

# **The Integrated Development Budget: A Collaborative Innovation Project in Butler County, Ohio**

**Local Government Innovation Fund (LGIF) Grant Application  
State of Ohio Local Government Innovation Council  
Ohio Department of Development**

**March 1, 2012**

**Application By Sourcing Office**

***In Partnership with the Butler County Commissioners, Butler County Port Authority, the Cities of Hamilton, Middletown, and Trenton, West Chester Township, and the Greater Hamilton Chamber of Commerce***

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## **TAB I. CONTACT INFORMATION**

### **A. Applicant: Sourcing Office on behalf of Butler County, Ohio**

#### **Sourcing Office**

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### **B. About Sourcing Office**

Sourcing Office (SO) is a council of governments organized under Section 167 of the Ohio Revised Code. The organization is dedicated to serving the public sector through group purchasing, shared service arrangements, and public sector capacity building services. The organization was formed in 2005 under the name “Northeast Ohio Sourcing Office” (NEOSO). When the organization’s service area was broadened to Ohio in 2007, the name was changed to Sourcing Office.

Currently, SO has about 500 members, affiliates, and clients across Ohio. Local governments and educational institutions comprise the largest portion of our client base. Examples include the Cities of Tallmadge and Hudson, Cuyahoga Community College, Cuyahoga County, Northeast Ohio Regional Sewer District, Columbus State Community College, Muskingum University, the City of Toledo, and Summit County.

Sourcing Office has a professional staff of five. For many assignments, including the Butler County Project, SO draws upon a network of university experts with knowledge and skills in the areas of economic analysis, public finance, and public management.

### **C. Sourcing Office Board of Directors**

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**D. County:** Butler County, Ohio with the participation of the Butler County Commissioners, Butler County Port Authority, the Cities of Hamilton, Middletown, Trenton, West Chester Township, and the Greater Hamilton Chamber of Commerce.

**E. Butler County Population:** 368,130 (2010 Census)

## **TAB II. COLLABORATIVE PARTNERS**

### **A. Grant Applicant and Project Manager**

#### **Sourcing Office**

Donald T. Iannone

Executive Director

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### **B. Application Overview:**

This application is made by Sourcing Office, a Cleveland-based council of governments organized in 2005 under Section 167 of the Ohio Revised Code. Sourcing Office provides group purchasing, shared service arrangements, and public sector capacity building services to local governments, educational institutions, and nonprofit organizations mostly in Northeast Ohio, but also in other Ohio regions. Sourcing Office would utilize public management and finance and economic experts from four Ohio universities in undertaking this project. These partners are identified later in the application.

The proposed project is a *feasibility study*, which will examine the feasibility of a new economic and community development planning and finance tool called the *Integrated Development Budget (IDB) in Butler County, Ohio*. Butler County officials see the benefit of this study, and therefore support this application. Many resolutions and partnership support letters have been provided for this application, which are found in the Supporting Documents Section of this application.

The IDB is both an *efficiency and shared service strategy* to make local economic and community development efforts more efficient and effective. The IDB concept and its use elsewhere are discussed later in this application. Very importantly, the IDB approach will be tested as a *collaborative approach to budgeting* for economic and community development within county government and between county government and communities in Butler County. In addition, Sourcing Office and its partners believe the IDB approach has the potential to reduce sprawl and reduce the costs of redevelopment and growth within a local economy. In the future, Ohio local governments must accomplish redevelopment and new development in more efficient ways. The public sector costs (infrastructure, development incentives, etc.) associated with economic

growth and economic decline impose great costs to Ohio counties, cities, villages, and townships.

The IDB approach will be tested in this project, and if it is found that its benefits and advantages outweigh its costs and disadvantages, the approach will be recommended for adoption and implementation within Butler County. The interim and final results of this project will be shared with other Ohio counties through the County Commissioners Association of Ohio (CCAO), which is a partner in this project.

**Role:** Sourcing Office is the applicant for the Butler County LGIF grant. Sourcing Office's primary role is to serve as the project organizer and manager, ensuring that the project is managed in a way that meets all State of Ohio requirements, and that it achieves beneficial results for Butler County and State of Ohio stakeholders. Sourcing Office will coordinate the activities of all collaborative partners during the process, involve them in study and planning process, and assist these partners in making effective decisions.

**Service Area:** Sourcing Office's service territory is Northeast Ohio and other Ohio regions. It has members, affiliates, and clients in almost one-half of Ohio's counties.

**Resolution/Executed Partnership Agreement:** This application was approved and signed by the Sourcing Office Board of Directors. A copy of the resolution is enclosed in Appendix C.

## **C. Butler County Local Government Beneficiaries and Partners**

### **1. Butler County Commissioners**

Robert M. Campbell  
Interim County Administrator  
Government Services Center  
315 High Street, 6<sup>th</sup> Floor  
Hamilton, Ohio 45011  
Phone: 513-887-3247  
Fax: 513-887-3305  
Website: <http://www.butlercountyohio.org>  
Email: [rcampbell@butlerport.org](mailto:rcampbell@butlerport.org)

**Role:** The Butler County Board of Commissioners is the primary beneficiary of this LGIF grant. Butler County Government has a strong ongoing working relationship with Butler County communities and the Butler County Port Authority. These communities include incorporated areas (cities and villages) and unincorporated areas (townships). County Government will actively involve local communities in this project through meetings and information dissemination. County Government would serve as the local host for the project, and it will ensure that communities and businesses are involved in the project.

If found feasible, County Government, in collaboration with local community stakeholders and the Port Authority, would play the lead role in implementing the Integrated Development Budget (IDB) approach in Butler County. The County Administrator, Budget Director, Development Director, and Planning Director would be actively involved throughout the project.

**Service Area:** Includes Butler County, Ohio with a 2010 population of 368,130.

**Resolution/Executed Partnership Agreement:** A commitment letter was prepared by the Butler County Administrator at the request of the Butler County Commissioners. A copy of the letter is contained in Appendix C.

## **2. Butler County Port Authority**

Robert M. Campbell  
Executive Director  
315 High Street  
Hamilton, Ohio 45011  
Phone: 513-785-6302  
Fax: 513-785-5756  
Website: <http://www.butlercountyport.org>  
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**Role:** The Butler County Port Authority is a key beneficiary of this LGIF grant. The Port plays a major economic development assistance role related to financing and real estate in communities throughout Butler County. The Port will work with Butler County Government in organizing local meetings, collecting and providing budget and economic development required by the Sourcing Office team, and disseminating information about the project. The Port would play a significant role in the implementation of the project recommendations growing out of this feasibility study.

**Service Area:** Butler County, including all of its political subdivisions. Population: 368,130.

**Resolution/Partnership Agreement:** The Port Authority Board has signed and provided a resolution of support for this project. A copy is located in Appendix C.

## **3. Other Butler County Local Government and Public Sector Participants and Partners**

**Entities:** These include the Cities of Hamilton, Middletown, and Trenton, West Chester Township, and the Greater Hamilton Chamber of Commerce. The mix of these entities includes inner cities with major redevelopment needs and growing areas facing major growth pressures. It is possible other Butler County communities may decide to sign on as collaborators as the project develops.

**Roles:** These entities will participate in meetings, and provide information about their budgets and economic and community development projects. We expect other Butler County communities will be involved in the project as it starts up. They would work with County Government and the Port Authority in implementing the recommendations growing out of this feasibility study.

**Service Areas:** Each entity's service area is confined to its jurisdictional boundaries, but this project would encourage them to look beyond their borders to share economic development services, resources and opportunities. These entities work closely with the Butler County Commissioners and the Butler County Port Authority on a wide range of economic and community development priorities.

**Resolutions/Letters of Partnership Support:** Each of these entities has provided partnership support letters for this application, pledging their support of and involvement in this project. Copies of each are provided in Appendix C.

#### **D. County Commissioners Association of Ohio (CCAO)**

Larry L. Long, Executive Director  
County Commissioners Association of Ohio (CCAO)  
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Columbus, Ohio 43215-4309  
Voice: (614)221-5627  
Fax: (614)221-6986  
Email: [llong@ccao.org](mailto:llong@ccao.org)  
Web: <http://www.ccao.org>

**Roles:** The CCAO will be an ongoing participant and partner in the project in facilitating communication about the Butler County LGIF project with other Ohio counties. The CCAO will organize 2-3 meetings in Columbus to communicate project progress and results. The CCAO would be involved in giving shape to the study recommendations on how to make the IDB approach most feasible and effective for Ohio counties.

**Service Areas:** CCAO serves the entire State of Ohio, including all of its 88 counties. In addition, CCAO has strong working relationships with the State of Ohio, various Federal agencies, and the National Association of Counties (NACO).

**Resolution/Partnership Letter:** The CCAO has provided a support and partnership letter for this project. A copy is contained in Appendix C of this application.

#### **E. Sourcing Office's Subject Matter Expert (SME) Team (Partners)**

**Description:**

Sourcing Office will use subject matter experts (SME) from four Ohio universities on this project: Cleveland State University; Kent State University; Bowling Green State University; and Miami University. The SME team will be managed by Don Iannone, Sourcing Office's Executive Director, who is a 35-year career veteran, with national experience in the fields of economic and community development, and public sector management and planning.

**Executed Partnership Agreements:**

While all four SMEs have agreed to participate in and contribute to the project, we have not included their executed partnership agreements at this point since more time is needed to define each SME's specific role in the project. These will be provided by the extended April 30, 2012 deadline.

**SME Conditionals and Roles:**

Each of the SME team experts would provide written work products that would be used in interim and final reports for this grant. Sourcing Office would assume responsibility for the overall assemblage and submission of the final project report, with significant contributions from the SME partners.

**Public Finance Specialist**

Kevin O'Brien, M.S.

Director, Public Management Program

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Cleveland State University

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Kevin O'Brien is the Executive Director of the Great Lakes Environmental Finance Center and the Center for Public Management in the Maxine Goodman Levin College of Urban Affairs at Cleveland State University. For over 30 years, Kevin has worked in the fields of public and environmental finance, public management and economic development. With the Levin College of Urban Affairs for the past 24 years, Kevin has undertaken a wide variety of government and school finance, management improvement, fiscal and economic impact analysis, privatization, infrastructure planning and finance, economic development, and environmental finance assignments with local, state and federal government and not-for-profit clients. In 1993, he was appointed by the Ohio General Assembly to direct the Ohio Task Force on Regional Competitiveness and Cooperation, a state legislative Commission designed to explore models to encourage regional economic Competitiveness in the global economy. He recently served as a member of

the Cuyahoga County Transition Advisory Finance and Administration Workgroup and chair of the Tax Collection Subcommittee. He was author of the Report of the Findings of the Tax Collection Subcommittee Report. Prior to joining CSU, Kevin worked in the public finance industry on Wall Street and as a finance and development aide to the Mayor of New York City. He also worked various positions in public policy organizations, public interest, and state and federal government policy in Washington, D.C, Concord, N.H., Boston, Ma., and New York City. Kevin began his career working as a lobbyist on energy and environmental issues. Kevin holds a Masters degree in Development Finance and Urban Planning from Columbia University.

Mr. O'Brien's key role in this project would be to analyze budget and fiscal trends and issues related to the project, including providing an historical analysis of budget trends related to Butler County Government and Butler County communities. He would provide major analytical contributions to the IDB for Butler County.

#### **Public Management and Collaboration Specialist**

John Hoornbeek, Ph.D.

Director, Center for Public Administration & Public Policy

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Dr. John Hoornbeek is Director of the Center for Public Administration and Public Policy (CPAPP) at Kent State University. He has been a consultant and advisor on government collaboration issues at the state and local levels in Ohio and other states. Most recently, under his leadership, CPAPP published a series of success stories on shared service and government collaboration in Northeast Ohio.

Dr. Hoornbeek has served as a policy practitioner at the federal, state, and local levels of government in the United States. His public service work has included appointments with the Milwaukee County Department of Health and Human Services, the Wisconsin State Legislature, the U.S. Environmental Protection Agency, the U.S. Congress, and the National Environmental Services Center at West Virginia University. His work focuses on environmental and public health policy, and it spans issues of local and state concern to issues with international implications. A central theoretical question underlying his research and analytical work is the relationship between institutions of governance and policy outputs, impacts, and outcome.

His detailed curriculum vitae can be downloaded here:

<http://www.kent.edu/cpapp/aboutus/upload/hoornbeek-cv-august-2011.pdf>

Dr. Hoornbeek's major role in the project would be to help design the five case studies that make up much of the feasibility study. In addition, he would help the study team identify key strategies to respond to potential obstacles to IDB approach implementation in Butler County.

### **Economist**

Michael Carroll, Ph.D.

