court did allow for greater capacity than ODRC recommended standards. The public will not support a new jail, and surrounding counties are not interested in constructing a regional jail.
- The county is controlling jail costs through recent energy management construction projects.



**PUBLIC SAFETY**

**SHERIFF'S OFFICE STAFFING**

**TOTAL STAFF PER 1,000 CAPITA**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>	<b>Richland minus county prison population</b>
<b>2002</b> <sup>1</sup>	1.44	1.09	1.29	0.9	0.93
<b>2000</b>	1.45	1.1	1.31	0.94	0.98
<b>Percent change</b>	-0.69%	-0.91%	-1.53%	-4.26%	-5.10%
<b>1997</b>	1.37	1.01	1.24	0.87	NA
<b>Percent change from 2002</b>	5.11%	7.92%	4.03%	3.45%	NA

Source: Federal Bureau of Investigation, Uniform Crime Reports Division and Ohio Department of Rehabilitation and Correction

<sup>1</sup> Non-census year population based on official Census Bureau estimates

**TOTAL SWORN OFFICERS PER 1,000 CAPITA**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>	<b>Richland minus county prison population</b>
<b>2002</b>	0.69	0.92	0.54	0.41	0.42
<b>2000</b>	0.67	0.89	0.52	0.40	0.42
<b>Percent change</b>	2.99%	3.37%	3.85%	2.50%	0.00%
<b>1997</b>	0.61	0.85	0.48	0.41	NA
<b>Percent change from 2002</b>	13.11%	8.24%	12.50%	0.00%	NA

Source: Federal Bureau of Investigation, Uniform Crime Reports Division and Ohio Department of Rehabilitation and Correction

**TOTAL CIVILIAN STAFF PER 1,000 CAPITA**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>	<b>Richland minus county prison population</b>
<b>2002</b>	0.75	0.17	0.74	0.49	0.51
<b>2000</b>	0.77	0.20	0.80	0.54	0.56
<b>Percent change</b>	-2.60%	-15.00%	-7.50%	-9.26%	-8.93%
<b>1997</b>	0.76	0.16	0.76	0.46	NA
<b>Percent change from 2002</b>	-1.32%	6.25%	-2.63%	6.52%	NA

Source: Federal Bureau of Investigation, Uniform Crime Reports Division and Ohio Department of Rehabilitation and Correction

## COUNTY JAIL STATISTICS

### 2003

	Allen	Clark	Hancock	Richland
<b>ODRC recommended housing capacity</b>	204	162	98	59
<b>Average daily population</b>	215	222	105	121
<b>Per diem bed cost <sup>1</sup></b>	\$55.00	\$57.66	\$55.00	\$52.00
<b>Pay to stay, medical co-pay</b>	Yes	Yes	Yes	Yes
<b>Average prisoner meal cost</b>	\$0.89	\$1.04	\$1.27	\$0.90
<b>Estimated number on jail wait list</b>	0	0	273	1,058

Source: Ohio Department of Rehabilitation and Correction, Bureau of Adult Detention

<sup>1</sup> Richland County per diem costs provided by Richland PMP team.

### 2002

	Allen	Clark	Hancock	Richland
<b>ODRC recommended housing capacity</b>	204	162	98	59
<b>Average daily population</b>	206	230	103	125
<b>Average daily population per FTE</b>	1.32	1.46	1.1	1.09
<b>Per diem bed cost</b>	\$55	\$57.66	\$55	NA
<b>Pay to stay, medical co-pay</b>	Yes	Yes	No	Yes
<b>Average prisoner meal cost</b>	\$0.96	\$1.01	\$1.24	\$1.11
<b>Estimated number on jail wait list</b>	0	0	0	1,007

Source: Ohio Department of Rehabilitation and Correction, Bureau of Adult Detention

### 2001

	Allen	Clark	Hancock	Richland
<b>ODRC recommended housing capacity</b>	196	173	96	45
<b>Average daily population</b>	214	200	100	95
<b>Average daily population per FTE</b>	1.3	1.26	1.1	0.81
<b>Per diem bed cost</b>	\$55	\$50	\$55	\$50
<b>Pay to stay, medical co-pay</b>	Yes	Yes	No	Yes
<b>Average prisoner meal cost</b>	\$1.11	\$3.27	\$1.70	\$1.60
<b>Estimated number on jail wait list</b>	0	0	0	800

Source: Ohio Department of Rehabilitation and Correction, Bureau of Adult Detention

**2000**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>ODRC recommended housing capacity</b>	196	173	96	45
<b>Average daily population</b>	229	217	92	110
<b>Average daily population per FTE</b>	1.46	1.37	0.97	0.91
<b>Per diem bed cost</b>	\$55	\$50	\$55	\$50
<b>Pay to stay, medical co-pay</b>	Yes	Yes	No	Yes
<b>Average prisoner meal cost</b>	\$0.87	\$3.27	\$1.87	\$1.05
<b>Estimated number on jail wait list</b>	0	0	0	726

Source: Ohio Department of Rehabilitation and Correction, Bureau of Adult Detention

## *E. Local Business Climate*

### Issues to Look For

Business starts and active businesses are key indicators of economic health and revenue trends. Increases reflect a growing, diverse economy while decreases may reflect deteriorating conditions.

New and expanding facilities are key indicators of business growth and revenue streams. Data gathered from the Ohio Department of Development includes private projects with at least \$1 million in investment, an addition of 20,000 square feet of space; or 50 new jobs. Projects are restricted to manufacturing, distribution, office, hotel, or research and development.

### Observations

- Richland had a greater increase in active businesses between 1993-2002 than all three peers combined. During this period, it also had the second-highest rate of business starts. This shows that small business is thriving there and not overly reliant on large manufacturing establishments (page 26-27).
- Richland also had a higher annual average for new and expanding facilities from 1993 to 2002 than all three peers. This again indicates the strength of small businesses in the county (page 28).

### Discussion

N/A

## BUSINESS ACTIVITY

### BUSINESS STARTS <sup>1</sup>

County	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Average per 1,000 active businesses
Allen	217	206	249	200	195	212	173	203	246	183	90.0
Clark	317	307	278	319	270	263	251	236	277	296	118.6
Hancock	155	135	140	143	121	129	142	145	111	142	100.5
Richland	243	264	285	281	269	229	241	258	273	239	107.3

Source: Ohio Department of Development, Office of Strategic Research

<sup>1</sup> Starts of for-profit businesses. Data on business terminations (and consequently net formations) are no longer tabulated by the Department of Development due to methodological difficulties.

### ACTIVE BUSINESSES <sup>1</sup>

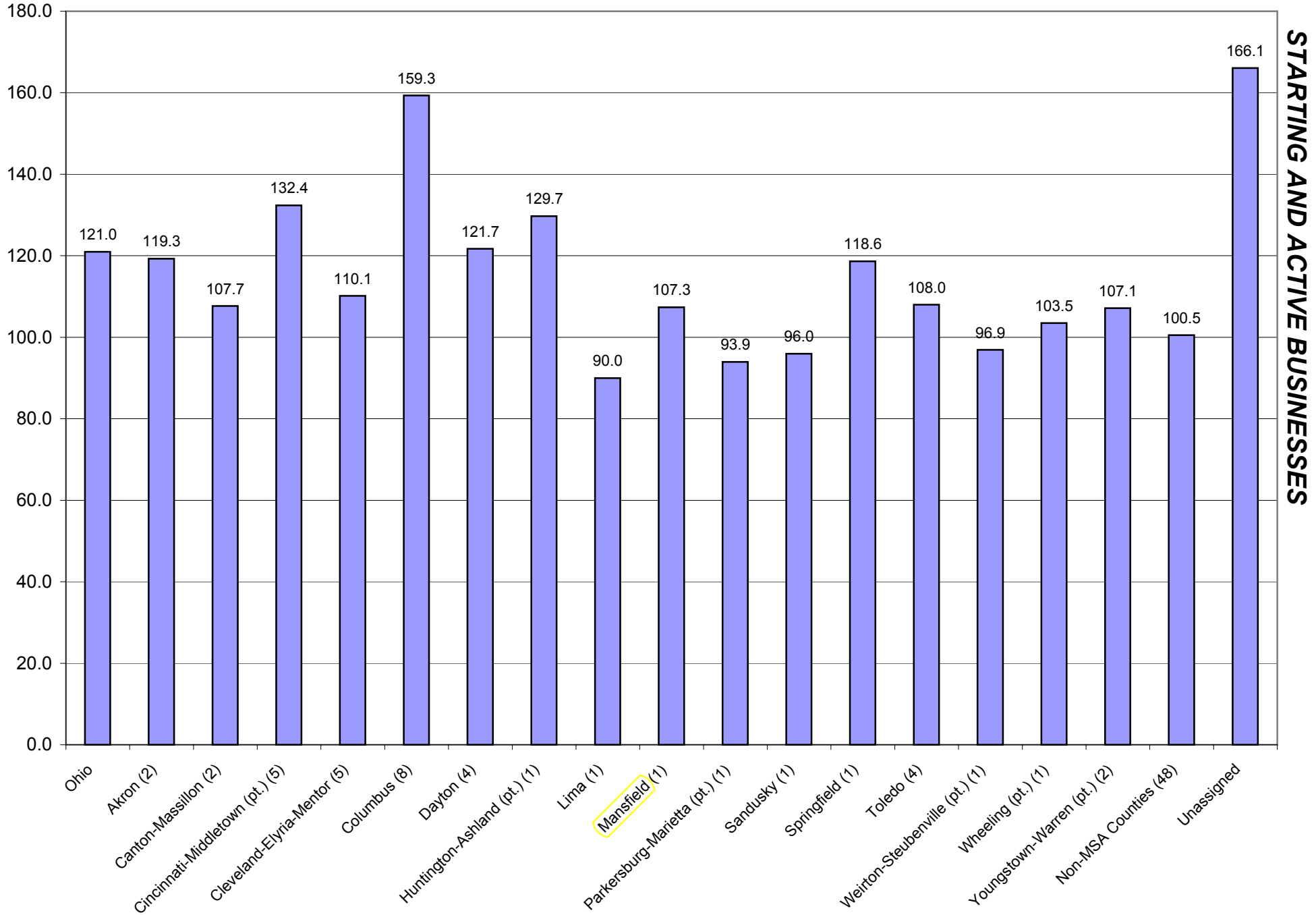
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Percent change from 1993
Allen	2,315	2,311	2,349	2,406	2,293	2,230	2,247	2,295	2,341	2,369	2.33%
Clark	2,393	2,424	2,385	2,418	2,354	2,345	2,315	2,300	2,329	2,458	2.72%
Hancock	1,379	1,382	1,386	1,397	1,327	1,261	1,298	1,363	1,366	1,398	1.38%
Richland	2,310	2,367	2,388	2,409	2,354	2,377	2,362	2,420	2,424	2,476	7.19%

Source: Ohio Department of Development, Office of Strategic Research

<sup>1</sup> Includes the total number of for-profit businesses with at least one employee active in July or August of each year.

