



County of Hamilton

DUSTY RHODES
— AUDITOR —

COUNTY ADMINISTRATION BUILDING
138 EAST COURT STREET
CINCINNATI, OHIO 45202

July 11, 2008

Board of Commissioners
Hamilton County
138 East Court Street, #603
Cincinnati, OH 45202

Honorable Board:

I write in response to this week's request for 2008 budget cuts "across the board".

When I was elected County Auditor in 1990 Hamilton County had about 6,150 employees and this office had over 200. Over the ensuing 18 years I have reduced our staff to 99 while the County's number of total employees has remained nearly unchanged.

It should be noted that the addition of 14 new employees to an Auditor's Computer Center is *included* in the total figure of 99, making our reduction all the more impressive. Creating this department resulted in a savings of about a million dollars in the first year and significant savings annually thereafter.

Further, as required by statute, we now perform all Weights and Measures inspections previously done by the City of Cincinnati. Our staff to cover the City as well as the balance of the County is *less* than the previous City staff alone.

Our reductions have been accomplished through attrition and a continuing program of cross-training and aggressive management. My point is that we *have* been cutting expenses. As I wrote you on August 9, 2007, "Had the County done the same, you would have about 3,000 employees today, instead of over 6,000". Enclosed is a copy of that correspondence.

I have returned unspent funds each year and *never* asked for a supplemental appropriation due to having overspent or mismanaged our resources. In addition, though not required to do so by law, I have moved every allowable expenditure into the Real Estate Assessment Fund (REA) effectively increasing funds available to you in the General Fund.

You propose to reward this performance by cutting our budget by the same percentage as most other departments. This is exactly the wrong message to send and clearly counter-productive to encouraging good management and efficiency across the County. If this is how you acknowledge good fiscal stewardship, one is left to wonder how you will treat those who have done otherwise. At the moment it seems you are inclined to treat them the same.

We are reaching the point where we will be unable to meet our statutory duties. My well-managed office has helped carry less frugal operations for many years. Those days are coming to an end.

The appropriation for the Auditor's office is an infinitesimal 1.42 percent of the total General Fund. This is not the first place to look for cuts. It is the last. The cuts have already been made here. By me. On my own initiative. When the money was easy to come by I did not spend it. Others did.

Major services provided in the Auditor's office by our General Fund appropriation include payroll, accounts payable, accounting and financial reporting and weights and measures inspections as well as computer and data processing related to these services and in support of other County offices. This work is fundamental. In fact, it is the operational core of the County's government.

Finally, the extraordinary time commitments required by ongoing state audits, the changes in grant accounting proposed following the Welfare Department (JFS) fiasco, and the State Auditor's newly asserted interpretation of strict liability for County Auditors mean that we will require significant increases in some of these General Fund areas in the 2009 budget to meet our statutory duties.

Sincerely,

/s/ Dusty Rhodes



County of Hamilton

DUSTY RHODES
— AUDITOR —

August 9, 2007

Board of Commissioners
Hamilton County
138 East Court Street, #603
Cincinnati, OH 45202

Honorable Board:

While it seems to be a bit early in the budget process to be hearing from elected officials rather than waiting for the administration's recommended budget and then reacting to that, I appreciate the opportunity to participate at this point.

You have asked for my reaction to several lists of possible cost-saving ideas. I can respond to some of them, but not all.

The easiest way to cut costs is to stop doing the things you are not required to do. Development of the City of Cincinnati's riverfront, providing free police service to selected areas and purchasing emergency sirens for selected communities immediately leap to mind.

There is nothing in Ohio law that requires counties to underwrite big city developer's business risk. Taxpayers agreed to fund the two sports stadiums, being promised a property tax reduction and that our "investment" would "jump start" the development of the city's riverfront. The only thing it appears to have "jump started" is demands for even more taxpayer's money.

Additionally and perhaps related to the above issues, there is an incredible amount of money being spent by the County on outside lawyers. For example, over the last six years, one outside law firm – just one firm - has received \$12,879,783.34 in payments from Hamilton County.

As I have indicated previously, I favor eliminating the tuition reimbursement program. We train our employees in matters dealing with their jobs – period. Someone has proposed a two percent (2%) non-personnel spending reduction across the board. We can probably handle that. I don't understand the meaning of "the absorption of increase in non-personnel expenditures by county agencies" which, it is suggested, would save \$3.1 million a year.

If represented staff receives a pay increase, the non-represented staff should as well. Otherwise, every possible county employee will become "represented" – and we can hire more lawyers to negotiate employment contracts and terms. I also don't understand a supposed \$100,000 saving from "Managed Competition – Fleet Services". And if you are going to impose vacancy rates, they should be the same for *every* agency.

Since taking office in 1991, I have reduced our staff by over 40 percent with a consistent program of cross-training and not automatically replacing employees who left. Had the County done the same, you would have about 3,000 employees today, instead of over 6,000. The current budget problems may well offer the opportunity to reverse the growth of County government and provide the best reason to disengage from feel-good projects which the County and taxpayers are not required to underwrite or support.

Sincerely,

/s/ Dusty Rhodes