Professor of Economics

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Michael C. Carroll, Ph.D. is the Director of BGSU's Center for Regional Development and Associate Professor of Economics. Dr. Carroll's business and economics career dates from 1982 and includes service as an assistant professor of economics, corporate controller, operations manager, and a corporate presidency. His research interests focus on regional economic development strategies and social economics.

Dr. Carroll is Editor-in-Chief of Regional Science Policy & Practice and Associate Editor of Economic Development Quarterly. His writings have appeared in a variety of academic journals including, the Journal of Economic Issues, Annals of Regional Science, Review of Social Economy, and the Industrial Geographer. Dr. Carroll's first book, A Future of Capitalism: The Economic Vision of Robert Heilbroner was published by Macmillan and St. Martin's Press in 1998. His most recent book Local Economic Development is co-authored with CRD Visiting Scholar, John P. Blair. The book is published by Sage Publications.

Dr. Carroll has taught at both the undergraduate and graduate levels. He has held economics faculty positions at Colorado State University, Muskingum College, West Virginia State University, and currently, Bowling Green State University. Dr. Carroll earned his B.S. and M.S. degrees from Wright State University and his Ph.D. from Colorado State University.

Dr. Carroll would conduct an “early-stage” economic impact analysis (costs and benefits) of the five case studies examined in the project. He would also advise the team on key economic concepts and strategies that should be incorporated into the design of the IDB model for Butler County.

**Public Management Specialist and Butler County Local Government Expert**

Phillip A. Russo, Ph.D.

Professor, Political Science

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Dr. Russo has been a Professor of Political Science and Director of the Center for Public Management and Regional Affairs since 1985. He conducts research and teaches courses in local government management, public personnel management, survey research, and public policy analysis. He has extensive knowledge of and experience in working with local governments in Butler County and elsewhere in Ohio.

The Center for Public Management and Regional Affairs engages in applied research, technical assistance services, training and education, and data base development in the areas of public management and capacity building, local government economic development and planning, and public program evaluation and policy research.

The Center’s activities are funded by external grants and contracts from a number of funding sources including the U.S. Department of Commerce, Economic Development Administration; the Ohio Public Works Commission; and the Ohio Township Association. The Center’s primary efforts are directed toward research and assistance to small/non-metropolitan cities, villages, townships, and counties. Center projects are initiated upon request from local governments or by Center staff as an ongoing program for various local governments in the region and statewide. The Center operates with the director, professional full-time staff, and also draws upon faculty, graduate students and undergraduate students in public administration, policy analysis, political science, environmental sciences, and geography.

Recent Relevant Research: Ohio Commission on Local Government Reform and Collaboration – Research Monograph: “Does Collaboration Beget Collaboration?: From Cooperation to Co-production in Township Government”. This CPMRA study was one of four research projects supported by a competitive grant from the Ohio Commission. Faculty and student authors included Philip Russo, Director, CPMRA and Professor of Political Science; Andrew Dudas, Senior Project Manager, CPMRA; Patrick Haney, Professor of Political Science; Mark Morris, Senior Project Manager, CPMRA; and Heath

Ingram, junior Public Administration major. Bethany Bowyer, senior Public Administration major, and Deanna Watts, Political Science Graduate Assistant, provided additional assistance. The state Commission is to report its findings and recommendations to the Governor, State Senate president and Speaker of the Ohio House of Representatives by July 1, 2010.

Dr. Russo would contribute his knowledge of local government management and finance in Butler County. He would assemble a local government official panel, which provides inputs to the project from the standpoint of Butler County cities, villages, and townships.

## **TAB III. PROJECT NARRATIVE**

### **A. Project Name**

*The Integrated Development Budget: A Collaborative Innovation Project for Butler County, Ohio*

### **B. Project Description**

Sourcing Office is a council of governments, organized under Section 167 of the Ohio Revised Code (ORC). Its mission is to strengthen public sector entities (local governments, education institutions and nonprofit organizations) in Northeast Ohio and other Ohio regions through group purchasing, shared service arrangements, and public sector capacity-building services.

Sourcing Office (SO) wishes to apply for a Local Government Innovation Fund (LGIF) grant in the amount of \$100,000.00 from the State of Ohio to assist Butler County Government and the Butler County Port Authority in developing a model Integrated Development Budget (IDB), which will help the County and Port Authority to increase area development efficiencies and strengthen economic and community development outcomes from their development-related spending in Butler County. By definition, an integrated development budget (IDB), also known as a unified development budget (UDB), is a financial statement that provides a comprehensive accounting of all appropriated expenditures (by all departments or agencies) and other spending (including tax expenditures) by a governmental entity designed to increase economic and community development within its borders.

The IDB approach would be tested as an innovative strategy to increase Butler County's overall return on investment (ROI) from its spending on economic and community development. This project is a collaborative venture involving internal departments within Butler County Government and between Butler County Government and the Butler County Port Authority.

The IDB concept is new to state and local government in Ohio. The IDB approach has been used by the State of Texas since 2001, and more recently it has been used by Vermont, Kansas, and Kentucky. The District of Columbia has used the IDB approach since 2009. The definition of an integrated development budget in each of these cases includes: 1) appropriated funds that directly and indirectly support economic and community development in various departments and agencies; and 2) unappropriated funds (for example economic and community development tax credits and abatements) used to support development projects. Selected other states, including North Carolina, California, Illinois, and New York State, have given serious consideration to the IDB approach in recent years. The City of New York examined the IDB approach in 2010-

2011.<sup>1</sup> In 1999, a fiscal and economic study by Cleveland State University of Ohio's economic development programs recommended that the State of Ohio adopt an IDB.<sup>2</sup>

The IDB approach can help Butler County Government (BCG) and the Butler County Port Authority (BCPA) by: 1) creating a factual understanding of the fiscal impacts of five development case studies in the county receiving significant government funding; 2) providing a fuller cost accounting of all economic and community development-related expenditures in Butler County over time; and 3) providing a knowledge-based budget planning tool that allows public sector entities in Butler County to coordinate their development-related expenditures to increase their future impact.

Through the analysis of five representative development case studies in Butler County, the fiscal effects of current development spending strategies will be identified. Then, these case studies will be examined in terms of how the IDB approach could create greater development efficiencies and reduce unintended public sector costs of development in the future. Case studies would be drawn from these types of development projects:

1. Industrial redevelopment project in one of Butler County's major cities.
2. Downtown redevelopment project in one of Butler County's cities.
3. New commercial development project in an unincorporated area of the County.
4. New industrial development project in an unincorporated area of the County.
5. Housing or residential development project illustrating the effects of mortgage foreclosures on a Butler County neighborhood or community.

These five case studies would be used to help Butler County officials understand the economic impact (costs and benefits) of its development spending in three areas: 1) return on investment to Butler County from its development spending; 2) impact on the geographic pattern of development within the County; and 3) impact of the business, industry, and job mix in the County.

Quite importantly, the analysis would help Butler County officials identify ways to: 1) reduce sprawl within the County without injuring the County's economic development competitiveness; 2) identify "hidden" costs and benefits associated with growth sparked by county government development spending; and 3) use its budget to promote and assist the County to grow in quality and value while containing its future public sector costs of growth. These outcomes are crucially important to Butler County as it works to survive the current austere fiscal and economic situation and position itself for high quality and efficient growth in the future.

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<sup>1</sup> Interview with Greg LeRoy, Executive Director, Good Jobs First, <http://www.goodjobsfirst.org/>

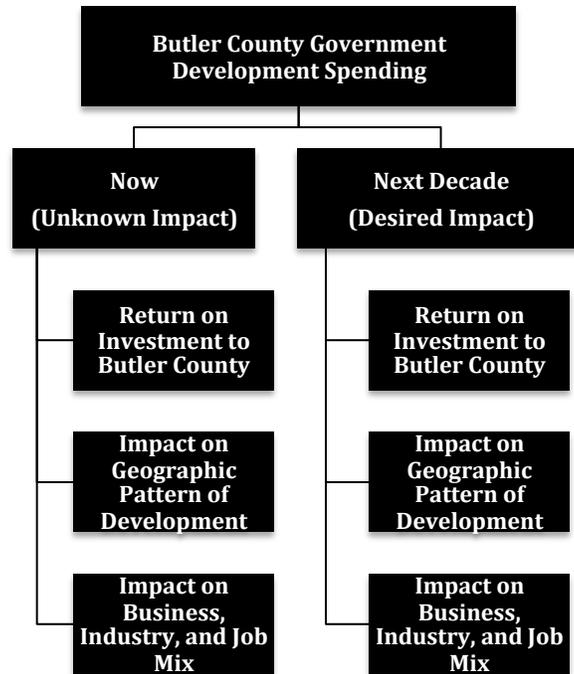
<sup>2</sup> Iannone, Donald, Cleveland State University Urban Center, *An Assessment of the Costs, Benefits, and Overall Economic Impact of Ohio's Economic Development Programs*, Study for the Ohio Legislature and the Ohio Department of Development, May 1999.

The three objectives of this project are to:

1. Develop a model integrated development budget (IDB) for Butler County.
2. Test the feasibility of the IDB from an implementation standpoint.
3. Communicate the results of the project to other local governments in Ohio.

Figure 1 below provides a summary view of how the analysis in this project will flow.

**Figure 1: Butler County Integrated Development Budget Impact Model**



In general, the IDB approach can be helpful to local and state government in three overall ways. First of all, the IDB is a strategic solution to the fragmented budgeting problem that exists in local and state economic and community development. Secondly, it overcomes the limited expenditure reporting problem that causes state and local governments to under-report their spending related to economic and community development. Finally, the IDB approach increases strategic collaboration in budget planning and financial reporting among departments and agencies within a governmental unit and between and among public sector entities. In these austere economic and financial times, these are valuable benefits to state or local governments.

Once the feasibility of the IDB approach has been tested in Butler County, other Ohio counties and municipalities would be informed about the Butler County demonstration project, and encouraged to use the IDB approach. Sourcing Office and Butler County would work with the Ohio Department of Development (ODOD), the County Commissioners Association of Ohio (CCAO) and other local government associations in Ohio to share the learning from the Butler County IDB demonstration project.

Sourcing Office will approach this demonstration project in partnership with subject matter experts (SMEs) from the public management and government policy centers at Bowling Green State University, Cleveland State University, Kent State University, and Miami University. This partnership will ensure that the proper knowledge and skills are applied to the project. Sourcing Office will serve as the project manager and grant administrator for the Butler County project.

If awarded, the project would be completed in a ten-month time period, starting in July 2012 and ending in April 2013. The project team would make 5 visits to Butler County and 2-3 visits to Columbus during the project.

The five deliverables for the project are:

1. A model IDB and a guiding plan for implementing the IDB in Butler County.
2. A final report documenting the process and major learning from the project.
3. Two interim and one final project presentations to local and state officials.
4. Two public information-sharing meetings about the project results with the State of Ohio and the County Commissioners Association of Ohio (CCAO) and its members and a broader public meeting in Columbus with public sector officials from across the state.
5. An executive style article for publication in various state and local government newsletters and reports and posting on State of Ohio and other public sector websites.

### **C. Type LGIF Award Sought**

A \$100,000.00 grant is sought by Sourcing Office for the Butler County LGIF Project.

### **D. Proof of Feasibility by Ohio Department of Development**

Not applicable since this is a grant request and not a loan request.

### **E. Problem Statement**

The project description contains a problem statement, but it is provided here to comply with the application's requirements:

Quite importantly, the analysis would help Butler County officials identify ways to: 1) reduce sprawl within the County without injuring the County's economic development competitiveness; 2) identify "hidden" costs and benefits associated with growth sparked by county government development spending; and 3) use its budget to promote and assist the County to grow in quality and value while containing its future public sector costs of growth. These outcomes are crucially important to Butler County as it works to

survive the current austere fiscal and economic situation and position itself for high quality and efficient growth in the future.

At this time, we have no indication of the funds spent on solving the problem to be addressed in this project. Neither County Government nor the cities, villages, and townships in Butler County possess this cost information. A central purpose of this feasibility would be to use the IDB approach and the five case studies as a means to develop usable initial estimates of the costs and benefits of economic and community development spending in Butler County.

Through the analysis of five representative development case studies in Butler County, the fiscal effects of current development spending strategies will be identified. Then, these case studies will be examined in terms of how the IDB approach could create greater development efficiencies and reduce unintended public sector costs of development in the future. Case studies would be drawn from these types of development projects:

1. Industrial redevelopment project in one of Butler County's major cities.
2. Downtown redevelopment project in one of Butler County's cities.
3. New commercial development project in an unincorporated area of the County.
4. New industrial development project in an unincorporated area of the County.
5. Housing or residential development project illustrating the effects of mortgage foreclosures on a Butler County neighborhood or community.