# Average Start Rates per 1,000 Active Business: 1993:-2002

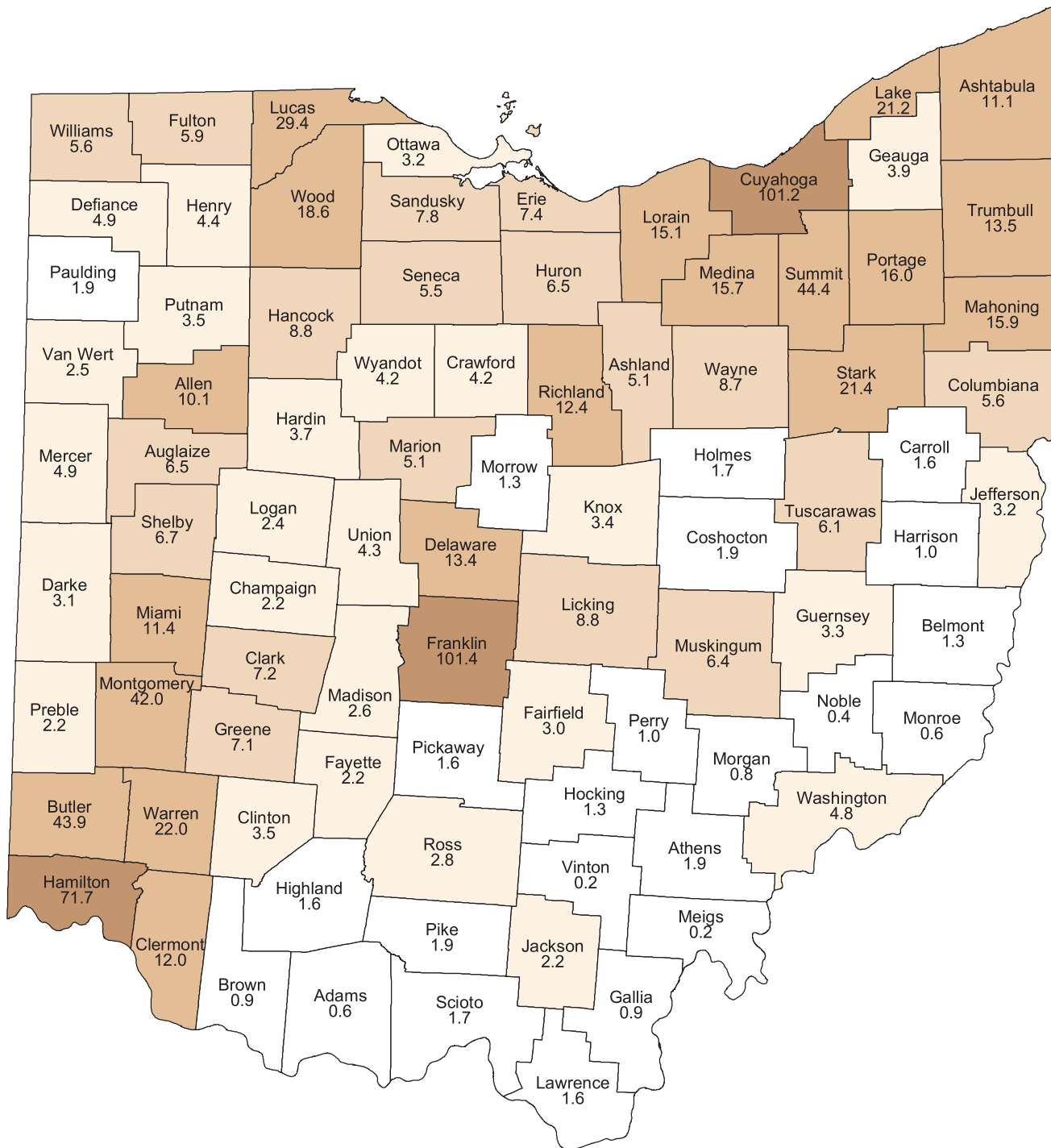
27



STARTING AND ACTIVE BUSINESSES

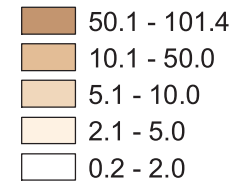
**Source: Ohio Department of Development, Office of Strategic Research**  
**Note: Number in parenthesis denotes counties within metropolitan area.**

# New and Expanding Facilities Annual Average 1993 - 2002



28

## County Annual Average



Source:  
Ohio Department of Development,  
Office of Strategic Research

Prepared by:  
Ohio Department of Development,  
Office of Strategic Research (August 2003)

## *F. Labor Market Information*

### Issues to Look For

Fluctuations in employment among various industries can indicate a weakening tax base, growing uncollectible taxes and an increased need for services.

New innovations in classifying employment describe more accurately the exact type of jobs in an area, and continual tracking can help determine emerging or declining professions. The North American Industry Classification System (NAICS) is a new method for categorizing employment and wages. It changes the focus from what is produced to how products and services are created. This was necessary because of newer economies and sectors being created, such as information technology.

### Observations

- Richland was the only county to experience a growth in jobs between 4<sup>th</sup> quarter 2001 and 4<sup>th</sup> quarter 2002 of all counties. It has more jobs than Clark County, even though Clark has a higher population. It was also the only county to experience growth in state jobs (page 31).
- Even though Hancock has the smallest population, it has a much higher number of management jobs, resulting in \$6 million in quarterly wages compared to \$1.3 million in Richland (page 32).
- Richland had the second-highest wages per employee among the peer counties and the second-highest rate of growth between the 4<sup>th</sup> quarter 2001 and 4<sup>th</sup> quarter 2002 (page 32).
- Richland leads the peers in the number of potentially higher-paying jobs (manufacturing, information, finance/insurance, professional/technical services and state government) with the exception of management jobs (pages 31-32).
- Both employment and wages in the state government category significantly increased between the final quarter 2001 and 2002. However, this may decline given the state fiscal crisis (pages 31-32).

### Discussion

- The team noted they were not surprised at the lack of management jobs in Richland County, given the relocation of Sprint regional headquarters, noting that probably 250-300 management jobs were lost.
- The team believes that wage growth in Richland County has increased purchasing power, and consequently increases in the sales tax. However, as the population ages and lives on fixed income, sales tax revenue may decline while service demand increases.



- The team discussed the impact of aging population on wealth, and that most people will have to extend out their career length given longer life spans. They thought this would be more of a problem for the county to deal with in the short-term, because people born before 1940 may have been more apt to rely on Social Security. People born afterward likely realize that Social Security is only an add-on benefit, and have found other means to fund retirement.
- The county has actually taken advantage of aging population by hiring retired managers from the private sector to help manage county departments at a lower rate than what they would pay a normal worker because these people already have pensions/Social Security.

**LABOR MARKET INFORMATION, FINAL QUARTER 2002 <sup>1</sup>**

**NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM, EMPLOYMENT BY INDUSTRIAL SECTOR**

COUNTY	Allen		Clark		Hancock		Richland	
	Employment	Percent change from 4th quarter 2001	Employment	Percent change from 4th quarter 2001	Employment	Percent change from 4th quarter 2001	Employment	Percent change from 4th quarter 2001
North American Industry Classification System (NAICS) Industrial Sector								
<b>Total covered under Ohio UC Law <sup>2</sup></b>	<b>56,301</b>	<b>-0.8%</b>	<b>53,014</b>	<b>-3.2%</b>	<b>40,958</b>	<b>-1.1%</b>	<b>60,313</b>	<b>0.9%</b>
<b>Private Sector</b>	<b>49,336</b>	<b>-0.7%</b>	<b>45,459</b>	<b>-3.8%</b>	<b>37,542</b>	<b>-1.3%</b>	<b>51,242</b>	<b>0.5%</b>
Agriculture, forestry, fishing and hunting	91	19.7%	554	10.8%	109	N/A	131	-9.0%
Mining	67	28.8%	40	5.3%	1,613	1.5%	N/A <sup>3</sup>	N/A <sup>3</sup>
Utilities	170	-1.2%	164	-27.1%	114	-10.9%	N/A <sup>3</sup>	N/A <sup>3</sup>
Construction	2,486	3.7%	1,950	-2.3%	1,182	-7.5%	2,045	0.3%
Manufacturing	10,710	-7.7%	9,245	-15.2%	11,483	-1.9%	14,839	-0.1%
Wholesale trade	2,340	-3.0%	2,563	-3.2%	1,122	-3.4%	1,314	-3.2%
Retail trade	8,015	6.0%	8,037	-2.8%	5,667	2.4%	7,969	-2.3%
Transportation and warehousing	1,242	-3.2%	2,134	0.0%	1,679	-14.1%	1,235	-5.8%
Information	864	-5.1%	347	-34.0%	489	8.2%	1,353	-3.8%
Finance and insurance	1,268	4.6%	994	-0.4%	865	-3.7%	1,353	1.0%
Real estate and rental and leasing	413	-0.2%	553	8.2%	360	9.8%	469	-6.0%
Professional and technical services	944	2.5%	952	-9.1%	654	-12.3%	1,072	3.1%
Management of companies and enterprises	350	58.4%	62	-31.1%	537	-20.6%	116	11.5%
Administrative and waste services	3,349	-6.6%	2,210	13.2%	2,376	-11.4%	3,716	15.6%
Educational services	855	-0.7%	734	-1.1%	884	N/A	449	11.1%
Health care and social assistance	9,654	2.4%	8,013	2.9%	3,618	5.7%	7,167	1.1%
Arts, entertainment, and recreation	472	-18.9%	440	-1.6%	269	1.5%	735	0.4%
Accommodation and food services	3,981	2.4%	4,395	-0.5%	3,324	6.1%	4,852	2.5%
Other services, except public administration	2,065	-2.8%	2,071	2.0%	1,196	8.2%	2,226	-4.7%
<b>State &amp; Local Government</b>	<b>6,966</b>	<b>-1.1%</b>	<b>7,555</b>	<b>0.6%</b>	<b>3,416</b>	<b>1.3%</b>	<b>9,071</b>	<b>3.1%</b>
State Government	1,751	-3.3%	414	-0.2%	210	-4.1%	2,261	6.8%
Local Government	5,215	-0.4%	7,141	0.6%	3,206	1.7%	6,810	1.9%
<b>Federal Government</b>	<b>447</b>	<b>-4.9%</b>	<b>633</b>	<b>-2.8%</b>	<b>172</b>	<b>-8.0%</b>	<b>667</b>	<b>-3.2%</b>

Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information (BLI)

<sup>1</sup> Preliminary, based upon employers' reports for fourth quarter 2002 received in BLI

<sup>2</sup> Excludes federal government agencies

<sup>3</sup> Suppressed for confidentiality

**LABOR MARKET INFORMATION, FINAL QUARTER 2002 <sup>1</sup>**  
**NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM, WAGES BY INDUSTRIAL SECTOR**

County	Allen			Clark			Hancock			Richland		
	Total wages (000s)	Wages per employee	Per employee percent change from 4th quarter 2001	Total wages (000s)	Wages per employee	Per employee percent change from 4th quarter 2001	Total wages (000s)	Wages per employee	Per employee percent change from 4th quarter 2001	Total wages (000s)	Wages per employee	Per employee percent change from 4th quarter 2001
<b>Total covered under Ohio UC Law <sup>2</sup></b>	<b>\$445,966</b>	<b>\$7,921</b>	<b>3.7%</b>	<b>\$401,125</b>	<b>\$7,566</b>	<b>0.2%</b>	<b>\$358,745</b>	<b>\$8,759</b>	<b>3.1%</b>	<b>\$489,247</b>	<b>\$8,112</b>	<b>3.5%</b>
<b>Private Sector</b>	<b>384,372</b>	<b>\$7,791</b>	<b>3.7%</b>	<b>337,944</b>	<b>\$7,434</b>	<b>-0.4%</b>	<b>331,805</b>	<b>\$8,838</b>	<b>3.0%</b>	<b>408,549</b>	<b>\$7,973</b>	<b>3.3%</b>
Agriculture, forestry, fishing and hunt.	394	\$4,330	3.2%	3,553	\$6,413	-0.2%	253	\$2,321	N/A	619	\$4,725	9.4%
Mining	788	\$11,761	-13.4%	374	\$9,350	-9.4%	29,285	\$18,156	-7.6%	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>
Utilities	2,316	\$13,624	3.8%	2,127	\$12,970	10.6%	1,933	\$16,956	-1.3%	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>
Construction	23,740	\$9,549	6.1%	16,185	\$8,300	-4.6%	9,391	\$7,945	4.0%	18,471	\$9,032	0.1%
Manufacturing	127,103	\$11,868	6.4%	102,316	\$11,067	-1.8%	131,536	\$11,455	7.8%	176,817	\$11,916	4.5%
Wholesale trade	22,186	\$9,481	6.8%	14,461	\$5,642	12.6%	11,614	\$10,351	-0.1%	13,693	\$10,421	-0.5%
Retail trade	39,058	\$4,873	3.7%	43,959	\$5,470	4.0%	29,644	\$5,231	5.6%	41,208	\$5,171	4.7%
Transportation and warehousing	10,677	\$8,597	7.2%	20,946	\$9,815	-1.4%	14,891	\$8,869	11.0%	10,404	\$8,424	3.9%
Information	6,606	\$7,646	5.3%	2,578	\$7,429	-3.1%	4,456	\$9,112	9.5%	13,865	\$10,248	9.0%
Finance and insurance	11,241	\$8,865	3.8%	9,395	\$9,452	0.6%	9,563	\$11,055	2.0%	13,443	\$9,936	-1.3%
Real estate and rental and leasing	2,058	\$4,983	1.1%	3,038	\$5,494	0.8%	2,300	\$6,389	-4.7%	2,354	\$5,019	-3.0%
Professional and technical services	8,049	\$8,526	0.3%	11,736	\$12,328	28.3%	6,594	\$10,083	10.8%	9,602	\$8,957	-6.5%
Management of companies and enterp.	4,519	\$12,911	-17.3%	835	\$13,468	24.6%	5,592	\$10,413	16.5%	1,323	\$11,405	-0.2%
Administrative and waste services	14,049	\$4,195	13.0%	9,632	\$4,358	7.2%	16,557	\$6,968	-5.1%	16,157	\$4,348	0.9%
Educational services	5,243	\$6,132	5.6%	5,818	\$7,926	4.1%	7,107	\$8,040	N/A	1,510	\$3,363	-0.7%
Health care and social assistance	85,100	\$8,815	1.1%	66,086	\$8,247	1.2%	35,840	\$9,906	-0.4%	60,299	\$8,413	6.9%
Arts, entertainment, and recreation	1,499	\$3,176	6.4%	1,585	\$3,602	1.0%	805	\$2,993	-13.0%	2,029	\$2,761	2.1%
Accommodation and food services	10,520	\$2,643	0.9%	11,778	\$2,680	6.9%	8,714	\$2,622	1.0%	13,009	\$2,681	1.3%
Other services, except public admin.	9,229	\$4,469	2.3%	11,542	\$5,573	-0.7%	5,731	\$4,792	-1.3%	10,836	\$4,868	1.0%
<b>State &amp; Local Government</b>	<b>61,594</b>	<b>\$8,842</b>	<b>3.6%</b>	<b>63,181</b>	<b>\$8,363</b>	<b>3.3%</b>	<b>26,939</b>	<b>\$7,886</b>	<b>3.8%</b>	<b>80,698</b>	<b>\$8,896</b>	<b>4.5%</b>
State Government	20,933	\$11,955	3.6%	4,622	\$11,164	-0.6%	2,651	\$12,624	6.3%	25,721	\$11,376	7.9%
Local Government	40,662	\$7,797	4.1%	58,559	\$8,200	3.7%	24,289	\$7,576	3.8%	54,976	\$8,073	2.6%
Federal Government	5,196	\$11,624	9.9%	7,232	\$11,425	9.8%	1,948	\$11,326	14.5%	7,467	\$11,195	7.0%

Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information (BLI)

<sup>1</sup> Preliminary, based upon employers' reports for fourth quarter 2002 received in BLI

<sup>2</sup> Excludes federal government agencies

<sup>3</sup> Suppressed for confidentiality

## *G. Personal Finance*

### Issues to Look For

Tracking personal income helps gauge changes in the tax base and ensuing impacts on revenues, the ability of a population to pay new taxes – if warranted, and the degree of service demands. Wide discrepancies from peers may point out a need to adjust business development policies.

Personal income is measured annually by the U.S. Bureau of Economic Analysis. It is defined as the sum of wage and salary disbursements, other labor income, proprietors' income with inventory and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and transfer payments to persons, less personal contributions for social insurance. These measures include incomes of individuals, nonprofit institutions that primarily serve individuals, private noninsured welfare funds, and private trust funds. Proprietors' income is treated in its entirety as received by individuals. Life insurance carriers and noninsured pension plans are not counted as persons, but their income (and saving) is credited to persons.

### Observations

- Richland had the smallest rate of increase for per capita income among the peer counties from 1996-2001 (page 34). Even factoring out the prison population, per capita income would still trail all counties if Allen County's prison population were also factored out (page 35).
- Richland appears to be weathering the economic downturn better than the peer counties. It showed the highest gains in total personal income, per capita income, and earnings by place of work. From 2000-2001, Richland County was also higher than the state average in these three categories (page 35-36). This will likely continue given the 2002 NAICS data reviewed earlier (page 32).
- While Clark has high per capita income, much of it is related to people who work outside of the county as evidenced by earnings by place of work (page 37). Earnings made within the county decreased in 2001 (page 36).
- Transfer payments (various types of government benefits/assistance) increased at a higher rate in Richland County between 2000 and 2001 (10.5 percent) than the peers. (page 36)

### Discussion

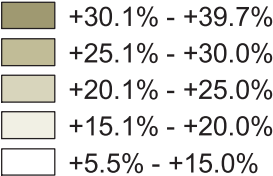
- N/A

# Percent Change in Per Capita Income 1996 to 2001

State Change +22.1%



### Percent Change



Source:  
U.S. Bureau of Economic Analysis

Prepared by:  
Ohio Department of Development,  
Office of Strategic Research (August 2003)

## PERSONAL INCOME

### PER CAPITA PERSONAL INCOME (PCPI) <sup>1</sup>

	Allen	Clark	Hancock	Richland	Richland w/o prison population
<b>PCPI, 2001</b>	\$24,869	\$26,136	\$29,447	\$24,241	\$25,053
<b>State ranking, 2001</b>	38th	29th	14th	45th	38th
<b>State ranking, 1991</b>	40th	30th	10th	41st	32nd (1990)
<b>Percent change, 2000-01</b>	1.8%	1.9%	1.9%	3.4%	2.8%
<b>Percent change for state, 2000-01</b>	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Average annual growth, 1991-2001</b>	3.9%	4.1%	4.3%	3.7%	3.9%
<b>Average annual growth for state, 1991-2001</b>	4.1%	4.1%	4.1%	4.1%	4.1%

Source: U.S. Bureau of Economic Analysis

<sup>1</sup> The federal government includes ALL county residents, including prison inmates, in calculating PCPI. However, given the minimal wage levels of inmates as confirmed by the Ohio Department of Rehabilitation and Correction, this population was excluded to provide a more accurate picture of PCPI in Richland County.

### TOTAL PERSONAL INCOME (TPI)

	Allen	Clark	Hancock	Richland
<b>TPI, 2001</b>	\$2,694,577	\$3,761,354	\$2,114,616	\$3,107,052
<b>State ranking, 2001</b>	27th	21st	31st	24th
<b>State ranking, 1991</b>	24th	15th	32nd	21st
<b>Percent change, 2000-01</b>	1.6%	1.4%	2.6%	2.9%
<b>Percent change for state, 2000-01</b>	2.3%	2.3%	2.3%	2.3%
<b>Average annual growth, 1991-2001</b>	3.7%	3.8%	5.1%	3.8%
<b>Average annual growth for state, 1991-2001</b>	4.5%	4.5%	4.5%	4.5%

Source: U.S. Bureau of Economic Analysis

**PERSONAL INCOME FROM NET EARNINGS <sup>1</sup>**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>Percent of total TPI, 2001</b>	62.4%	64.2%	69.2%	64.2%
<b>Percent change, 2000-01</b>	0.1%	-0.3%	1.8%	1.5%
<b>Percent of total, 1991</b>	65.1%	63.7%	67.2%	65.1%
<b>Average annual growth, 1991-2001</b>	3.3%	3.9%	5.4%	3.7%

Source: U.S. Bureau of Economic Analysis

<sup>1</sup> Earnings by place of work -- the sum of wage and salary disbursements (payroll), other labor income, and proprietor's income -- less personal contributions for social insurance, plus a conversion to convert earnings by place of work to a place-of-residence basis.

**PERSONAL INCOME FROM DIVIDENDS, INTEREST AND RENT**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>Percent of total TPI, 2001</b>	20.5%	16.8%	19.2%	17.3%
<b>Percent change, 2000-01</b>	1.2%	0.5%	1.7%	0.5%
<b>Percent of total, 1991</b>	19.1%	19.0%	21.2%	18.3%
<b>Average annual growth, 1991-2001</b>	4.5%	2.6%	4.0%	3.3%

Source: U.S. Bureau of Economic Analysis

**PERSONAL INCOME BY TRANSFER PAYMENTS <sup>1</sup>**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>Percent of total TPI, 2001</b>	17.0%	19.0%	11.6%	18.4%
<b>Percent change, 2000-01</b>	8.2%	8.5%	9.3%	10.5%
<b>Percent of total, 1991</b>	15.8%	17.3%	11.6%	16.6%
<b>Average annual growth, 1991-2001</b>	4.5%	4.8%	5.1%	4.9%

Source: U.S. Bureau of Economic Analysis

<sup>1</sup> Government payments to individuals such as Social Security, medical, income maintenance, unemployment insurance and veteran's benefits.

**EARNINGS BY PLACE OF WORK <sup>1</sup>**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>Earnings by place of work</b>	\$2,128,803	\$2,174,953	\$1,636,500	\$2,203,722
<b>2000-01 percentage change</b>	1.0%	-2.3%	1.3%	1.9%
<b>2001-01 percentage change for state</b>	1.2%	1.2%	1.2%	1.2%
<b>Average annual growth, 1991-2001</b>	3.2%	3.8%	5.6%	3.6%
<b>Average annual growth for state, 1991-2001</b>	4.6%	4.6%	4.6%	4.6%

**Source:** U.S. Bureau of Economic Analysis

<sup>1</sup> Represents labor and proprietors' earnings by place of work that indicate the economic activity of business and government within a county



*H. Property Taxes (Assessed valuation gained through annexation)*

*Issues to Look For*

This is a good indicator on the aggressiveness of individual communities to annex, and how annexation could impact revenue streams and service demands for these communities.

*Observations (see page 39)*

- Less than \$2 million was exchanged countywide in the last 3 years through annexation. Total assessed valuation in the county was approximately \$1.55 billion in 2003.
- Next to Mansfield, Shelby has been the most aggressive in annexation and consistently annexes both residential and business.

*Discussion*

- Team noted water and sewer were driving annexation. Also, they noted that a new law makes it easier to annex in some cases (single owner) and harder for multiple owners.

**PROPERTY TAXES  
ANNEXATION PRACTICES**

**RICHLAND COUNTY TOWNSHIPS LOSING VALUATION <sup>1</sup>**

Township	2002		2001		2000		Totals
	Residential/ Agricultural	Business	Residential/ Agricultural	Business	Residential/ Agricultural	Business	
Cass	\$87,000	NA	NA	NA	NA	NA	\$87,000
Jackson	\$47,590	\$107,730	NA	NA	\$18,540	\$23,900	\$197,760
Jefferson	\$15,050	NA	NA	NA	NA	NA	\$15,050
Madison		NA	NA	\$821,910	\$5,400	NA	\$827,310
Plymouth	\$41,210	NA	NA	NA	NA	NA	\$41,210
Springfield	\$171,150	NA	\$4,010	NA	NA	NA	\$175,160
Sandusky		NA	NA	\$78,840	NA	NA	\$78,840
Sharon	\$158,280	NA	\$31,900	\$19,170	NA	NA	\$209,350
Weller	\$123,860	\$27,120	NA	NA	NA	NA	\$150,980
<b>Totals</b>	<b>\$644,140</b>	<b>\$134,850</b>	<b>\$35,910</b>	<b>\$919,920</b>	<b>\$23,940</b>	<b>\$23,900</b>	<b>\$1,782,660</b>

Source: Richland County property tax abstracts obtained through Ohio Department of Taxation

<sup>1</sup> Represents assessed valuation.