The case studies would be selected in consultation with Butler County officials. This can only be done once a series of interactions and some analysis has been conducted.

These five case studies would be used to help Butler County officials understand the economic impact (costs and benefits) of its development spending in three areas: 1) return on investment to Butler County from its development spending; 2) impact on the geographic pattern of development within the County; and 3) impact of the business, industry, and job mix in the County.

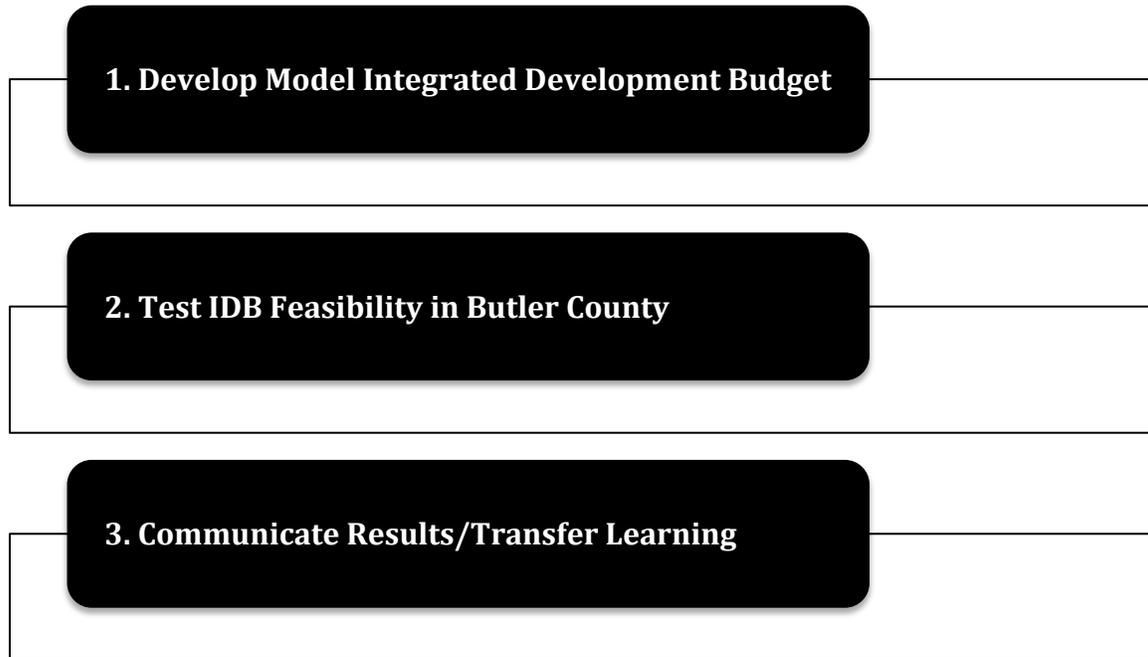
## **F. Targeted Approach to Innovation**

The Butler County IDB Feasibility Study will focus in large part on using the IDB approach to improve the *cost efficiencies* of economic and community development in Butler County. There is also a *shared service component* to the project, which will be addressed in the study recommendations about how the IDB itself can act as a shared service vehicle within County Government and between County Government and local communities in financing development in the future.

In that regard, three objectives would be addressed:

1. Develop a model integrated development budget (IDB) for Butler County.
2. Test the feasibility of the IDB in terms of implementation and operations.
3. Communicate and transfer the project results to other Ohio local governments.

**Figure 2: Project Objectives**



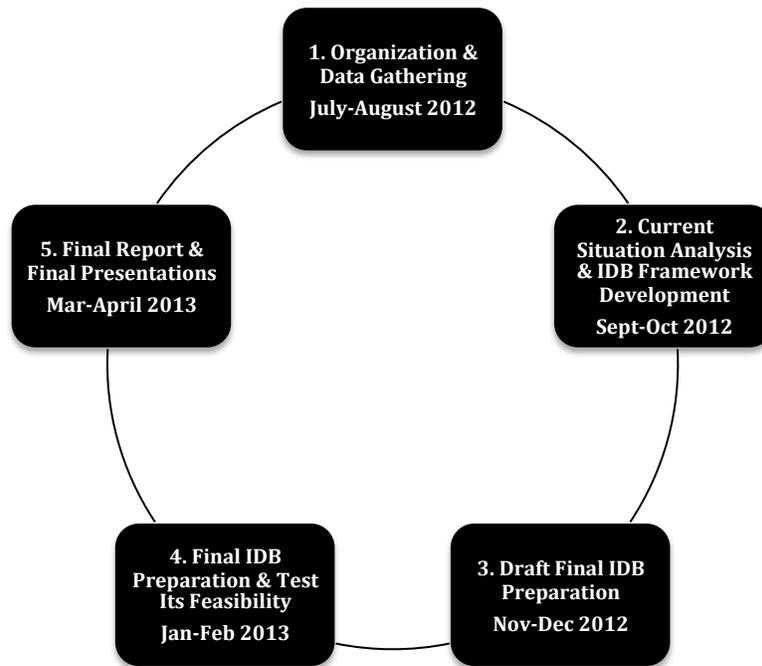
These objectives would be achieved and document in five work deliverables:

1. **Model IDB for Butler County:** Develop a model IDB for Butler County and prepare an implementation plan for Butler County Government and the Butler County Port Authority.
2. **Written Final Report:** Prepare a final report documenting the 12-month work process and major learning from the project.
3. **Client Presentations:** Provide interim and final project presentations to Butler County and State of Ohio officials to share results and gain feedback.
4. **Public Information Sharing Meetings:** Conduct two public information-sharing meetings about the final project results with the State of Ohio and the Ohio County Commissioners Association and its members, and a second broader public meeting in Columbus with public sector officials from across Ohio.
5. **Summary Article:** An executive style article for publication in various state and local government newsletters and reports.

These objectives and deliverables would be achieved in a well-organized and managed work plan, which is described below.

The Butler County LGIF Project would be approached in five sequential phases over a ten-month time schedule. Figure 3 provides an overview of the process. The work plan tasks are described below.

**Figure 3: Butler County IDB Project Phases and Schedule**



1. **Organization and Data Gathering (July-August 2012):** In this initial phase, five major work tasks would be performed:
  - a. The project team and advisory council would be organized.
  - b. Baseline budget, economic, and economic development information would be collected.
  - c. Case study examples would be selected for analysis in the project.
  - d. In-person Butler County stakeholder interviews would be conducted.
  - e. Interview state and local governments across the nation using the IDB approach. Prepare a summary of findings report on the interviews.
  - f. The project kick-off advisory council meeting would be held in Butler County in late August.
2. **Current Situation Analysis and Preliminary Draft Integrated Development Budget (IDB) Preparation (September-October 2012):** In this second phase, three major work tasks would be performed:
  - a. The baseline budget, economic, and economic development information would be analyzed and compiled into a County and Surrounding Region Current Situation Report.
  - b. A framework for the IDB would be developed and a preliminary draft IDB would be developed.

- c. The Current Situation Report and initial IDB information would be shared with the advisory council in its second meeting in late October and feedback on the two reports would be received.
3. **Draft Final Butler County Model IDB Preparation (November-December 2012):** In phase three, a detailed IDB would be prepared and shared with the advisory council. Two major work tasks would be performed in this phase:
    - a. Prepare a detailed IDB budget that builds upon the framework and initial IDB information developed in phase two.
    - b. Share the detailed IDB budget with the advisory council and County budget officials in mid-December to get their feedback on accuracy and feasibility.
  4. **Prepare Final IDB and Test Its Feasibility in Butler County (January-February 2013):** In the fourth phase, the Butler County final IDB would be prepared and tested in terms of feasibility for implementation. Three major work tasks would be performed:
    - a. Prepare a final IDB based upon complete information.
    - b. Work with Butler County and Port Authority officials to test the feasibility of implementing the IDB. Solutions to any major implementation barriers would be identified. The feasibility results would be communicated in a summary report.
    - c. Present the final IDB and feasibility information to the advisory council.
  5. **Final Report Preparation and Final Project Presentations (March-April 2013):** The fifth and final project phase will center on three major work tasks:
    - a. Prepare the final project report and deliverable it to Butler County and State of Ohio officials.
    - b. Provide final presentations to Butler County and State of Ohio officials.
    - c. Conduct two public information-sharing meetings about the project results.

## **G. Anticipated Return on Investment**

The Return on Investment (ROI) issue is vastly more complex in this project than in many other likely LGIF projects proposed to the State of Ohio. For example, it is far easier to analyze and document the ROI on a shared street sweeper investment by three cities agreeing to share this service in the future instead of providing this service on their own.

Many academic research studies in Ohio and other states have examined the costs and benefits of economic development expenditures, including one major one by Donald Iannone and Cleveland State University in 1999 for the State of Ohio. We will review and learn from these studies and identify key metrics that may be relevant to Butler County and other Ohio counties. These references are provided in the earlier Project Narrative.

At the very heart of the IDB feasibility study is an urging that improved budgeting methodologies and policies be adopted by local governments in accounting for the economic and fiscal impacts of their spending on economic and community development. Our team believes the budget model must change if Ohio local governments are to understand the true costs of growth and development. The IDB approach provides some hope this can be done better in the future.

While many national studies have been conducted on the cost savings and public sector investment ROI related to urban sprawl reduction strategies, there is no *extensive documented evidence* of: 1) the costs of urban sprawl; or 2) the cost savings and ROI that can be achieved through sprawl reduction strategies. The same is true of our understanding of the cost savings and ROI that can be achieved through the IDB approach, although the District of Columbia and some states using the IDB approach point to such advantages.

The study team will identify appropriate research from a national perspective that can be built upon in understanding the potential ROI from the IDB approach compared to more traditional public sector budgeting approaches. We will examine the annual Ohio Tax Expenditure reports to identify how these costs are treated for accounting purposes and what they might teach us about the ROI from the IDB approach.

At present, Butler County officials do not know what the return on investment (ROI) is for their public sector spending on economic development. This is not uncommon among governmental entities across the State of Ohio, and those in many other states.

We believe the IDB approach would almost certainly improve local officials' understanding of this ROI by: 1) providing a full accounting of all appropriated and unappropriated spending (with major attention to economic development tax abatements and credits) by Butler County Government in a detailed sense and in a more general sense in at least two of the participating local governments, such as West Chester Township and the City of Hamilton; and 2) identifying development related spending costs and benefits in the five case studies examined in this project.

This feasibility study would develop estimates of the costs and benefits of the five case study projects, and estimates of perceived return on investment on these projects using job retention and creation, and payroll and local tax generation. Metrics would be developed in the project that prepare Butler County officials to measure their ROI from development-related spending in the future. It is entirely possible that the metrics will vary to an extent for each of the five types of development situations represented by the case study types.

What possible budget improvements could increase the ROI on development related spending in Butler County in the future? Some of these include:

1. Reducing the overspending on development projects through overly generous economic development incentives. Example: At times, businesses receive more public dollars than are actually needed to make the project profitable for the businesses.
2. Identifying the fuller cost and benefit impacts of development spending both inside the project geography and in other areas impacted by the project. Often the costs of inter-jurisdictional business relocations are not examined in both the winning and losing jurisdictions.
3. Identifying the short and longer term costs of: a) not encouraging developments to occur within the urban areas that possess usable infrastructure versus creating new infrastructure to develop outside these areas; and b) not examining the larger geographic pattern of development effects in a county created when major new developments are placed in outlying areas that become magnets for other development projects.
4. Reducing the costs of housing and transportation that are created by moving businesses and jobs a longer distance from where workers reside or where residents shop.
5. Increasing the use and reuse of existing facilities and infrastructure in economically distressed areas to avoid future costs related to abandonment, resulting in future tax revenue losses and property value declines that injure local government revenues and the local economic base.

#### **H. Probability of Success**

The probability of success of this project is judged as very high for the following reasons:

1. Butler County is one of Ohio's more attractive urban counties for economic and community development. County Government, the Port Authority, and Butler County communities have done an effective job of encouraging and assisting development.
2. The interest and commitment levels for this project are very high, as reflected by the resolutions and letters of support received for this application.
3. Butler County and its communities will face much greater financial pressure in the future due to the economic downturn and other changes in Ohio's intergovernmental finance system. This creates a strong motivation to innovate with a new idea like the IDB approach.
4. The project team, including Sourcing Office and the subject matter experts, are highly knowledgeable and experienced in helping the public sector in Ohio and elsewhere in solving complex public management, public finance, public sector collaboration, and economic and community development problems.
5. The scope of this project is reasonable. It is also sufficient to provide a strong indication of whether the IDB approach will work and add value in Butler County. Our scope is confined to the five objectives listed earlier and the project will

examine only five representative case study projects to understand the IDB approach's value.

6. This project will be highly successful in improving the information and knowledge that Butler County officials have about the costs, benefits, and return on their development related spending.
7. In working together, Butler County Government, the Port Authority and local communities will become more effective in working as a team to reduce future development costs and achieve a higher shared return on investment from their public sector spending.
8. Finally, we believe that the IDB approach is more attractive during these harsh economic times because local governments are now convinced that they must better account for the impact of their development spending and that they must work together to achieve cost savings, avoid unnecessary future development costs, and raise the return on investment from their development spending.

## **I. Plan to Achieve Replicability and Scale in the Future**

Our plan to replicate the IDB innovation includes:

1. A commitment by Butler County officials to share what they have learned from this project with other Ohio counties. This is an essential building block to achieve replication of the IDB approach.
2. A commitment by the County Commissioners Association of Ohio (CCAO) to engage and involve other Ohio counties in the project briefings. CCAO will communicate about the project to all 88 Ohio counties. This will greatly increase interest in the project and increase the potential for other Ohio counties to adopt the IDB approach.
3. Sourcing Office and its SME team are committed to sharing their learning from the project and helping other Ohio local governments to replicate the IDB approach.
4. Our reports, presentations and summary articles will be shared widely across Ohio. These deliverables will give great attention to how other local governments can adopt this approach. We will identify strategies to overcome any identified obstacles and capitalize on the advantages of the IDB approach.

Our plan to scale up the IDB approach includes:

1. A commitment to encourage neighboring counties to work together on IDB approaches.
2. A commitment to encourage Ohio's six development regions to work on regional IDB strategies.
3. A commitment to help the State of Ohio to understand how it can create an IDB strategy across state government.

We will engineer these plans into this project to ensure that our final results support both replicability and scalability of the IDB approach.

#### **J. Relationship to Larger Consolidation Effort**

This issue is not applicable to our project application.

#### **K. Past Innovation Success Examples**

We would cite the following innovation successes in relation to our application:

1. Since its founding in 2005, Sourcing Office has helped almost 500 public sector entities in Ohio to innovate with group purchasing efficiencies (cost savings) and shared services. See Appendix G in Tab V (Supporting Documents) for some leading examples of our innovation successes.
2. Our university partners have all played a major role in helping local governments develop and implement innovative solutions. Some examples of these successes are referenced in Tab II (Collaborative Partners). For example, Kevin O'Brien and his team at CSU has helped many local governments in Northeast Ohio to achieve budget savings through shared dispatch and others of shared service strategies. John Hoornbeek's work at KSU and the work by Phil Russo at MU are worthy examples of how these two partners have helped local governments to innovate with new and effective solutions.

#### **L. How Project Responds to Substantial Changes in Economic Demand for Local Services**

The demand for local government financing for economic and community development has grown substantially, according to various sources in Ohio and nationwide. This growth in demand has been influenced by:

1. The reduction in state government finance for economic and community development since the mid-2000s.
2. The steady decline in Federal Government finance for economic and community development since the mid to late 1990s.
3. The reduced availability of local government funds for economic and community development due to increased demands for basic services, including police and fire services, roads, streets, and highways, water and sewer services, and education.
4. The weakened financial position of businesses, especially since the 2007 recession, to invest in existing and new facilities and jobs, which in turn has placed greater pressure on local governments to provide funding for economic and community development.

5. The housing crisis and the sharp decline in property tax revenues has worsened local fiscal and economic conditions, which has reduced local governments' ability to support economic and community development projects.
6. We believe that the IDB approach will help Butler County and other Ohio local governments to conserve their financial resources, combine and share resources, and increase their overall return on investment on economic and community development projects. This is possible only if clear priorities are set for future spending.

### **M. Intent to Implement Ohio Auditor of State Recommendations Related to Butler County and Its Communities**

We have looked at the most recent financial audit and performance audits of Butler County Government, and we believe the IDB can help the County:

1. Create shared expectations about future returns on investments in economic and community development.
2. Improve its accountability for public dollars invested in development projects, including its own funds and those of the state and federal governments.
3. Identify opportunities to reduce unnecessary or less productive public investments in development projects.
4. Identify how Butler County can work with its local governments to create greater leverage in its future development investments and achieve a higher return on investment from these investments.

### **N. How the Project Facilitates an Improved Business and Economic Development Environment**

This is by far the major benefit of the IDB feasibility study: It will identify strategies to improve development cost efficiencies in the County and focus and coordinate public spending by the County, local communities, the State of Ohio, and even the Federal Government. Key improvements include:

1. Encouraging a more efficient geographic or spatial pattern of development in the County by reducing sprawl and increasing the return on investment of public assets, especially public services and infrastructure.
2. Targeting future public investments by County Government, the Port Authority, and local communities to those highest potential economic development opportunities that create the greatest positive economic impact in the County.
3. Increasing collaboration among departments and agencies within Butler County Government and between the County and the Port Authority and local communities to accomplish shared economic and community development goals in the most efficient way possible.

## TAB IV: FINANCIAL DOCUMENTATION

### A. Introduction

Once again, this project is very different than many of the service sharing and cost reduction types of projects that will apply for LGIF funds. Therefore, the type financial information provided in our application is different.

### B. Butler County Financial and Economic Performance Trends

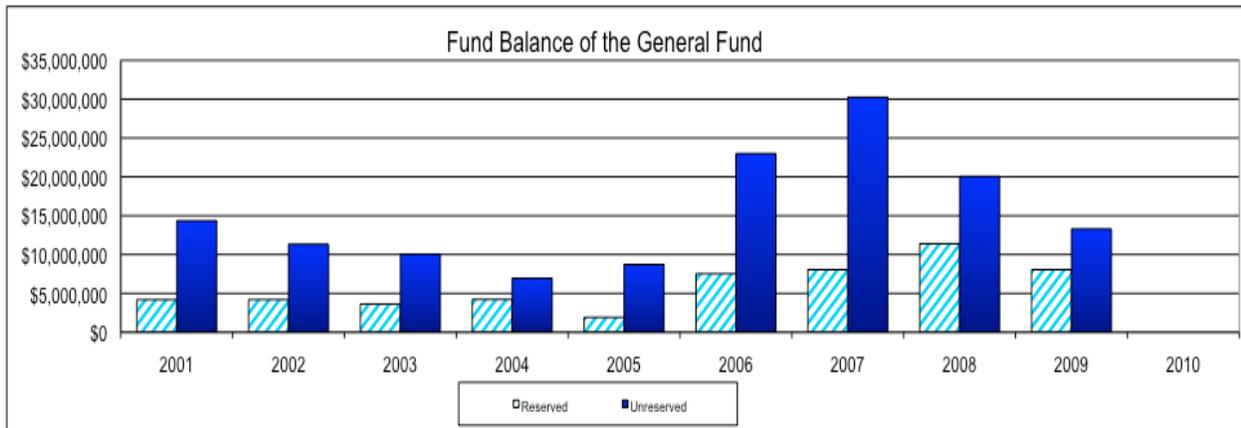
An understanding of major financial, economic, and demographic trends impacting the financial health of Butler County Government and its communities is important to understanding how the IDB can be an effective development tool.

We have analyzed several dimensions of this issue and present some summary tables and charts that document these conditions. Due to space and time limitations, we provide only limited discussion related to this analysis.

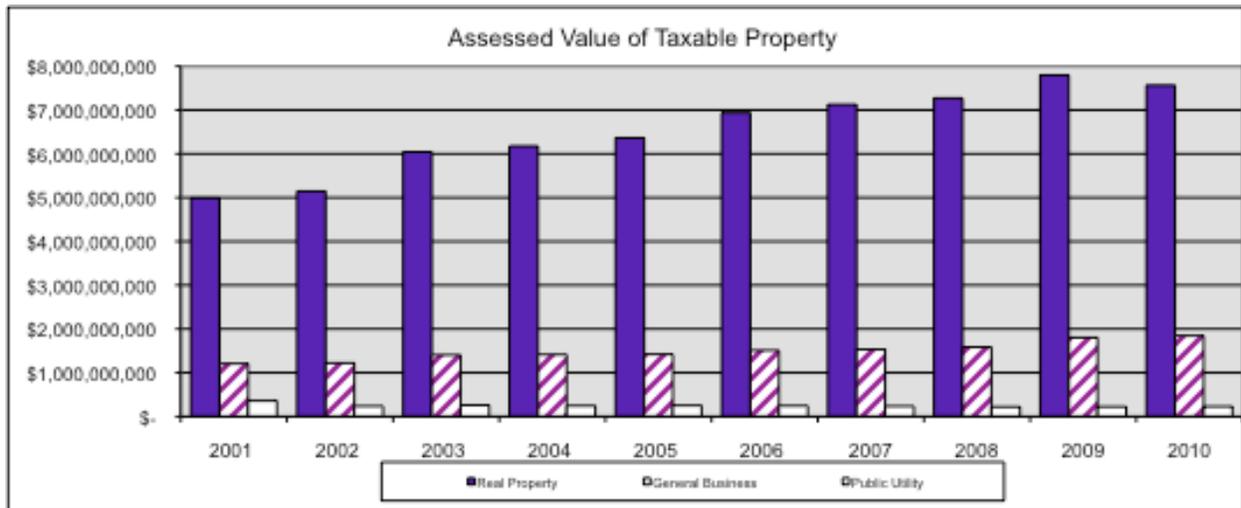
**Table 1: Butler County Government Net Asset Trends, 2002-2010**

Butler County, Ohio									
Net Assets by Component									
Last Nine Years									
(accrual basis of accounting)									
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental Activities:</b>									
Invested in Capital Assets, Net of Related Debt	\$ 261,504,606	\$ 273,113,179	\$ 274,568,990	\$ 284,893,107	\$ 290,996,712	\$ 303,847,268	\$ 309,737,672	\$ 311,399,939	\$ 313,384,171
Restricted	67,150,688	80,013,671	91,557,032	94,009,926	113,494,538	143,098,392	117,767,313	143,088,271	143,263,660
Unrestricted (Deficit)	19,884,831	(2,953,484)	(9,110,830)	(2,854,954)	8,438,851	18,544,219	(3,264,872)	(13,387,301)	(15,183,108)
<b>Total Governmental Activities Net Assets</b>	<b>✓ \$ 348,540,125</b>	<b>✓ \$ 350,173,366</b>	<b>✓ \$ 357,015,192</b>	<b>✓ \$ 376,048,079</b>	<b>✓ \$ 412,930,101</b>	<b>✓ \$ 465,489,879</b>	<b>✓ \$ 424,240,113</b>	<b>✓ \$ 441,100,909</b>	<b>✓ \$ 441,464,723</b>
<b>Business-type Activities:</b>									
Invested in Capital Assets, Net of Related Debt	142,565,025	147,192,603	175,845,751	203,448,271	218,544,211	220,104,614	206,941,720	207,607,160	208,564,765
Restricted	✓ 17,015,730	✓ 15,123,280	✓ 13,894,357	✓ 12,406,549	✓ 12,615,860	✓ 11,791,705	✓ 11,551,342	✓ 6,000,000	✓ 6,000,000
Unrestricted	28,037,520	39,070,468	30,939,460	35,131,712	32,779,386	38,024,420	50,594,713	52,407,428	50,135,882
<b>Total Business-type Activities Net Assets</b>	<b>✓ \$ 187,618,275</b>	<b>✓ \$ 201,386,351</b>	<b>✓ \$ 220,679,568</b>	<b>✓ \$ 250,986,532</b>	<b>✓ \$ 263,939,457</b>	<b>✓ \$ 269,920,739</b>	<b>✓ \$ 269,087,775</b>	<b>✓ \$ 266,014,588</b>	<b>✓ \$ 264,700,647</b>
<b>Primary Government:</b>									
Invested in Capital Assets, Net of Related Debt	404,069,631	420,305,782	450,414,741	488,341,378	509,540,923	523,951,882	516,679,392	519,007,099	521,948,936
Restricted	84,166,418	95,136,951	105,451,389	106,416,475	126,110,398	154,890,097	129,318,655	149,088,271	149,263,660
Unrestricted	47,922,351	36,116,984	21,828,630	32,276,758	41,218,237	56,568,639	47,329,841	39,020,127	34,952,774
<b>Total Primary Government Net Assets</b>	<b>✓ \$ 536,158,400</b>	<b>✓ \$ 551,559,717</b>	<b>✓ \$ 577,694,760</b>	<b>✓ \$ 627,034,611</b>	<b>✓ \$ 676,869,558</b>	<b>✓ \$ 735,410,618</b>	<b>✓ \$ 693,327,888</b>	<b>✓ \$ 707,115,497</b>	<b>✓ \$ 706,165,370</b>

**Figure 4: Butler County Government Fund Balance, 2001-2009**



**Figure 5: Butler County Assessed Value of Real Property**



**Table 2: Butler County Property Tax Collection Trends**

Butler County, Ohio Property Tax Levies and Collections (1) Last Ten Years						
Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2001	36,710,203	35,296,717	96.15	924,003	36,220,720	98.67
2002	39,050,967	37,431,914	95.85	1,166,797	38,598,711	98.84
2003	41,908,616	40,079,541	95.64	1,288,439	41,367,980	98.71
2004	48,245,395	46,139,554	95.64	1,642,553	47,782,107	99.04
2005	53,335,484	51,293,478	96.17	1,741,707	53,035,185	99.44
2006	61,493,150	58,964,700	95.89	2,096,044	61,060,744	99.30
2007	80,547,889	74,545,921	92.55	2,937,556	77,483,477	96.20
2008	76,057,818	69,182,604	90.96	3,554,162	72,736,766	95.63
2009	69,043,097	64,983,254	94.12	2,629,019	67,612,273	97.93
2010	69,597,356	65,714,900	94.42	1,640,881	67,355,781	96.78

Source: Butler County Auditor

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The County does not identify delinquent tax collections by tax year.