**MUNICIPALITIES GAINING VALUATION <sup>1</sup>**

Municipality	2002		2001		2000		Totals
	Residential/ Agricultural	Business	Residential/ Agricultural	Business	Residential/ Agricultural	Business	
Bellevue	\$15,050	NA	NA	NA	NA	NA	\$15,050
Galion		NA	NA	\$78,840	NA	NA	\$78,840
Mansfield	\$123,860	\$27,120	NA	\$821,910	\$5,400	NA	\$978,290
Ontario	\$171,150	NA	\$4,010	NA	NA	NA	\$175,160
Plymouth	\$87,000	NA	NA	NA	NA	NA	\$87,000
Shelby	\$247,080	\$107,730	\$31,900	\$19,170	\$18,540	\$23,900	\$448,320
<b>Totals</b>	<b>\$644,140</b>	<b>\$134,850</b>	<b>\$35,910</b>	<b>\$919,920</b>	<b>\$23,940</b>	<b>\$23,900</b>	<b>\$1,782,660</b>

Source: Richland County property tax abstracts obtained through Ohio Department of Taxation

<sup>1</sup> Represents assessed valuation.

## *I. Abatements*

### Issues to Look For

There are five general programs that local authorities and/or businesses can employ to provide real and personal property tax incentives (page 38). Officials should investigate long-term trends in the type and cost of abatements versus the benefits achieved, such as by comparing projected revenues as a percentage of total abatements over a given time period. However, one should study all the factors surrounding an abatement, including job retention and loss of revenues through abatements, when assessing whether a community is receiving an adequate return on investment.

### Observations

- The taxable value of real property improvements exempted by abatements in Richland County's increased 22.3 percent between 2000 and 2002, the second highest increase among the peer counties. It was the only county that employed all five categories of abatements (pages 41).
- Hancock County's total taxable value of real property improvements exempted by tax abatements nearly equal the combined total of the other counties, concentrated largely in Enterprise Zone agreements (page 41).
- The Ohio Department of Development annually projects the results of new Enterprise Zone agreements over 10 years. In compiling projections between 1998 and 2002, Richland County had \$21.7 million in anticipated abatements – the highest among the peer counties (page 43).
- During this period, total new taxes forecasted in Richland County represented 47.3 percent of total anticipated abatements from Enterprise Zones, less than the peer county average of 56.2 percent (page 43).
- For recent Enterprise Zone agreements, Richland County tended to abatement more real than personal property. It also forecasted more revenues from personal than real property. Officials should investigate if legislative action to speed up the phase –out of the inventory tax on personal property has any impact on these agreements. If so, Richland may not receive the level of new revenues expected (pages 42-43).
- Richland received 9.0 percent of total new taxes forecast from real property, compared to a peer average of 43.9 percent, according to recent Enterprise Zone agreements. Conversely, it received 21.6 percent of total new taxes forecast from municipal/school income taxes, compared to a 6.7 percent peer average (pages 42-43).

### Discussion

- The team questioned the high abatement levels attributed to Tax Increment Financing on the Department of Taxation report. While local officials could not confirm this data, the Department of Taxation stated it received this information from the county.

**TAXABLE VALUE OF REAL PROPERTY IMPROVEMENTS  
EXEMPTED BY TAX ABATEMENTS**

**2002**

<b>County Name</b>	<b>Community Urban Redevelopment Corporation</b>	<b>Community Reinvestment Area</b>	<b>Redevelopment Tax Increment Financing</b>	<b>Municipal Urban Renewal</b>	<b>Other*</b>	<b>Total Tax Abatement</b>
Allen	\$0	\$16,691,040	\$0	\$0	\$5,180	\$16,696,220
Clark	\$23,890	\$3,016,930	\$2,581,950	\$0	\$3,623,100	\$9,245,870
Hancock	\$0	\$1,715,980	\$3,054,360	\$0	\$43,217,640	\$47,987,980
Richland	\$268,230	\$6,476,590	\$15,127,040	\$1,420,570	\$1,595,570	\$24,888,000

Source: Ohio Department of Taxation, compiled from property abstracts filed by county auditors

**2001**

<b>County Name</b>	<b>Community Urban Redevelopment Corporation</b>	<b>Community Reinvestment Area</b>	<b>Redevelopment Tax Increment Financing</b>	<b>Municipal Urban Renewal</b>	<b>Other*</b>	<b>Total Tax Abatement</b>
Allen	\$0	\$15,927,800	\$0	\$0	\$5,180	\$15,932,980
Clark	\$23,890	\$3,016,900	\$2,563,450	\$0	\$3,623,100	\$9,227,340
Hancock	\$0	\$1,604,500	\$3,672,720	\$0	\$33,099,290	\$38,376,510
Richland	\$489,680	\$5,743,600	\$14,797,040	\$312,190	\$1,746,500	\$23,089,010

Source: Ohio Department of Taxation, compiled from property abstracts filed by county auditors

**2000**

<b>County Name</b>	<b>Community Urban Redevelopment Corporation</b>	<b>Community Reinvestment Area</b>	<b>Redevelopment Tax Increment Financing</b>	<b>Municipal Urban Renewal</b>	<b>Other*</b>	<b>Total Tax Abatement</b>
Allen	\$0	\$14,937,240	\$0	\$0	\$5,180	\$14,942,420
Clark	\$22,750	\$3,645,580	\$1,896,530	\$0	\$3,696,670	\$9,261,530
Hancock	\$0	\$2,612,940	\$2,887,820	\$0	\$24,116,630	\$29,617,390
Richland	\$608,650	\$5,018,130	\$11,603,990	\$312,190	\$2,808,480	\$20,351,440

Source: Ohio Department of Taxation, compiled from property abstracts filed by county auditors

Each abatement class listed below is a program administered by county, township or municipal governments. These include:

- 1) Community urban redevelopment corporation abatement (ORC 1728.01 - 1728.13) - exempts value of improvements to real property by designated corporations in certain blighted areas. The corporations make service payments in lieu of real property taxes. Designated by municipal authorities;
- 2) Community reinvestment area abatements (ORC 3735.65 - 3735.70) - exempts certain real property improvements in areas designated by municipal or county authorities;
- 3) Urban redevelopment tax increment financing (ORC 5709.41 - 5709.43) - exempts improvements to real property to which a municipality or a township holds title. Local officials may require the "lessee" to pay service fees equivalent to the tax that would have been collected had exemptions not been granted;
- 4) Municipal urban renewal abatements (ORC 725.01 - 725.11) - exempts improvements to real property in designated "urban renewal areas". A municipality then requires service fees to be paid by the owner to service outstanding urban renewal bonds issued by the municipality;
- 5) Other abatements - comprised mainly of enterprise zone tax abatements. Enterprise zones are designated by municipalities or by counties.

## ENTERPRISE ZONE AGREEMENTS PROJECTED RESULTS<sup>1</sup>

### REAL PROPERTY TAX REVENUE FORECAST AS A RESULT OF NEW AGREEMENTS

Year entered	Allen	Clark	Hancock	Richland
2002	\$0	\$49,455	\$0	\$0
2001	\$9,976	\$623,719	\$1,882,979	\$0
2000	\$236,335	\$61,525	NA	\$130,691
1999	\$6,708,665	\$594,653	NA	\$194,343
1998	\$9,219	\$1,933,221	NA	\$603,587
<b>Totals</b>	\$6,964,195	\$3,262,573	\$1,882,979	\$928,621

Source: Ohio Department of Development, Economic Development Division

### REAL PROPERTY TAXES ABATED AS A RESULT OF NEW AGREEMENTS

Year entered	Allen	Clark	Hancock	Richland
2002	\$879,886	\$49,455	\$0	\$272,302
2001	\$0	\$935,579	\$5,648,937	\$436,446
2000	\$2,027,578	\$322,413	NA	\$1,597,372
1999	\$8,332,552	\$4,054,309	NA	\$1,325,598
1998	\$13,828	\$2,967,092	NA	\$9,936,117
<b>Totals</b>	\$11,253,844	\$8,328,848	\$5,648,937	\$13,567,835

Source: Ohio Department of Development, Economic Development Division

### PERSONAL PROPERTY TAX REVENUE FORECAST AS A RESULT OF NEW AGREEMENTS

Year entered	Allen	Clark	Hancock	Richland
2002	\$167,854	\$46,127	\$51,821	\$0
2001	\$72,609	\$3,073,904	\$2,141,162	\$37,348
2000	\$786,161	\$168,355	NA	\$371,624
1999	\$1,679,359	\$119,164	NA	\$283,351
1998	\$257,308	\$5,070,736	NA	\$6,432,448
<b>Totals</b>	\$2,963,291	\$8,478,286	\$2,192,983	\$7,124,771

Source: Ohio Department of Development, Economic Development Division

<sup>1</sup> All projections were calculated over 10 years from year agreement was made and aggregated for each zone.

**PERSONAL PROPERTY TAXES ABATED AS A RESULT OF NEW AGREEMENTS**

<b>Year entered</b>	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>2002</b>	\$73,950	\$46,127	\$155,463	\$1,073,681
<b>2001</b>	\$111,209	\$4,610,857	\$6,423,487	\$1,440,862
<b>2000</b>	\$971,228	\$109,251	NA	\$1,276,082
<b>1999</b>	\$1,593,624	\$135,459	NA	\$947,848
<b>1998</b>	\$385,977	\$7,625,101	NA	\$3,376,610
<b>Totals</b>	\$3,135,988	\$12,526,795	\$6,578,950	\$8,115,083

Source: Ohio Department of Development, Economic Development Division

**LOCAL MUNICIPAL INCOME TAX FORECAST AS A RESULT OF NEW AGREEMENTS**

<b>Year entered</b>	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>2002</b>	\$63,000	\$26,400	\$0	\$112,650
<b>2001</b>	\$151,500	\$0	\$0	\$238,441
<b>2000</b>	\$200,000	\$70,700	NA	\$569,875
<b>1999</b>	\$45,000	\$104,896	NA	\$215,211
<b>1998</b>	\$0	\$0	NA	\$1,053,239
<b>Totals</b>	\$459,500	\$201,996	\$0	\$2,189,416

Source: Ohio Department of Development, Economic Development Division

**LOCAL SCHOOL INCOME TAXES FORECAST AS A RESULT OF NEW AGREEMENTS**

<b>Year entered</b>	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>2002</b>	\$0	\$0	\$0	\$0
<b>2001</b>	\$0	\$0	\$0	\$0
<b>2000</b>	\$0	\$40,700	NA	\$0
<b>1999</b>	\$0	\$846,375	NA	\$0
<b>1998</b>	\$0	\$300,000	NA	\$23,000
<b>Totals</b>	\$0	\$1,187,075	\$0	\$23,000

Source: Ohio Department of Development, Economic Development Division

**TOTALS**

	<b>Allen</b>	<b>Clark</b>	<b>Hancock</b>	<b>Richland</b>
<b>Total abatements</b>	\$14,389,832	\$20,855,643	\$12,227,887	\$21,682,918
<b>Total new taxes forecast</b>	\$10,386,986	\$13,129,930	\$4,075,962	\$10,265,808
<b>Forecast revenue as a percentage of total</b>	72.2%	63.0%	33.3%	47.3%

Source: Ohio Department of Development, Economic Development Division

*J. Sales Taxes*

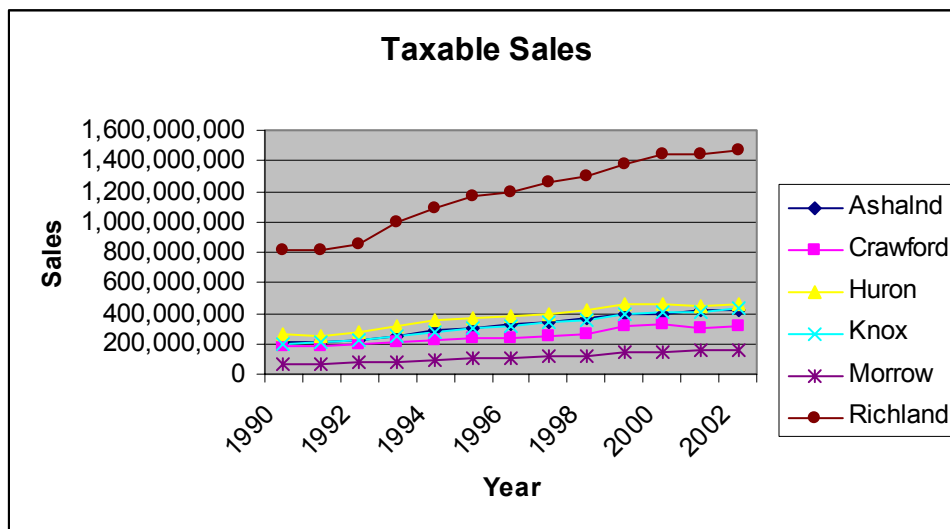
Issues to Look For

The team commented the county had done a prior study that estimated out-of-county shoppers contributed 40 percent of overall county sales tax revenue, largely due to the commercial draw of the Ontario area. The team requested the AOS develop additional indicators which could further confirm this belief.

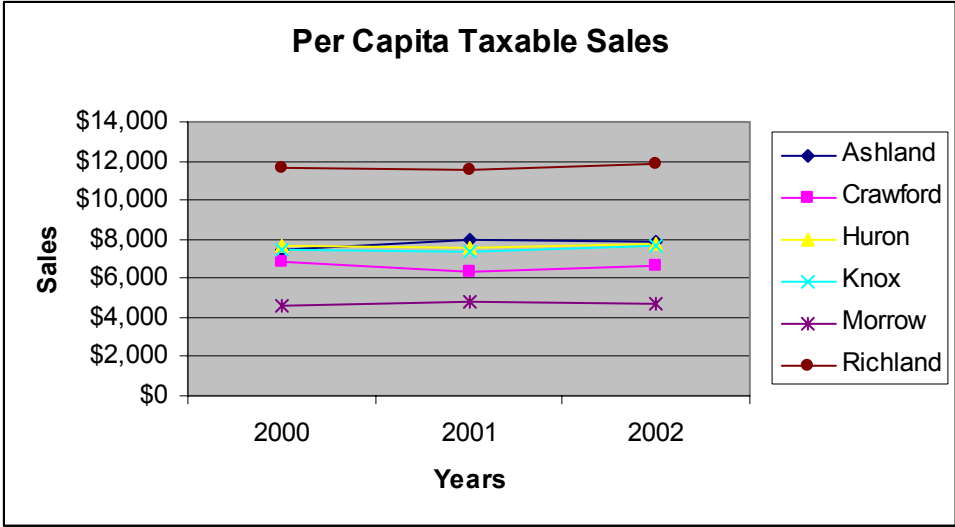
The potential contribution of adjoining county residents to Richland County’s sales tax base can be gauged by measuring total taxable sales, per capita taxable sales and per capita taxable sales as a percentage of per capita income. Also, tracking collections after a sales tax rate increase can help gauge if these rate increases may be driving down sales.

All sales tax information was obtained from the Ohio Department of Taxation.

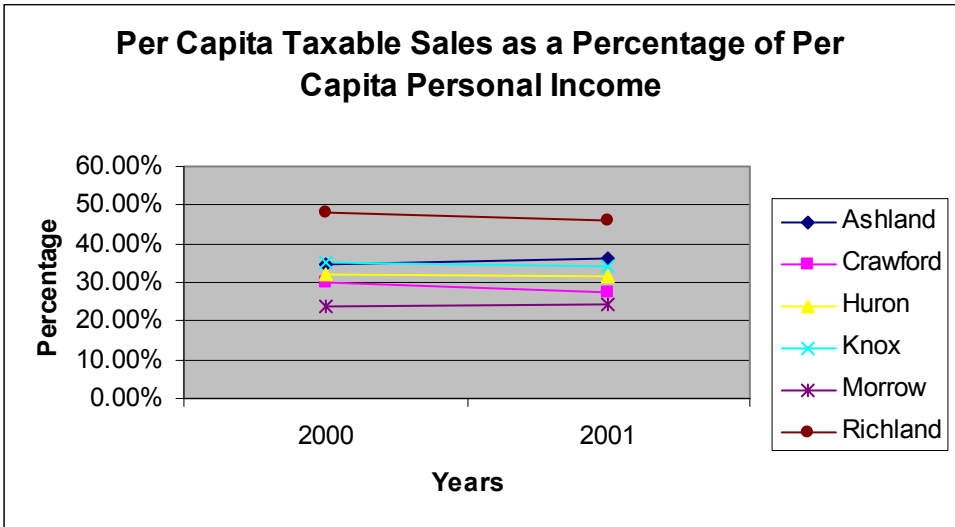
Observations



- Richland County’s growth in taxable sales has increased 65 percent since 1990, although population has remained flat in this time period (when prison population is excluded). While taxable sales in adjacent counties increased an average of 80 percent, given their relatively small sales base, it is much easier for them to increase in percentages than Richland. Also, four of the counties (Ashland, Huron, Knox and Morrow), saw their populations increase an average 13.7 percent, so their taxable sales would be expected to increase.

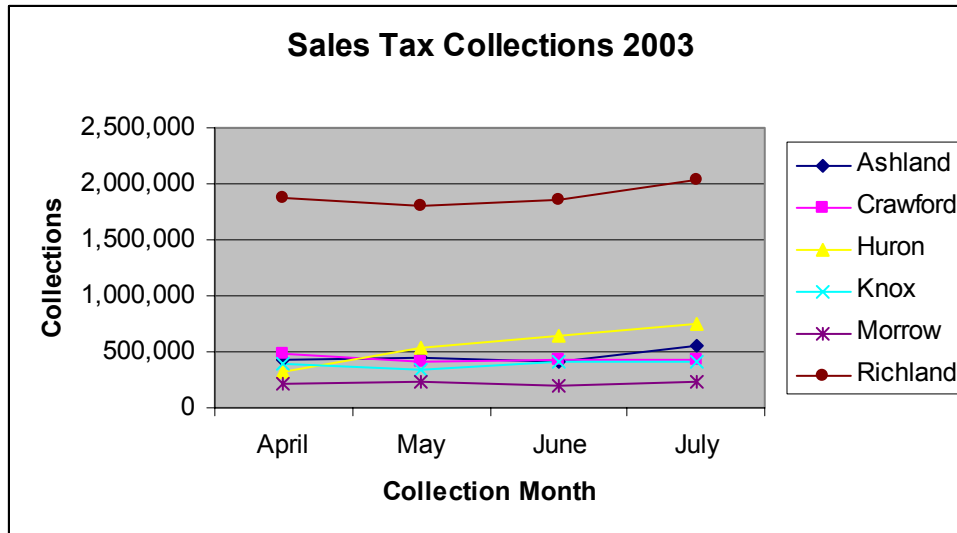


- On a per capita basis, Richland’s taxable sales are 71 percent higher than the peer average of adjacent counties. This excludes the prison population because of their minimal impact in buying power, as confirmed by conversations with the Ohio Department of Rehabilitation and Correction. However, this disparity appears too wide to realistically assume Richland County residents are buying that many more goods and services than peers in other counties.



- Richland residents earn more than their peers in the adjacent counties (\$25,052 per capita personal income exclusive of prison population vs. peer average \$22,106 in 2001). However, when this income is divided by per capita taxable sales the result is 46.28 percent in Richland County, compared to an adjacent county average of 30.73 percent. Again, this appears unrealistically high to be generated solely by Richland County residents.





- Effective March 2003, Richland County raised its local share of sales tax by 0.25 percent. This tax increase could potentially cause a drop in purchases from out-of-county residents who have the same or lower rates in their home counties. However, tax collections for April through July appear to indicate that sales remain relatively strong in Richland County. Note this takes into account the acceleration of collections for larger taxpayers that began in April 2003.

#### Conclusion

- Based on the analysis of taxable sales, per capita taxable sales and per capita taxable sales as a percentage of per capita personal income in Richland and surrounding counties, the team's claims that out-of-county shoppers contribute significantly to the Richland tax base appear credible. Further, an analysis of tax collections in the immediate months following the 0.25 percent tax increase appears to show no significant impact on the pace of collections

#### Discussion

- The team felt these findings helped support their belief that out-of-county residents remain significant contributors to the Richland County sales tax base. However, members warned that retail activity in southern Delaware (namely the Polaris Mall), combined with widening of I-71, could divert people away from the Ontario issue and reduce these revenues.

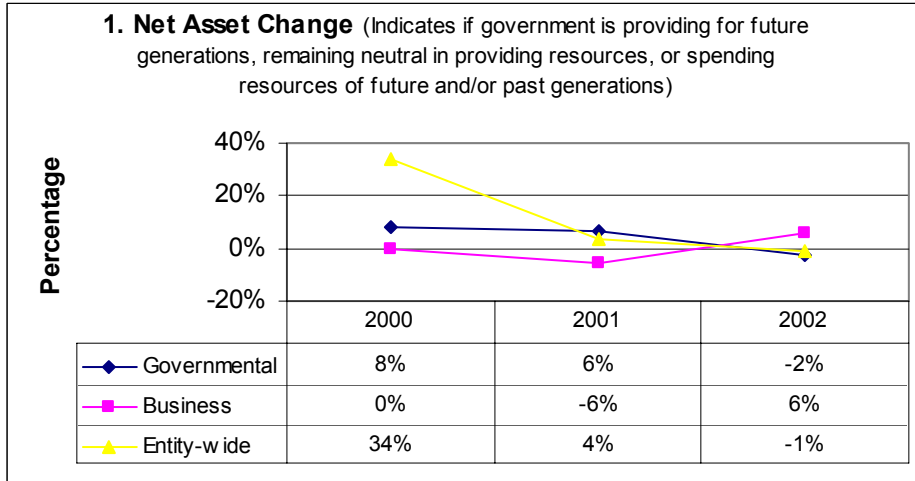
## Financial Ratios

The new financial reporting model known as GASB Statement No. 34 is the most sweeping accounting reform in the history of government accounting. Under the new standard, anyone with an interest in public finance—citizens, the media, bond raters, creditors, legislators, and others—will have more and easier-to-understand information about their governments. The PMP complemented this innovation by developing 16 ratios, many of which are based on the new GASB statements, to measure financial performance. These ratios fall under the following general categories:

- Financial performance,
- Liquidity,
- Solvency,
- Fiscal capacity,
- Risk, and
- Operational efficiency

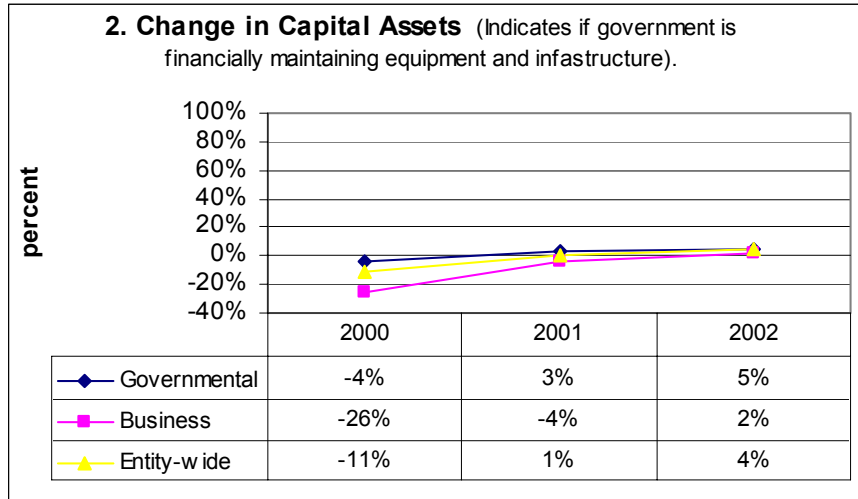
The following charts demonstrate the results of these 16 ratios for Richland given financial information from 2000-2002.