**Table 3: Butler County's Top Real Estate Tax Payers, 2002 and 2010**

Butler County, Ohio Principal Taxpayers Real Estate Tax 2010 and 2002 (1)			
Name of Taxpayer	2010		Percent of Real Property Assessed Value
	Assessed Value		
West Chester Medical center LLC	31,054,470		0.41 %
Duke Realty LLC	21,222,580		0.28
Millercoors LLC	16,687,310		0.22
AK Steel Corp	13,722,860		0.18
Meijer Stores LTD PRT	13,217,610		0.17
First Industrial LP	12,780,390		0.17
US Industrial Reit III Midwest	12,775,000		0.17
Boymel Sam TR	12,535,510		0.17
Dugan Financing LLC	11,063,600		0.15
DCT Port Union LLC	10,956,720		0.14
<b>Totals</b>	<b>\$156,016,050</b>		<b>2.06 %</b>
<b>Total Assessed Valuation</b>	<b>\$7,563,640,350</b>		
Name of Taxpayer	2002		Percent of Real Property Assessed Value
	Assessed Value		
Dugan Financing LLC	\$44,197,930		0.86 %
Cincinnati Financial Insurance	29,611,470		0.58
MillerCoors LLC	25,539,850		0.50
AK Steel Corp.	22,455,780		0.44
Meijer Stores LTD PRT	14,336,250		0.28
Security Capital	13,106,870		0.25
Centerpoint Realty	13,105,870		0.25
Distribution Funding Services	12,963,830		0.25
Duke Realty Ohio	12,791,250		0.25
Smart Papers	12,782,920		0.25
<b>Totals</b>	<b>\$200,892,020</b>		<b>3.91 %</b>
<b>Total Assessed Valuation</b>	<b>\$5,144,613,220</b>		

(1) The amounts presented represent the assessed values upon which 2010 and 2002 collections were based.

Note: Information prior to 2002 not available

Source: Butler County Auditor

**Table 4: Key Demographic Trends, 2001-2010**

Butler County, Ohio Demographic and Economic Statistics Last Ten Years				
Year	Population (1)	Total Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2001	336,587	10,042,746,319	29,837	4.0%
2002	338,958	10,278,562,392	30,324	5.3%
2003	341,766	10,677,111,606	31,241	5.4%
2004	344,914	11,050,699,646	32,039	5.4%
2005	348,425	11,491,404,925	32,981	5.3%
2006	353,888	12,034,315,328	34,006	5.6%
2007	358,116	12,561,634,932	35,077	5.1%
2008	360,775	12,811,481,025	35,511	5.9%
2009	363,184	12,585,778,336	34,654	9.3%
2010	368,130	N/A	N/A	9.6%

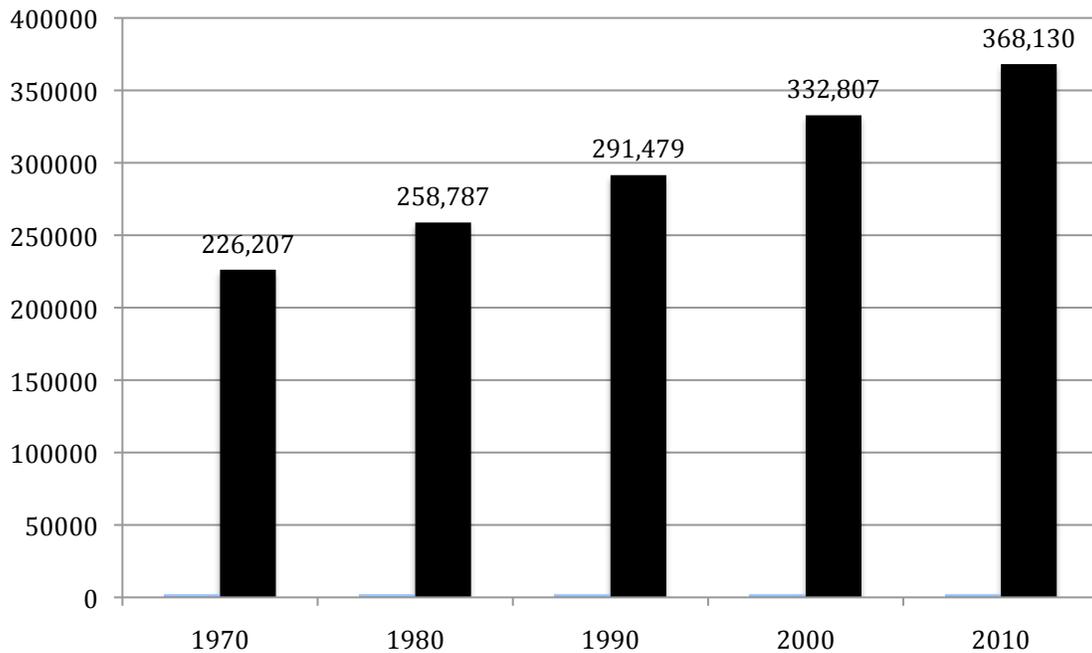
Sources: (1) Bureau of Economic Analysis. The 1999 and 2001 through 2008 population is estimated.  
(2) Information not available for 2008 Per Capita Personal Income. Using 2007 Per Capita Personal Income  
(3) Ohio Labor Market Information. - 2009 unemployment data is an estimate

Note: Information not available for 2009.

## Butler County Population Growth

Since 1970, Butler County's total population has increased by 62.7%, growing from 226,207 in 1970 to 368,130 in 2010. Since 2000, the County's population increased by 10.6%. On an annualized basis, Butler County's population grew at 1.06%, which was more favorable than Preble County (-0.02%), Montgomery County (-0.44%), and Hamilton County (-0.52%), much less favorable than Warren County (2.99%) and slightly less favorable than Clermont County (1.04%). See Figure 6 below.

**Figure 6: Butler County Population Growth Trends, 1970-2010**



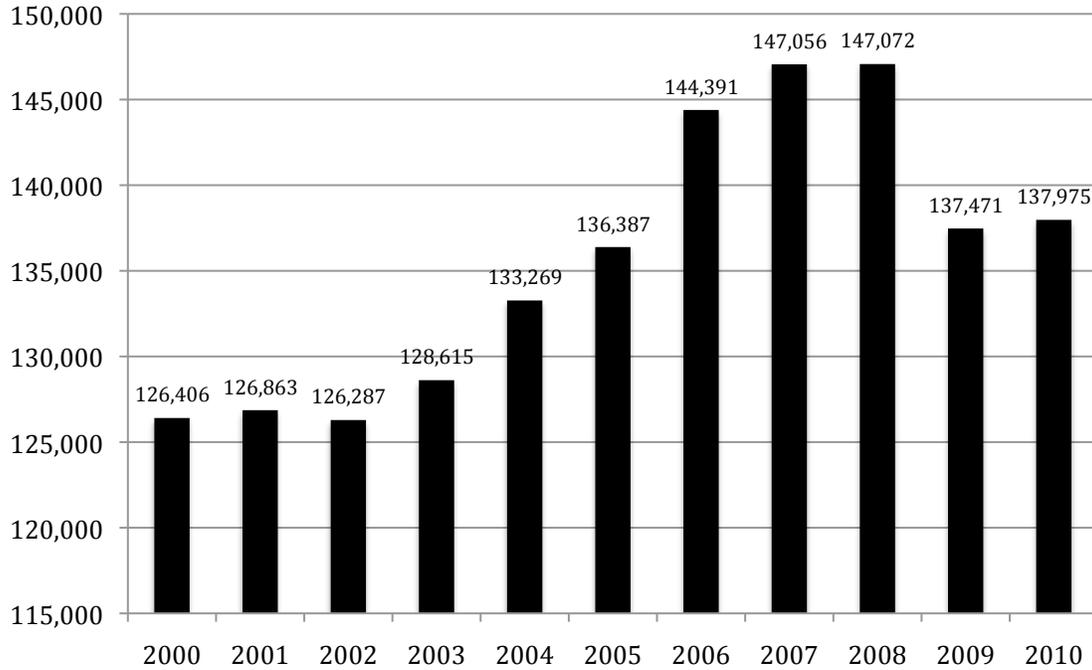
In 2010, the population living in incorporated areas in Butler County was 203,149 and 164,981 in unincorporated areas in the County. The population of the City of Hamilton was 62,477 in 2010 compared to 60,690 in 2000. Meanwhile, Middletown's population remained roughly the same over the past decade at 51,600. Fairfield saw a very slight population gain in the last decade, increasing from 42,097 to 42,510. Oxford's population dropped from 21,943 in 2000 to 21,371.

## Butler County Employment Growth

Total employment in Butler County increased by 9.2% between 2000 and 2010, growing from 126,407 in 2000 to 137,975 in 2010. However, total employment in Butler County has declined by nearly 10,000 jobs since 2007, when the national recession began. With the exception of Warren County, employment registered declines in all of Butler County's surrounding counties. Warren County employment grew by 24.5%, and it

declined by 9.5% in Preble County, 14.9% in Hamilton County, and 21.1% in Montgomery County. See Figure 7 below.

**Figure 7: Butler County Total Employment Growth, 2000-2010**



**Butler County Per Capita Personal Income, 1999-2009**

Per capita personal income (PCPI) declined by 2.1% in Butler County between 1999 and 2009 on an adjusted for inflation basis. The surrounding counties saw some growth in their income figures over the same period: Preble County’s PCPI grew by 7%; Hamilton County by 2%; Warren County by 2.2%; and Montgomery County by 0.8%.

In 2009 Butler had a per capita personal income (PCPI) of \$34,654. This PCPI ranked 20th in Ohio and was 98% of the state average, \$35,408, and 87 percent of the national average, \$39,635. The 2009 PCPI reflected a decrease of 2.4 percent from 2008. The 2008-2009 state change was -1.5 percent and the national change was -2.6 percent. In 1999 the PCPI of Butler was \$28,118 and ranked 11th in the state. The 1999-2009 average annual growth rate of PCPI was 2.1 percent. The average annual growth rate for the state was 2.6 percent and for the nation was 3.4 percent.

**C. Project Budget (Revenues and Costs)**

**Revenues (Including Match)**

1. Grant Funds Request (State of Ohio):	\$100,000.00
2. 50% In-Kind Match:	\$ 50,000.00
Sourcing Office (Discounted Admin Fees):	
Normal Rate (25%)	= \$25,000
Discounted Rate (10%)	= \$10,000
Contribution:	= \$15,000
Butler County Government (Staff Time Contribution)	\$ 20,000.00
Mike Campbell, Other County Staff	
Four University Subject Matter Experts	\$ 15,000.00
Total (1 +2):	\$150,000.00

**Expenses (Grant Share Only)**

1. University Subject Matter Expert Team	\$ 50,000.00
2. Sourcing Office Admin Fee	\$ 10,000.00
3. Sourcing Office Staff	\$ 30,000.00
4. Travel, Communications, and Copies	\$ 10,000.00
5. Total (1 through 5)	\$100,000.00

**D. Documentation for Loan Projects**

This section is not applicable to this grant application.

## **TAB V: SUPPORTING DOCUMENTATION**

### **A. Feasibility Determination by Ohio Department of Development**

This section is not applicable to this grant application.

**B. Executed Partnership Agreements with Collaborative Partners**

Included and sent as separate file to LGIF.

**C. Resolution of Support from Applicant and Collaborative Partners**

Included and sent as separate file to LGIF.

**D. Most Recent Audits for Sourcing Office and Butler County Government**

Included and sent as separate file to LGIF.

## **E. Census Documentation for Butler County and It Subdivisions**

Included and sent as separate file to LGIF.