### A. Financial Performance



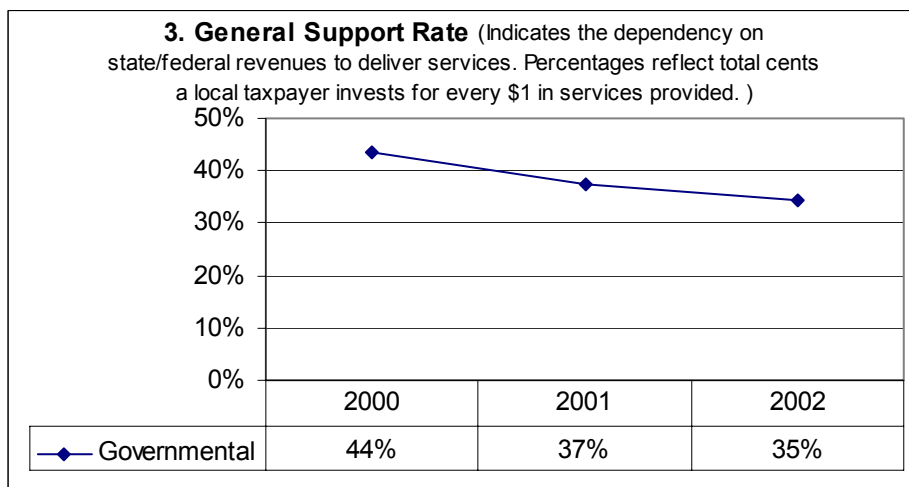
### Discussion

- Team commented that in the past, the county has compared rises in median household income to rises in the cost of general government and Consumer Price Index to gauge efficiency of government. Past analyses have shown that as a percentage of household income, cost of general government has been controlled despite new projects like 9-1-1 and unfunded state mandates. The team also noted that past comparison of per capita spending in Richland county government was comparable with other counties.



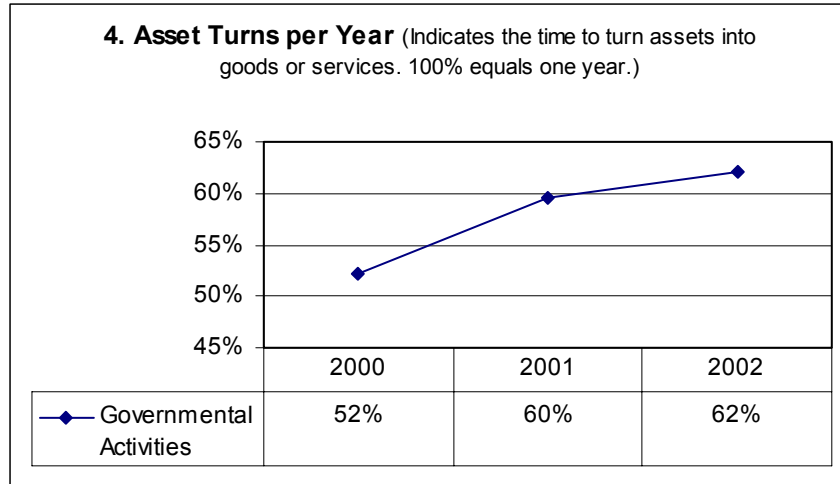
Observations/Discussion

- None noted by the team.



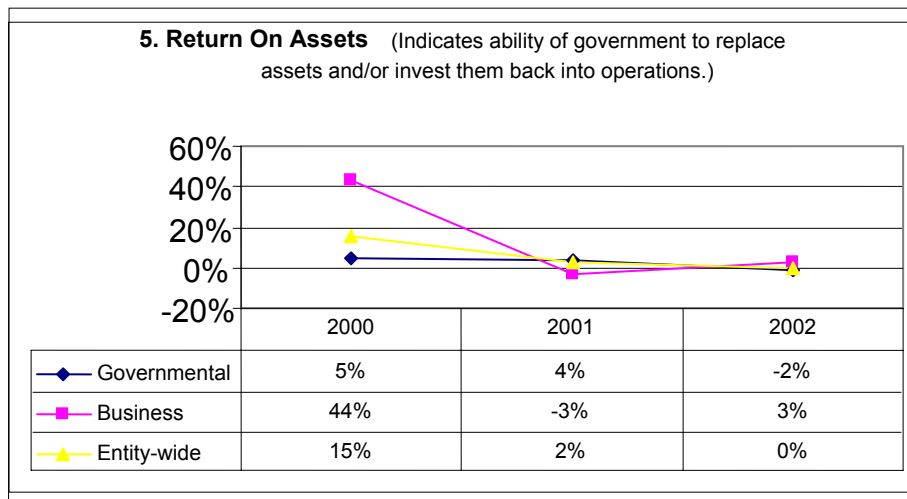
Observations

- Shows for every \$.35 a taxpayer puts into the county, they get back \$1 in services because the county is leveraging other money (governmental funds only). However, if state/federal money diminishes, there will be significant stress to fund services.



Observations/Discussion

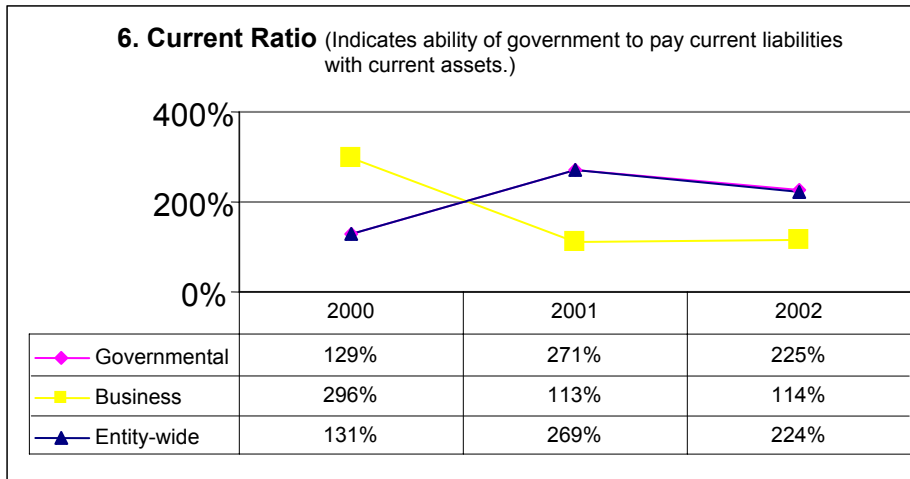
- Richland County is turning assets into goods or services in approximately two years.



Observations/Discussion

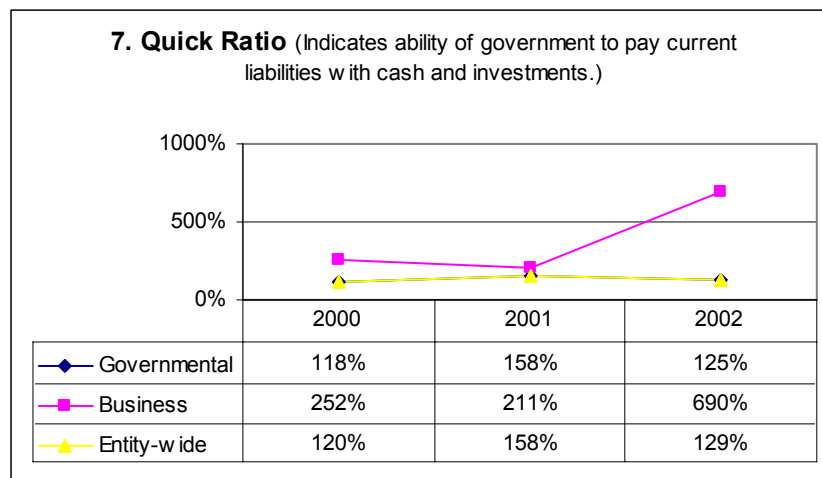
- The team noted they were not surprised with negative governmental result in 2002, due to fiscal difficulties and the rollback of inside millage. The team said it attempted in the past to increase this ratio, at the urging of bond rating companies. However, citizens have been vocal about the county carrying reserves and even repealed the sales tax once.

*B. Liquidity*



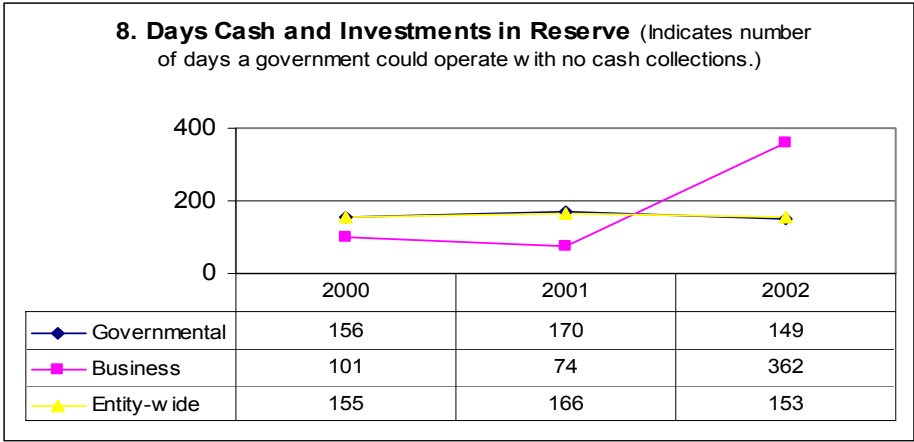
Observation

- Richland County has shown the ability to meet expenditures with current resources.



Observation/Discussion

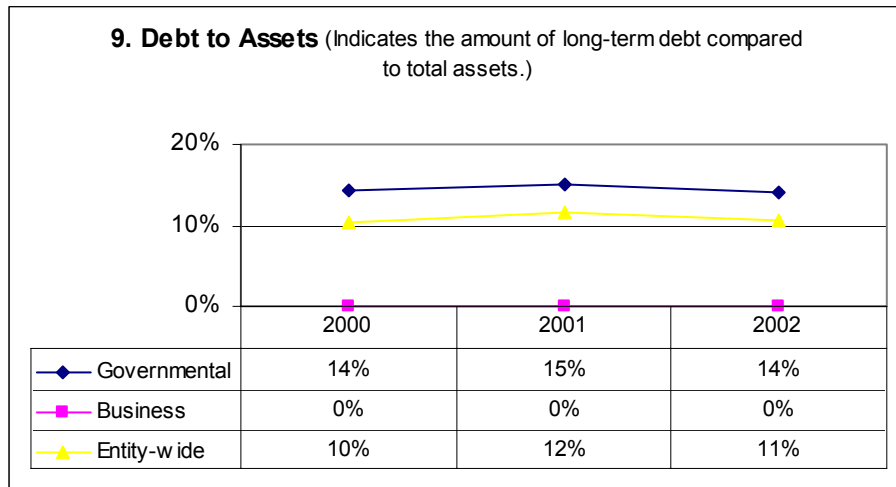
- The team noted high balance in business activities was due to cash in enterprise funds waiting to be expended in 2003.



*Observations/Discussion*

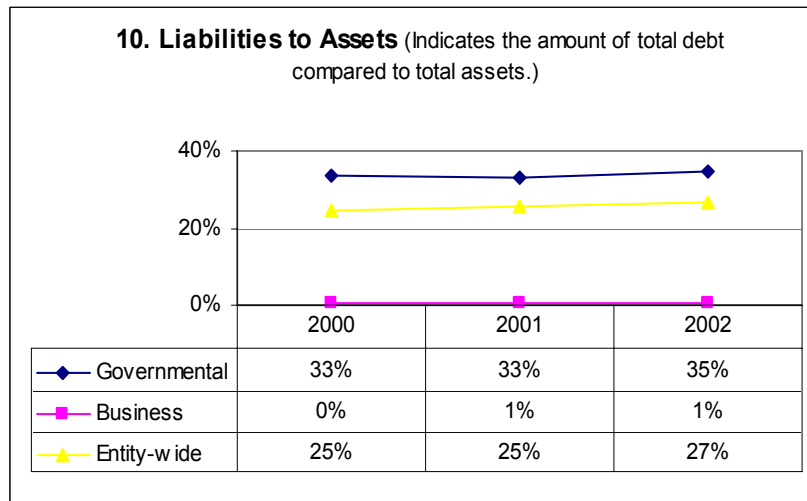
- The team noted high balance in business activities was due to cash in enterprise funds waiting to be expended in 2003.
- AOS noted the county should consider establishing a policy that sets caps for both high end and low end of cash reserves, based on how fast the county can react to negative fiscal situations. This could help minimize disruption of services to employees and citizens.
- The team added this ratio has dropped significantly due to automation, which has helped get payments to subdivisions sooner. However, this creates less investment income.