## **F. Self-Score Assessment**

Included and sent as separate file to LGIF.



Dave Yost • Auditor of State



**SOURCING OFFICE  
CUYAHOGA COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Sourcing Office  
Cuyahoga County  
5422 East 96<sup>th</sup> Street  
Cleveland, Ohio 44125

To the Board:

We have audited the accompanying financial statements of the business-type activities of Sourcing Office, Cuyahoga County, Ohio as of and for the year ended December 31, 2010, which collectively comprise Sourcing Office's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Sourcing Office's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the business-type activities of Sourcing Office, Cuyahoga County, Ohio, as of December 31, 2010, and the respective changes in cash financial position for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2011, on our consideration of Sourcing Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

**Dave Yost**  
Auditor of State

June 3, 2011

**SOURCING OFFICE  
CUYAHOGA COUNTY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited

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This discussion and analysis of the financial performance of Sourcing Office, Cuyahoga County, Ohio, provides an overall review of Sourcing Office's financial activities for the year ended December 31, 2010 within the limitations of Sourcing Office's cash basis accounting. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of Sourcing Office's financial performance.

**Highlights**

Key highlights are as follows:

Net assets of business type activities decreased \$21,788 or 34.5% in 2010. This decrease in net assets is attributed to Sourcing Office repaying the majority of its outstanding obligations for operating expenses incurred prior to 2010 to Collaborent Group, LTD. during the year.

Sourcing Office's operating receipts are comprised of fee revenues, rebates and interest income.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to Sourcing Office's cash basis of accounting.

**Overview of the Financial Statements**

The financial report consists of three parts – management's discussion and analysis, the basic financial statements, and the notes to the financial statements. These statements are organized so the reader can understand the financial position of Sourcing Office. Sourcing Office uses a single enterprise presentation for its financial records. Enterprise reporting focuses on the determination of operating income, changes in net assets, and financial position. The statement of fund net assets represents the financial position of Sourcing Office. The statement of cash receipts, disbursements, and changes in fund net assets present increases (e.g., receipts) and decreases (e.g., disbursements) in net total assets. Finally, the notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided on the basic financial statements.

**Financial Analysis of Sourcing Office as a Whole**

Sourcing Office is not required to present government-wide financial statements as Sourcing Office is engaged in only business-type activities. Therefore, no condensed financial information derived from governmental-wide financial statements is included in the management's discussion and analysis.

The tables on the following pages represent a summary of Sourcing Office's financial information for 2010 and 2009 derived from the statement of fund net assets and the statement of cash receipts, disbursements, and changes in fund net assets.

**SOURCING OFFICE  
CUYAHOGA COUNTY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited  
(Continued)

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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. Sourcing Office has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under Sourcing Office's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting Sourcing Office's Most Significant Funds**

Fund financial statements provide detailed information about Sourcing Office's major fund. Sourcing Office's fund is classified as proprietary.

Proprietary Funds – When Sourcing Office receives revenues from contracted service providers for the services they provide to participating local governments, these services are reported in a proprietary fund. Sourcing Office's only fund is the enterprise fund.

**Sourcing Office**

Table 1 provides a summary of Sourcing Office's fund net assets for 2010 compared to 2009 on a cash basis:

(Table 1)

**Net Assets  
Business-Type Activities**

	2010	2009	Change
<b>Assets</b>			
Equity if Pooled Cash and Cash Equivalents	\$41,392	\$63,180	(\$21,788)
Total Assets	41,392	63,180	(21,788)
<b>Net Assets</b>			
Restricted	41,392	63,180	(21,788)
Total Net Assets	\$41,392	\$63,180	(\$21,788)

As mentioned previously, net assets of business-type activities decreased \$21,788 or 34.5% in 2010. This decrease in net assets is attributed to Sourcing Office repaying the majority of its outstanding obligations for operating expenses incurred prior to 2010 to Collaborent Group, LTD. during the year.

**SOURCING OFFICE**  
**CUYAHOGA COUNTY**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited  
(Continued)

Table 2 reflects the changes in fund net assets in 2010 compared to 2009:

(Table 2)

	<u>2010</u>	<u>2009</u>	<u>Change</u>
<b>Operating Receipts:</b>			
Fees	\$648,199	\$821,650	(\$173,451)
Rebates	35,654	0	35,654
Interest	17	0	17
Miscellaneous	0	800	(800)
<b>Total Operating Receipts</b>	<u>683,870</u>	<u>822,450</u>	<u>(138,580)</u>
<b>Operating Disbursements:</b>			
Payroll	80,881	49,123	31,758
Contracted Service Materials	3,337	327,922	(324,585)
Outsourced Services	0	12,260	(12,260)
Professional Services	45,467	0	45,467
Rebates	29,146	0	29,146
Marketing	9,093	0	9,093
Insurance	6,210	6,350	(140)
Fees	460,591	188,100	272,491
Office Expenses	118,180	162,586	(44,406)
Travel	6,687	0	6,687
Cellular Phone	2,855	0	2,855
Software and Technology	0	1,115	(1,115)
Meals and Entertainment	1,083	0	1,083
Employee Training	0	500	(500)
Dues and Subscriptions	250	0	250
Debt Service:			0
Principle	0	399,900	(399,900)
Interest and Bank Fees	0	6,339	(6,339)
Repayment of Credit Card Advances	0	13,560	(13,560)
<b>Total Operating Disbursements</b>	<u>763,780</u>	<u>1,167,755</u>	<u>(403,975)</u>
<b>Non-Operating Receipts (Disbursements):</b>			
Repayment of Excess Grant	(1,655)	0	(1,655)
Grants	0	5,000	(5,000)
Reimbursements	10,971	442	10,529
Collaborent Group, LTD. Shared Costs	48,806	0	48,806
Proceeds of Credit Card Advances	0	1,087	(1,087)
<b>Total Non-Operating Receipts</b>	<u>58,122</u>	<u>6,529</u>	<u>51,593</u>
<b>Change in Net Assets</b>	<u>(21,788)</u>	<u>(338,776)</u>	<u>316,988</u>
<b>Net Assets, January 1</b>	<u>63,180</u>	<u>401,956</u>	<u>(338,776)</u>
<b>Net Assets, December 31</b>	<u>\$41,392</u>	<u>\$63,180</u>	<u>(\$21,788)</u>

**SOURCING OFFICE  
CUYAHOGA COUNTY**

Management's Discussion and Analysis  
For the Year Ended December 31, 2010  
Unaudited  
(Continued)

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The organization was formed in 2005 and received an initial grant from The Cleveland Foundation. Sourcing Office continued to receive grant funding from community foundations in 2006 and 2007, with two significant one-time grants from the Fund for Our Economic Future. Sourcing Office also generated revenue from administrative fees paid by suppliers and service providers offering products and services to Sourcing Office's members through Sourcing Office's group purchasing programs.

**Capital Assets and Debt Administration**

**Capital Assets**

Sourcing Office maintains a listing of equipment and other assets. Capital assets are not required to be presented in the financial statements.

**Debt**

In 2005, Sourcing Office received a \$400,000 loan from The Cleveland Foundation. The term of the recoverable grant was five years and was initially due in 2010, but was extended until June 30, 2016.

See Note 6 for the schedule of outstanding debt.

**Contacting Sourcing Office's Financial Management**

This financial report is designed to provide our readers with a general overview of Sourcing Office's finances and to reflect Sourcing Office's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Sourcing Office, 5422 East 96<sup>th</sup> Street, Suite 120, Cleveland, Ohio 44125.

**SOURCING OFFICE**  
**CUYAHOGA COUNTY**  
*Statement of Fund Net Assets - Cash Basis*  
*Proprietary Fund*  
*December 31, 2010*

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	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$41,392
<i>Total Assets</i>	<u>\$41,392</u>
<b>Net Assets</b>	
Restricted	<u>\$41,392</u>

See accompanying notes to the basic financial statements

**SOURCING OFFICE**  
**CUYAHOGA COUNTY**  
*Statement of Cash Receipts,*  
*Disbursements and Changes in Fund Net Assets - Cash Basis*  
*Proprietary Fund*  
*For the Year Ended December 31, 2010*

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
<b>Operating Receipts:</b>	
Administrative Fees	\$249,265
Marketing Fees	236,934
Management Fees	150,000
Consulting Fees	12,000
Rebates	35,654
Interest	17
<b>Total Operating Receipts</b>	<b>683,870</b>
<b>Operating Disbursements:</b>	
Payroll	80,881
Contracted Service Materials	3,337
Professional Services	45,467
Rebates	29,146
Marketing	9,093
Insurance	6,210
Fees	460,591
Office Expenses	118,180
Travel	6,687
Cellular Phone	2,855
Meals and Entertainment	1,083
Dues and Subscriptions	250
<b>Total Operating Disbursements</b>	<b>763,780</b>
<b>Non-Operating Receipts (Disbursements):</b>	
Repayment of Excess Grant	(1,655)
Reimbursements	10,971
Collaborent Group, LTD Shared Costs	48,806
<b>Total Non-Operating Receipts</b>	<b>58,122</b>
<b>Change in Net Assets</b>	<b>(21,788)</b>
<b>Net Assets, January 1</b>	<b>63,180</b>
<b>Net Assets, December 31</b>	<b>\$41,392</b>

See accompanying notes to the basic financial statements

**SOURCING OFFICE  
CUYAHOGA COUNTY**

Notes to the Basic Financial Statements  
December 31, 2010

**1. REPORTING ENTITY**

Sourcing Office, Cuyahoga County, Ohio, is a regional council of governments under authority of Chapter 167 of the Ohio Revised Code and a 501 (c)(3) not-for-profit organization. The regional council of government was established to create and manage group purchasing programs for local governments and other public sector entities. Sourcing Office specializes in identifying group purchasing opportunities that provide value to its members by managing the sourcing and contracting process.

The regional council is comprised of any municipality, county, public and private school district, public and private institution of higher education, special government district, and not-for-profit organization electing to join Sourcing Office and utilize our group purchasing programs at no charge to the participant.

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure the financial statements are not misleading. The primary government of Sourcing Office consists of all funds, departments, boards, and agencies that are not legally separate from Sourcing Office. For Sourcing Office, this includes general operations, and community education and recreation related activities of Sourcing Office.

Component units are legally separate organizations for which Sourcing Office is financially accountable. Sourcing Office is financially accountable for an organization if Sourcing Office appoints a voting majority of the organization's governing board and (1) Sourcing Office is able to significantly influence the programs or services performed or provided by the organization; or (2) Sourcing Office is legally entitled to or can otherwise access the organization's resources; Sourcing Office is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or Sourcing Office is obligated for the debt of the organization. Sourcing Office is also financially accountable for any organizations that are fiscally dependent on Sourcing Office in that Sourcing Office approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of Sourcing Office, are accessible to Sourcing Office and are significant in amount to Sourcing Office. Sourcing Office does not have any component units.

Sourcing Office's management believes these financial statements present all activities for which Sourcing Office is financially accountable.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary fund, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Sourcing Office does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise fund. Following are the more significant of Sourcing Office's accounting policies.

**SOURCING OFFICE**  
**CUYAHOGA COUNTY**  
Notes to the Basic Financial Statements  
December 31, 2010  
(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. Basis of Presentation and Measurement Focus

Sourcing Office's basic financial statements consist of a statement of fund net assets and a Statement of Cash Receipts, Disbursements, and Changes in Fund Net Assets. Sourcing Office uses a single enterprise presentation for its financial records. Enterprise reporting focuses on the determination of operating income, changes in net assets, and financial position.

B. Fund Accounting

Sourcing Office use funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Sourcing Office's fund is classified as proprietary.

Proprietary Fund

Sourcing Office classifies its fund, which is financed from user revenues from contracted service providers for the services they provide to participating local governments, grants and contributions, as a proprietary fund. Sourcing Office's proprietary fund is classified as an enterprise fund.

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. Sourcing Office's enterprise fund is used to account for the operation of the education and recreation programs of Sourcing Office.

C. Basis of Accounting

Sourcing Office's financial statements are prepared using the cash basis of accounting. Receipts are recorded in Sourcing Office's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Cash and Investments

To improve cash management, cash received by Sourcing Office is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through Sourcing Office records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2010, Sourcing Office had no investments.

**SOURCING OFFICE  
CUYAHOGA COUNTY**  
Notes to the Basic Financial Statements  
December 31, 2010  
(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent amounts required by State statute to be set aside for the acquisition and construction of capital improvements.

F. Inventory and Prepaid Items

Sourcing Office reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Employer Contributions to Social Security

Sourcing Office recognizes the disbursement for employer contributions to Social Security when they are paid. Note 4 describes the employer contributions made to Social Security.

I. Long-Term Obligations

Sourcing Office's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid. See Note 6 for Sourcing Office's outstanding debt.

J. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Sourcing Office had restricted net assets during fiscal year 2010.

**SOURCING OFFICE  
CUYAHOGA COUNTY**

Notes to the Basic Financial Statements  
December 31, 2010  
(Continued)

**3. DEPOSITS AND INVESTMENTS**

Monies held by Sourcing Office are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon Sourcing Office's treasury. Active monies must be maintained as cash in Sourcing Office's treasury, in commercial accounts, payable or available for withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Sourcing Office has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by Sourcing Office can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
7. The State Treasurer's investment pool (STAR Ohio).

**SOURCING OFFICE  
CUYAHOGA COUNTY**

Notes to the Basic Financial Statements  
December 31, 2010  
(Continued)

**3. DEPOSITS AND INVESTMENTS (Continued)**

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of Sourcing Office, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

DEPOSITS

Custodial credit risk is the risk that in the event of bank failure, Sourcing Office will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end December 31, 2010, Sourcing Office did not have any deposits exposed to custodial credit risk because those deposits were uninsured by the FDIC. Although the securities were held by pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject Sourcing Office to a successful claim by the FDIC.

Sourcing Office has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with Sourcing Office or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**4. SOCIAL SECURITY SYSTEM**

Sourcing Office contributed to the Social Security System for the year ended December 31, 2010. The contribution rate is 6.2 percent of wages for Social Security and 1.45 percent of wages for Medicare.

**5. RISK MANAGEMENT**

Sourcing Office is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During 2010, Sourcing Office contracted for various types of insurance coverage as follows:

Company	Type of Coverage	Amount of Coverage
The G.F. Hoch Company	Business Personal Property	\$100,000
	General Liability/Occurrence	1,000,000
	General Liability in Aggregate	3,000,000
	Commercial Umbrella	2,000,000
	Employee Benefits	250,000
	Employee Dishonesty	2,500

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

**SOURCING OFFICE  
CUYAHOGA COUNTY**

Notes to the Basic Financial Statements  
December 31, 2010  
(Continued)

**5. RISK MANAGEMENT (Continued)**

Sourcing Office pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Sourcing Office's employee health care is provided by Medical Mutual of Ohio. Sourcing Office did not have any employees covered under its insurance plan in 2010.

**6. DEBT**

Sourcing Office's debt activity for the year ended December 31, 2010 is as follows:

	Balance January 1, 2010	Additions	Reductions	Balance December 31, 2010
Cleveland Foundation Loan	\$400,000	\$0	\$0	\$400,000
	<u>\$400,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$400,000</u>

In 2005, Sourcing Office received a \$400,000 interest-free loan from The Cleveland Foundation. The term of the loan was five years and came due on December 31, 2010. However, the terms of the loan were extended until June 30, 2016 on April 22, 2011.

**7. MANAGEMENT COMPENSATION**

Sourcing Office was established in October 2005 for the purpose of competitively bidding contracts on behalf of government organizations to enable all members to take advantage of competitive pricing. Sourcing Office entered into a contractual agreement with Collaborent Group, LTD., to oversee the procurement, sales, marketing and supplier and customer management processes.

During 2010, Sourcing Office paid Collaborent Group, LTD. \$31,700 for operating expenses that were shared between the two entities. Effective January 1, 2010, Sourcing Office began paying all of the shared cost invoices and receives reimbursement from Collaborent Group, LTD. Expenses were shared at a rate of 65% and 35% between Collaborent Group, LTD and Sourcing Office, respectively. In addition, Sourcing Office paid Collaborent Group, LTD. \$460,591 in marketing and administrative fees.

Also in 2010, Collaborent Group, LTD. paid Sourcing Office \$150,000 for management fees.

**8. SUBSEQUENT EVENT**

As described in Note 6, Sourcing Office has an outstanding loan payable to the Cleveland Foundation in the amount of \$400,000 that was due on December 31, 2010. On April 22, 2011, the terms of the loan were extended until June 30, 2016. The new terms also allow for partial loan forgiveness pursuant to payments made by December 31, 2013.



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Sourcing Office  
Cuyahoga County  
5422 East 96<sup>th</sup> Street, Suite 120  
Cleveland, Ohio 44125

To the Board:

We have audited the financial statements of the business-type activities of Sourcing Office, Cuyahoga County, as of and for the year ended December 31, 2010, which collectively comprise Sourcing Office's basic financial statements and have issued our report thereon dated June 3, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sourcing Office's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of Sourcing Office's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of Sourcing Office's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of Sourcing Office's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether Sourcing Office's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to Sourcing Office's management in a separate letter dated June 3, 2011.

We intend this report solely for the information and use of management, the audit committee, the Board, and others within Sourcing Office. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

June 3, 2011

**SOURCING OFFICE  
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	Finding for Recovery against former Executive Director David Akers	Yes	Corrected
2009-002	Finding for Recovery against former employee Jack Woods	Yes	Corrected
2009-003	Finding for Recovery against former employee Jani Memorich	Yes	Corrected

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# Local Government Innovation Fund Program

*Application Score* £ £

<b>Lead Applicant</b>	
<b>Project Name</b>	

	<b>Grant Application</b>
--	--------------------------

**or**

	<b>Loan Application</b>
--	-------------------------

The Local Government Innovation Fund Council  
77 South High Street  
P.O. Box 1001  
Columbus, Ohio 43216-1001  
(614) 995-2292

## Local Government Innovation Fund Project Scoring Sheet

### Section 1: Financing Measures

Financing Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
<b>Financial Information</b>	<i>Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three year period following the project. The financial information must be directly related to the scope of the project and will be used as the cost basis for determining any savings resulting from the project.</i>	Applicant provides a thorough, detailed and complete financial information	<b>5</b>		
		Applicant provided more than minimum requirements but did not provide additional justification or support	<b>3</b>		
		Applicant provided minimal financial information	<b>1</b>		
		<b>Points</b>			
<b>Repayment Structure (Loan Only)</b>	<i>Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e., emergency rainy day , or contingency fund, etc.).</i>	Applicant clearly demonstrates a secondary repayment source.	<b>5</b>		
		Applicant does not have a secondary repayment source.	<b>0</b>		
		<b>Points</b>			
<b>Local Match</b>	<i>Percentage of local matching funds being contributed to the project. This may include in-kind contributions.</i>	70% or greater	<b>5</b>		
		40-69.99%	<b>3</b>		
		10-39.99%	<b>1</b>		
		<b>Points</b>			
<b>Total Section Points</b>					

### Section 2: Collaborative Measures

Collaborative Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
<b>Population</b>	<i>Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the <b>smallest</b> population listed in the application. Applications from (or collaborating with) small communities are preferred.</i>	Applicant (or collaborative partner) is not a county and has a population of less than 20,000 residents	<b>5</b>		
		Applicant (or collaborative partner) is a county but has less than 235,000	<b>5</b>		
		Applicant (or collaborative partner) is not a county but has a population 20,001 or greater.	<b>3</b>		
		Applicant (or collaborative partner) is a county with a population of 235,001 residents or more	<b>3</b>		
		<b>Points</b>			
<b>Participating Entities</b>	<i>Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support. (Note: Sole applicants only need to provide a resolution of support from its governing entity.)</i>	More than one applicant	<b>5</b>		
		Single applicant	<b>1</b>		
		<b>Points</b>			
<b>Total Section Points</b>					

## Local Government Innovation Fund Project Scoring Sheet

### Section 3: Success Measures

Success Measures	Description	Criteria	Points	Applicant Self Score	Validated Score
<b>Expected Return</b>	<i>Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue, or cost avoidance ) an expected return. The return must be derived from the applicant's cost basis. The expected return is ranked in one of the following percentage categories:</i>	75% or greater	30		
		25.01% to 74.99%	20		
		Less than 25%	10		
			<b>Points</b>		
<b>Past Success</b>	<i>Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.</i>	Yes	5		
		No	0		
			<b>Points</b>		
<b>Scalable/Replicable Proposal</b>	<i>Applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments.</i>	The project is both scalable and replicable	10		
		The project is either scalable or replicable	5		
		Does not apply	0		
			<b>Points</b>		
<b>Probability of Success</b>	<i>Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.</i>	Provided	5		
		Not Provided	0		
			<b>Points</b>		
<b>Total Section Points</b>					

### Section 4: Significance Measures

Significance Measures	Description	Criteria	Points Assigned	Applicant Self Score	Validated Score
<b>Performance Audit Implementation /Cost Benchmarking</b>	<i>The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.</i>	Project implements a recommendation from an audit or is informed by benchmarking	5		
		Project does not implement a recommendation from an audit and is not informed by benchmarking	0		
			<b>Points</b>		
<b>Economic Impact</b>	<i>Applicant demonstrates the project will a promote business environment (i.e., demonstrates a business relationship resulting from the project) and will provide for community attraction (i.e., cost avoidance with respect to taxes)</i>	Applicant clearly demonstrates economic impact	5		
		Applicant mentions but does not prove economic impact	3		
		Applicant does not demonstrate an economic impact	0		
			<b>Points</b>		
<b>Response to Economic Demand</b>	<i>The project responds to current substantial changes in economic demand for local or regional government services.</i>	Yes	5		
		No	0		
			<b>Points</b>		
<b>Total Section Points</b>					

Section 5: Council Measures			
Council Measures	Description	Criteria	Points Assigned
Council Preference	Council Ranking for Competitive Rounds	<b>The Applicant Does Not Fill Out This Section;</b> This is for the Local Government Innovation Fund Council only. The points for this section is based on the applicant demonstrating innovation or inventiveness with the project	
<b>Total Section Points (10max)</b>			

Scoring Summary			
		Applicant Self Score	Validated Score
Section 1: Financing Measures			
Section 2: Collaborative Measures			
Section 3: Success Measures			
Section 4: Significance Measures			
<b>Total Base Points:</b>			

**Reviewer Comments**

## **G. Innovation Successes**

Included and sent as separate file to LGIF.

# Ohio County Profiles

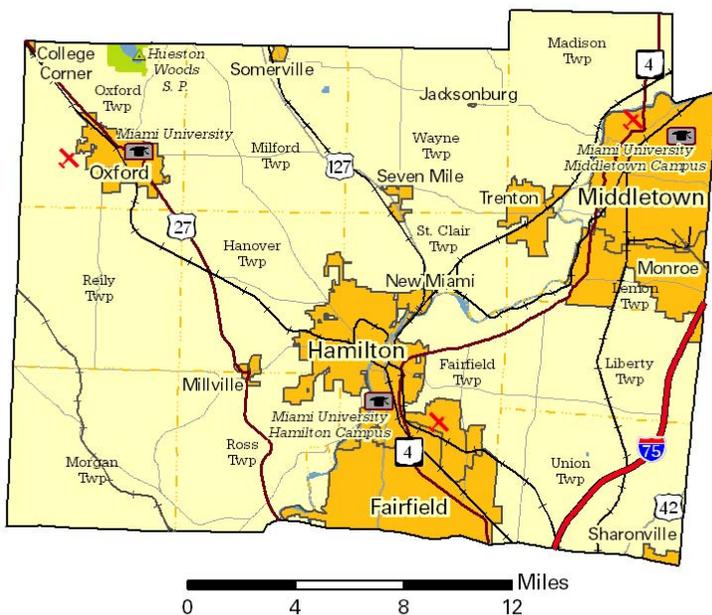


Department of  
Development

Prepared by the Office of Policy, Research and Strategic Planning

## Butler County

**Established:** Act - May 1, 1803  
**2010 Population:** 368,130  
**Land Area:** 467.3 square miles  
**County Seat:** Hamilton City  
**Named for:** General Richard Butler, Revolutionary War



### Taxes

Taxable value of real property	\$7,795,783,190
Residential	\$5,828,717,190
Agriculture	\$164,513,520
Industrial	\$582,638,200
Commercial	\$1,219,914,280
Mineral	\$0
Ohio income tax liability	\$265,187,502
Average per return	\$1,632.49

### Land Use/Land Cover

Land Use/Land Cover	Percent
Urban (Residential/Commercial/Industrial/Transportation and Urban Grasses)	12.77%
Cropland	51.45%
Pasture	11.30%
Forest	23.24%
Open Water	0.88%
Wetlands (Wooded/Herbaceous)	0.00%
Bare/Mines	0.36%

### Largest Places

	Census 2010	Census 2000
Hamilton city	62,477	60,690
Middletown city (pt.)	45,994	49,574
Fairfield city (pt.)	42,510	42,097
Oxford city	21,371	21,943
Monroe city (pt.)	12,322	7,086
Trenton city	11,869	8,746
Sharonville city (pt.)	2,363	2,226
New Miami village	2,249	2,469
Seven Mile village	751	678
Millville village	708	817