C. Solvency



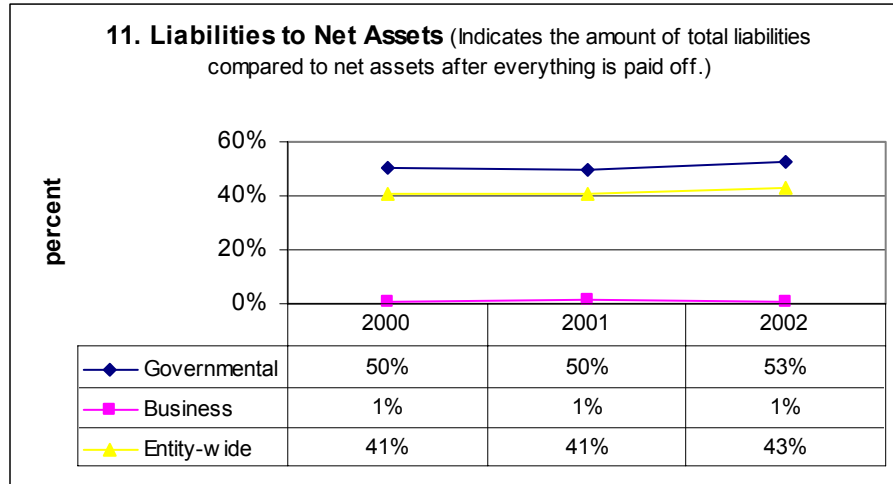
Observations/Discussion

- Team believed the ratio should not be zero percent in business activities, as the county is financing close to \$1 million through the sewer fund. It appears financial statements make no distinction between business debt service and General Obligation debt service.
- Team asked if there should be a goal to achieve in this ratio. AOS noted these ratios are dependent upon level of expansion in community. A rapidly expanding community would carry more debt.



Observations/Discussion

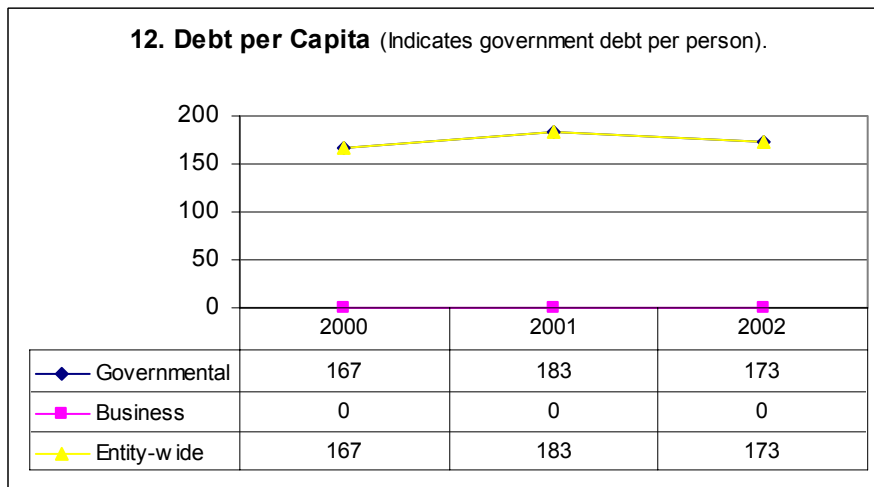
- None noted by the team.



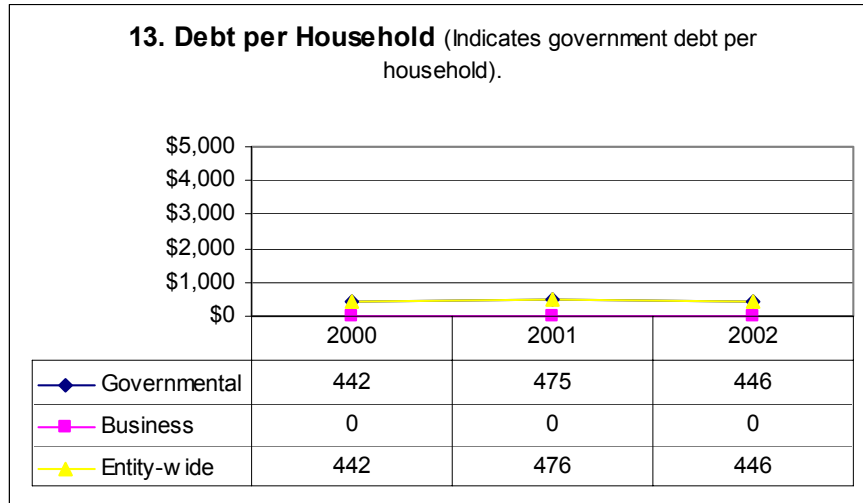
Observations

- Managers should consider “net assets” to mean the cash left after everything else would be sold off. It is the same concept as stockholder equity.

*D. Fiscal Capacity*



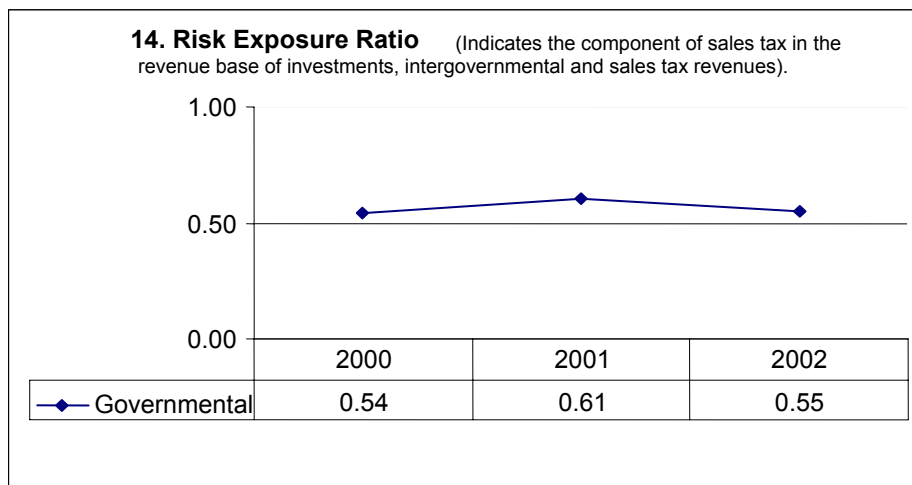




Observations

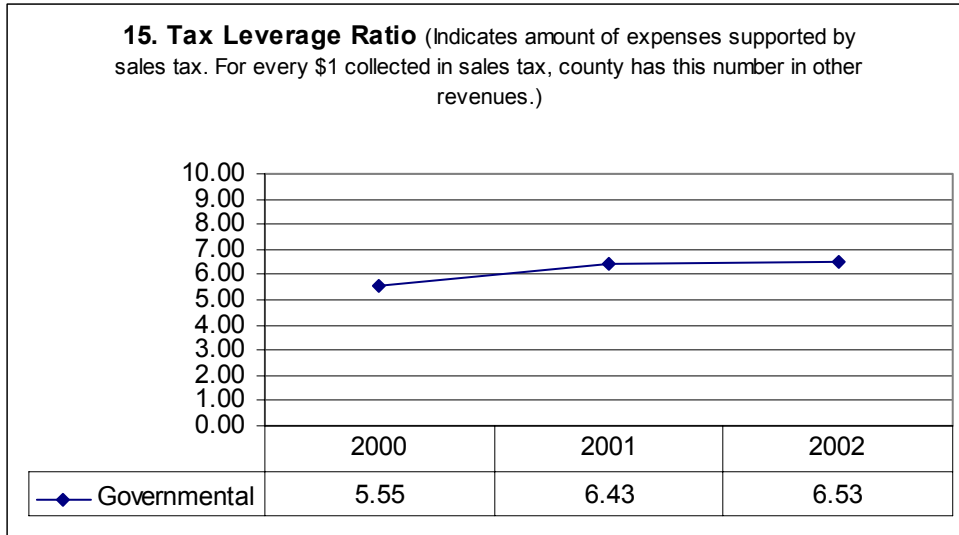
- Debt levels appear favorable when compared to the average debt per capita, \$222, and average debt per household, \$581, of Allen, Clark, and Hancock counties.

*E. Risk*



Observations

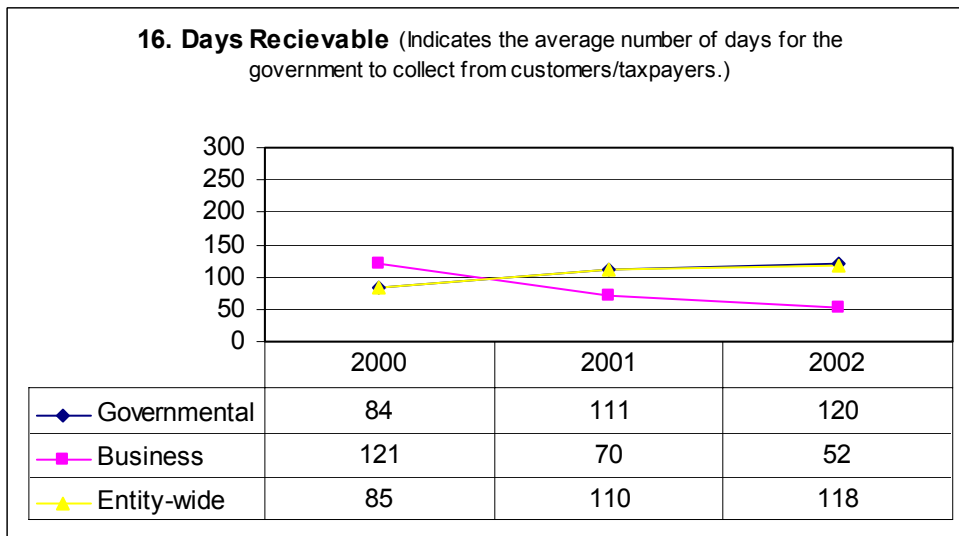
- Shows for every \$1 reduction in investment income, county needs to generate approximately \$2 in sales tax to maintain the same total revenue.



Observations

- For every \$1 collected in sales tax, the county had \$6.50 in other revenues in 2002.

*F. Operational Efficiency*



Observation/Discussion

- Most businesses want less than 60 days is receivables. However, receivables in governmental funds are harder to control because collection of sales tax, gas tax, etc, can be influenced by state government and others. The team agreed, noting it usually takes 60 days to collect on sales tax, which is one component of receivables, even though law says 45 days.

## Assessment of General Fund Budget Growth

### A. Expenditures

The team stated county officials have in the past compared the rise in median household income to the rise in the cost of the General Fund. It requested if the AOS could conduct an updated assessment comparing 1985 with the most recent data available.

To complete the assessment, the AOS obtained cash-basis data from audited financial statements to assess growth in the General Fund. While it was not able to obtain county-level statistics for household median income for 1985, it instead used per capita personal income statistics from the federal Bureau of Economic Analysis (1985 and 2001). The AOS also indexed the 1985 figures to 2001 inflationary dollars. Finally, it factored out the county's prison population to provide a more accurate assessment. The results are shown in the following table.

**Table 1: Per Capita Personal Income Compared to General Fund Budget**

	1985 <sup>1</sup>	2001	Percent Increase
<b>Per Capita Personal Income</b>	\$22,372	\$25,053	12.0%
<b>General Fund Budget</b>	\$15,600,000	\$24,200,000	55.1%

<sup>1</sup> Indexed to 2001 dollars using Midwest Urban Consumer Price Index

Even though per capita personal income outpaced the rate of inflation, General Fund spending increased at an even greater rate. Team members have attributed at least part of this increase to new projects like 9-1-1 and unfunded state mandates, such as certain child support collection responsibilities.

The Bureau of Economic Analysis had not released 2002 PCPI figures for Richland County by October 2003. However, preliminary 2002 wage data discussed earlier in this report indicates PCPI will rise. Also, 2002 total General Fund expenditures were slightly lower than 2001 levels. Consequently, the growth of Richland County general government in 2002 trailed both the rate of inflation and per capita personal income.

### B. Revenues

Though the growth of general government has exceeded PCPI growth, it appears that the county has taken steps to mitigate this impact on county residents. In 1999, the county suspended collection of the General Fund 2 mill property tax levy in exchange for a 0.5 percent increase in sales tax. This and other changes are reflected in the following table.

**Table 2: General Fund Revenue Receipts (% of Total Receipts)**

	1985 <sup>1</sup>		2002	
	Amount	% of Total	Amount	% of Total
<b>Taxes (Local)</b>	\$9,560,370	55.7%	\$15,161,943	58.9%
Property Taxes	\$4,023,831	42.1% of all taxes	\$32,930	0.1% of all taxes
Sales Taxes	\$5,536,538	57.9% of all taxes	\$15,129,013	99.9% of all taxes
<b>Intergovernmental</b>	\$2,652,386	15.5%	\$4,328,992	16.8%
<b>Charges for Services</b>	\$2,533,617	14.8%	\$3,716,686	14.4%
<b>Interest, Rentals, Other</b>	\$2,241,788	13.1%	\$2,139,973	8.3%
<b>Licenses and Permits</b>	\$28,709	0.2%	\$278,214	1.1%
<b>Fines and Forfeitures</b>	\$129,899	0.7%	\$121,631	0.5%

<sup>1</sup>Indexed to 2002 dollars

This report indicated earlier that a significant portion of taxable sales appears to come from out-of-county residents. Even though local taxes make up a slightly larger amount of all revenues in 2002 than 1985, this is likely more than offset by purchases from out-of-county residents. Therefore, the impact on local taxpayers has been mitigated.

Despite recent cuts in intergovernmental revenues, the county still collected significantly more from state/federal sources (16.8 percent of total in 2002) than it did in 1985 (15.5 percent of total). Although the percent of the 2002 General Fund budget from charges for services, or user fees, (14.4 percent) remained slightly below 1985 levels (14.8 percent), the total amount collected in 2002 increased by 63 percent from 1985 levels.

Finally, the double-digit interest rates the nation experienced in the mid-1980s actually benefited the county in 1985 as revenues from interest and other sources comprised 13.1 percent of the General Fund budget. Despite recent record-low interest rates, in 2001 interest and other minor sources still comprised 10 percent of the budget. However, this fell to 8.3 percent in 2002 with continuing declines in interest rates and cash reserves.

### **Performance Measurement Exercise**

The final portion of the pilot project involved the development of performance measurement tools for two operational areas of the county. This portion of the pilot project, which is a self-assessment tool, can be employed on a regular basis to determine if established goals and objectives are being met. County commissioners desired to develop assessment tools for the central purchasing and building department's commercial building plans section

An understanding of the following performance measurement terms is critical for employing this tool, as defined in Performance Measurement: Getting Results, Haltry, Harry P., The Urban Institute Press.

- Inputs: Resources (i.e, expenditure or employee time) used to produce outputs and outcomes.

- **Outputs:** Products and services delivered. Output refers to the completed products of the internal activity; the amount of work done within the organization or by its contractors.
- **Outcomes:** An event, occurrence, or condition that is outside the activity or programs and that is of direct importance to customers and the public in general. An outcome indicator is a measure of the amount and/or frequency of occurrences. Service quality is also included under this category.
- **Intermediate Outcome:** An outcome that is expected to lead to a desired end but is not an end in itself. A service may have multiple intermediate outcomes.
- **End Outcomes:** The end result that is sought. A service may have more than one end outcome.
- **Efficiency or Unit-Cost Ratio:** The relationship between the amount of input (usually dollars or employee-years) and the amount of output or outcome of an activity or program. If the indicator uses outputs and not outcomes, a jurisdiction that lowers unit cost may achieve a measured increase in efficiency at the expense of the outcome of the service.
- **Performance Indicator:** A specific numerical measurement for each aspect of performance (e.g., output or outcome) under consideration.

*A. Department of Central Purchasing  
Background*

The Department of Central Purchasing was created in 1991 to increase efficiency while ensuring fairness and competition for county procurement. The Department coordinates purchases and disposal of underutilized assets for all county agencies and boards with a full-time staff of three employees.

The Department oversees 21 contracts totaling \$2 million for common goods and services for all county agencies and boards. By taking advantage of volume discounts, it reported that it saved taxpayers nearly \$650,000 over normal retail prices in 2002. It verifies the savings figures reported by its vendors through constant cross-checks with other retailers.

The Department also pays the purchase orders for eight of these contracts on behalf of county agencies funded through the General Fund. In other words, General Fund agencies need only process the order – the Department of Central Purchasing handles all the associated paperwork. The 21 items contracted through the department include:

- Advertising/Subscription,
- Bread and Bakery,
- Cellular Phones,
- Chemical Products,\*

- Computer Paper,\*
- Copy Paper,\*
- Copiers (Cost per copy),
- Custodial Cleaning,
- Dairy Products,
- Food Items,
- Fresh Meat,
- Gasoline,
- Kitchenware Products,
- Long Distance Service,
- Mail Processing,\*
- Natural Gas Supply,
- Office Supplies,\*
- Printing,
- Sanitation Products,\*
- Trash Liners,\* and
- Tires and/or Road Service.\*

\*Department of Central Purchasing also processes the purchase order (pays) for these items for General Fund county agencies.

In addition to these common items, the Department assists county agencies and boards with other purchases. While it does not arrange the actual contract, it may help research and write bid specifications. It also manages the disposal of underutilized county assets. It has recently replaced its annual auction with a monthly online auction that it reports has reduced the county's inventory costs, increased revenue and allowed for better time management.

Finally, the Department conducts research on high-level issues related to procurement. For example, it has spent extensive time researching the various costs associated with the potential construction of a vehicle repair garage for the county. It also regularly surveys client agencies and boards to determine if bid specifications need altered when contracts come up for renewal or bidding.

This project will develop performance assessment templates on the Department's purchasing and asset disposal functions. Auditor of State staff, working with the County's Director of Purchasing, developed the following assessment templates to annually analyze these functions.

## Purchasing Assessment

### **Outcomes**

Richland County selected the following outcome: “The cost savings from contracts managed by the department should be 400 percent greater than the cost to operate the department.” (Efficiency) *Note: While this outcome involves total costs and revenues, the county could apply this ratio to individual outputs/inputs.*

During 2002, the purchasing department had an efficiency rating of greater than 800 percent as shown in the **Table 3**, at the end of this section.

Supplementary outcomes include the annual cost savings of purchase orders obtained through input categories 1 and 2.

### **Inputs**

The Department will need to assign the annual labor and supply costs according to percentage of time and materials spent on:

1. The eight items on the countywide contract paid through the Department for General Fund agencies (most time intensive for Department).
2. The remaining 10 items for General Fund agencies (and all 18 for direct pay agencies) on the countywide contract paid by individual agencies but contracted through the department.
3. All other purchases requiring Department assistance in researching and/or writing contract specifications.

### **Outputs**

Number of purchase orders obtained through input category (1) – from annual report.

Number of purchase orders obtained through input category (2) – from annual report.

### Disposal of Underutilized Assets

#### **Outcomes**, as selected by Richland County

Assets are turned over (transfer title) within 30 days of notification that asset is no longer of use to the county. (Effectiveness)

Available assets are fairly advertised to the widest range of bidders possible, generating a sale and disposal of 100 percent of the assets no longer of use to the county. (Effectiveness)

The expense of maintaining the online auction exceeds no more than 25 percent of revenue received through it. (Efficiency)

During 2002, the county had 110 disposal transactions, sold on a web site. This was 100 percent of the items no longer of use to the county. The sales generated approximately \$49,900 at a cost of \$5,400, not including direct labor.

#### **Inputs**

Department costs in labor, supplies and contracts to dispose of assets over one year.

#### **Outputs**

Number of items disposed annually through auction website

Number of annual unique visitors to Richland County auction page on website

Annual gross revenues from sale of underutilized items through auction website

### Resources Spent on Research

After allocating resources spent on purchasing and asset disposal, the remainder of department resources should be dedicated to research. Given the difficulty of capturing inputs and outputs that would relate to the same year, this assessment only determines annual costs of research (per hourly wage).



**Table 3: Calculation of Purchasing Department Efficiency for 2002**

<b>Purchasing Department</b>	<b>Annual Allocation Of Time</b>
<b>Research Projects</b>	30%
<b>Procurement</b>	
Paid by Purchasing Department	28%
Paid by Other Departments	32%
<b>Disposal of Assets</b>	10%
<b>Total Allocation of Time</b>	100%
<b>Cost Inputs</b>	
<b>Total Department Budget</b>	\$76,999
<i>Cost By Function</i>	
<b>Research Projects</b>	\$23,100
<b>Procurement</b>	
Paid by Purchasing Department	\$21,560
Paid by Departments	\$24,639
<b>Disposal of Assets</b>	\$7,700
<b>Total</b>	\$76,999
<b>Cost Savings</b>	
For countywide contracts paid by Purchasing Department	\$159,661
For countywide contracts paid by Other Departments	\$489,826
Total cost savings	\$649,487
<b>Efficiency Factor</b>	8.44

*B. Building Department, Commercial Reviews  
Background*

Richland County’s Building Department conducts plan reviews for the construction and/or alteration of all places of business, government buildings, schools and hospitals. Given the expertise located within the Department, four surrounding counties (Ashland, Crawford, Huron and Wyandotte) outsource their commercial reviewing process to Richland County. A fifth county (Seneca) has also applied to use the Department’s services.

Compared to residential plans, which generally only require 24 hours to process, commercial plans are far more complex and require more extensive review. Despite these extensive requirements, the commercial reviewing process must remain efficient to provide the region a competitive business advantage. For example, the socioeconomic section of this report showed the number of active businesses within Richland County grew 7.2 percent from 1993-2002, more than triple the average rate of growth for Clark, Allen and Hancock counties. Richland County also led the peers in the annual number of new and expanding large facilities from 1993-2002 at 12.4 percent compared to a peer average of 8.7 percent (page 29).

The county's Chief Building Official/Plans Examiner stated the Department can generally approve commercial plans within three-to-five working days during routine periods and within three weeks for busier seasons. He said the Department has adopted several efficiencies to speed the process, such as limiting the paperwork exchanged between the applicant and reviewer.

The Chief Building Official Plans Examiner added the Department has maintained this efficiency with limited staff by adopting strategies such as cross-training employees in various disciplines (e.g. electric and HVAC). All revenues for the Department are generated through review and inspection fees, and it has historically remained self-supporting. While the county does not seek to profit off other counties, it does levy a \$20 surcharge on each out-of-county plan to help ensure adequate revenues to continue the service.

### Commercial Building Code Assessment

#### **Outcome**

Richland County selected the following outcomes for disposal of Commercial Building Code Assessment: the cycle time (date from application to approval) for 90 percent of commercial building plans will not exceed 15 working days at a cost that allows the Building Department to remain financially self-supporting.

#### **Input**

Annual Department costs.

*The Department had \$258,435 in total costs in 2002 for both commercial and residential duties. This included personnel, supplies, equipment, ad/printing and miscellaneous expenses.*

#### **Outputs**

Commercial plans approved by the Department and days to approve each plan.

*The Auditor of State chose to sample permits issued in April, May and June 2002, which is a traditionally busy time for the commercial permitting. Of the 103 commercial plans approved in the period, the average cycle time was 5.2 business days.*

Commercial plans exceeding 15 working days for approval.

*Of the 103 commercial plans sampled, eight exceeded 15 business days. Five of these cases involved construction of large commercial structures including a dormitory complex, indoor recreation facility, two retail outlets and a restaurant, according to the Chief Building Official. Three cases involved plans submitted with initial flaws that were not corrected in a timely manner by the architect/engineer before Department approval.*

Annual revenue received by the Department.

*The Department received \$272,128 in revenue last year from plan review and inspection fees. This includes both commercial and residential activity.*

### **Achievement of Outcomes**

The Efficiency Factor equals Department revenue/expenditures, or 1.05. The Department has met the efficiency outcome.

The Effectiveness Factor equals the number of plans completed within 15 working days over the total number of plans, or 92 percent. As a result, the Department is considered effective.