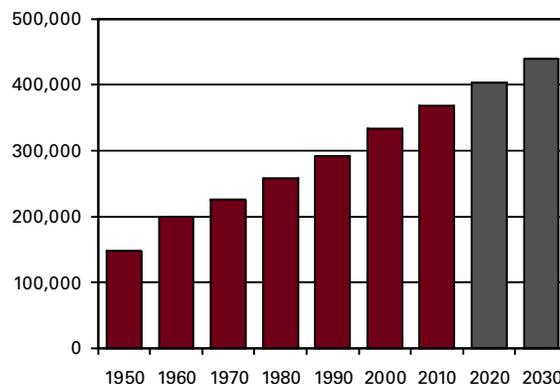
### Total Population

#### Census

1800		1880	42,579	1950	147,203
1810	11,150	1890	48,597	1960	199,076
1820	21,746	1900	56,870	1970	226,207
1830	27,142	1910	70,271	1980	258,787
1840	28,173	1920	87,025	1990	291,479
1850	30,789	1930	114,084	2000	332,807
1860	35,840	1940	120,249	2010	368,130
1870	39,912				

#### Projected

2020	403,860
2030	439,740



## Population by Race

	Number	Percent
ACS Total Population	356,878	100.0%
White	316,599	88.7%
African-American	23,265	6.5%
Native American	716	0.2%
Asian	7,033	2.0%
Pacific Islander	66	0.0%
Other	3,617	1.0%
Two or More Races	5,582	1.6%
Hispanic (may be of any race)	9,695	2.7%
<b>Total Minority</b>	<b>46,250</b>	<b>13.0%</b>

## Educational Attainment

	Number	Percent
Persons 25 years and over	231,872	100.0%
No high school diploma	31,973	13.8%
High school graduate	83,794	36.1%
Some college, no degree	44,697	19.3%
Associate degree	14,983	6.5%
Bachelor's degree	36,350	15.7%
Master's degree or higher	20,075	8.7%

## Family Type by Employment Status

	Number	Percent
Total Families	91,298	100.0%
Married couple, husband and wife in labor force	39,781	43.6%
Married couple, husband in labor force, wife not	15,056	16.5%
Married couple, wife in labor force, husband not	4,904	5.4%
Married couple, husband and wife not in labor force	10,540	11.5%
Male householder, in labor force	4,361	4.8%
Male householder, not in labor force	1,015	1.1%
Female householder, in labor force	11,180	12.2%
Female householder, not in labor force	4,461	4.9%

## Household Income

	Number	Percent
Total Households	130,922	100.0%
Less than \$10,000	8,827	6.7%
\$10,000 to \$19,999	12,592	9.6%
\$20,000 to \$29,999	13,663	10.4%
\$30,000 to \$39,999	13,436	10.3%
\$40,000 to \$49,999	11,715	8.9%
\$50,000 to \$59,999	11,861	9.1%
\$60,000 to \$74,999	15,090	11.5%
\$75,000 to \$99,999	17,643	13.5%
\$100,000 to \$149,999	16,986	13.0%
\$150,000 to \$199,999	5,760	4.4%
\$200,000 or more	3,349	2.6%
<b>Median household income</b>	<b>\$54,344</b>	

Percentages may not sum to 100% due to rounding.

## Population by Age

	Number	Percent
ACS Total Population	356,878	100.0%
Under 5 years	24,822	7.0%
5 to 17 years	64,201	18.0%
18 to 24 years	35,983	10.1%
25 to 44 years	102,815	28.8%
45 to 64 years	89,410	25.1%
65 years and more	39,647	11.1%
<b>Median Age</b>	<b>35.4</b>	

## Family Type by Presence of Own Children Under 18

	Number	Percent
Total Families	91,298	100.0%
Married-couple families with own children	30,796	33.7%
Male householder, no wife present, with own children	3,224	3.5%
Female householder, no husband present, with own children	9,693	10.6%
Families with no own children	47,585	52.1%

## Poverty Status of Families By Family Type by Presence Of Related Children

	Number	Percent
Total Families	91,298	100.0%
Family income above poverty level	83,759	91.7%
Family income below poverty level	7,539	8.3%
Married couple, with related children	1,700	22.5%
Male householder, no wife present, with related children	579	7.7%
Female householder, no husband present, with related children	4,007	53.2%
Families with no related children	1,253	16.6%

## Ratio of Income To Poverty Level

	Number	Percent
Population for whom poverty status is determined	343,652	100.0%
Below 50% of poverty level	21,378	6.2%
50% to 99% of poverty level	22,251	6.5%
100% to 149% of poverty level	25,487	7.4%
150% to 199% of poverty level	28,724	8.4%
200% of poverty level or more	245,812	71.5%

## Geographical Mobility

	Number	Percent
Population aged 1 year and older	352,223	100.0%
Same house as previous year	288,717	82.0%
Different house, same county	40,081	11.4%
Different county, same state	14,754	4.2%
Different state	7,237	2.1%
Abroad	1,434	0.4%

## Travel Time To Work

	Number	Percent
Workers 16 years and over	160,295	100.0%
Less than 15 minutes	47,359	29.5%
15 to 29 minutes	60,478	37.7%
30 to 44 minutes	34,939	21.8%
45 to 59 minutes	11,697	7.3%
60 minutes or more	5,822	3.6%

Mean travel time **22.9 minutes**

## Housing Units

	Number	Percent
Total housing units	142,936	100.0%
Occupied housing units	130,922	91.6%
Owner occupied	92,727	70.8%
Renter occupied	38,195	29.2%
Vacant housing units	12,014	8.4%

## Year Structure Built

	Number	Percent
Total housing units	142,936	100.0%
Built 2005 or later	3,741	2.6%
Built 2000 to 2004	13,186	9.2%
Built 1990 to 1999	22,519	15.8%
Built 1980 to 1989	19,259	13.5%
Built 1970 to 1979	24,421	17.1%
Built 1960 to 1969	13,716	9.6%
Built 1950 to 1959	17,644	12.3%
Built 1940 to 1949	8,380	5.9%
Built 1939 or earlier	20,070	14.0%

Median year built **1975**

## Value for Specified Owner-Occupied Housing Units

	Number	Percent
Specified owner-occupied housing units	92,727	100.0%
Less than \$20,000	2,251	2.4%
\$20,000 to \$39,999	1,158	1.2%
\$40,000 to \$59,999	2,470	2.7%
\$60,000 to \$79,999	5,364	5.8%
\$80,000 to \$99,999	9,473	10.2%
\$100,000 to \$124,999	11,130	12.0%
\$125,000 to \$149,999	11,249	12.1%
\$150,000 to \$199,999	20,583	22.2%
\$200,000 to \$299,999	19,928	21.5%
\$300,000 to \$499,999	7,255	7.8%
\$500,000 to \$999,999	1,565	1.7%
\$1,000,000 or more	301	0.3%

Median value **\$157,100**

## House Heating Fuel

	Number	Percent
Occupied housing units	130,922	100.0%
Utility gas	71,896	54.9%
Bottled, tank or LP gas	4,590	3.5%
Electricity	43,083	32.9%
Fuel oil, kerosene, etc	9,586	7.3%
Coal, coke or wood	896	0.7%
Solar energy or other fuel	543	0.4%
No fuel used	328	0.3%

Percentages may not sum to 100% due to rounding.

## Gross Rent

	Number	Percent
Specified renter-occupied housing units	38,195	100.0%
Less than \$100	210	0.5%
\$100 to \$199	626	1.6%
\$200 to \$299	823	2.2%
\$300 to \$399	1,360	3.6%
\$400 to \$499	2,396	6.3%
\$500 to \$599	4,633	12.1%
\$600 to \$699	5,513	14.4%
\$700 to \$799	6,005	15.7%
\$800 to \$899	5,366	14.0%
\$900 to \$999	3,328	8.7%
\$1,000 to \$1,499	5,233	13.7%
\$1,500 or more	1,018	2.7%
No cash rent	1,684	4.4%

Median gross rent **\$739**

Median gross rent as a percentage of household income **30.5**

## Selected Monthly Owner Costs for Specified Owner-Occupied Housing Units

	Number	Percent
Specified owner-occupied housing units with a mortgage	70,190	100.0%
Less than \$400	422	0.6%
\$400 to \$599	1,854	2.6%
\$600 to \$799	4,698	6.7%
\$800 to \$999	8,918	12.7%
\$1,000 to \$1,249	12,499	17.8%
\$1,250 to \$1,499	12,363	17.6%
\$1,500 to \$1,999	16,552	23.6%
\$2,000 to \$2,999	10,656	15.2%
\$3,000 or more	2,228	3.2%

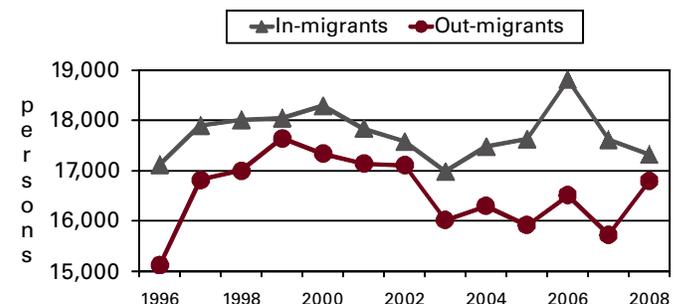
Median monthly owners cost **\$1,386**

Median monthly owners cost as a percentage of household income **23.1**

## Vital Statistics

	Number	Rate
Births / rate per 1,000 women aged 15 to 44	5,098	65.5
Teen births / rate per 1,000 females 15-19	536	38.6
Deaths / rate per 100,000 population	2,894	808.6
Marriages / rate per 1,000 population	2,028	5.7
Divorces / rate per 1,000 population	1,356	3.8

## Migration



## Agriculture

Land in farms (acres)	124,000
Number of farms	920
Average size (acres)	135
Total cash receipts	\$48,102,000
Per farm	\$52,285

## Education

Public schools	88
Students (Average Daily Membership)	61,285
Expenditures per student	\$9,409
Student-teacher ratio	19.6
Graduation rate	88.1
Teachers (Full Time Equivalent)	3,327.0
Non-public schools	16
Students	3,717
4-year public universities	1
Branches	2
2-year public colleges	0
Private universities and colleges	0
Public libraries (Main / Branches)	2 / 4

## Transportation

Registered motor vehicles	357,427
Passenger cars	253,434
Noncommercial trucks	48,365
Total license revenue	\$8,820,478.63
Interstate highway miles	11.25
Turnpike miles	0.00
U.S. highway miles	46.45
State highway miles	178.54
County, township, and municipal road miles	1,768.57
Commercial airports	3

## Voting

Number of precincts	298
Number of registered voters	240,541
Voted in 2010 election	121,742
Percent turnout	50.6%

## Health Care

Physicians (MDs & DOs)	472
Registered hospitals	5
Number of beds	627
Licensed nursing homes	24
Number of beds	2,340
Licensed residential care	21
Number of beds	1,577
Adults with employer-based insurance	69.0%
Children with employer-based insurance	71.6%

## State Parks, Forests, Nature Preserves, And Wildlife Areas

Areas/Facilities	2
Acreage	1,182.88

## Communications

Television stations	0
Radio stations	6
Daily newspapers	2
Circulation	49,000

## Crime

Total crimes reported in Uniform Crime Report	15,153
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## Finance

FDIC insured financial institutions (HQs)	3
Assets (000)	\$6,782,856
Branch offices	99
Institutions represented	16

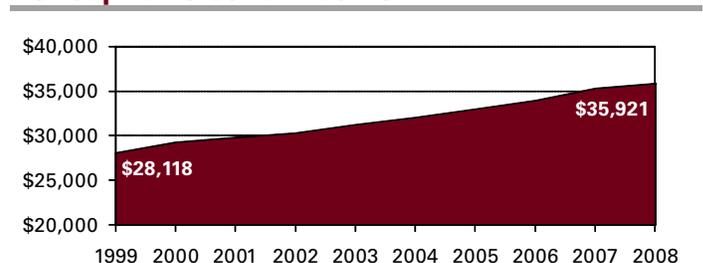
## Transfer Payments

Total transfer payments	\$2,048,086,000
Payments to individuals	\$1,987,140,000
Retirement and disability	\$794,801,000
Medical payments	\$854,278,000
Income maintenance (Supplemental SSI, family assistance, food stamps, etc)	\$166,247,000
Unemployment benefits	\$40,159,000
Veterans benefits	\$36,092,000
Federal education and training assistance	\$66,095,000
Other payments to individuals	\$29,468,000
Total personal income	\$12,959,443,000
Dependency ratio	15.8%

## Federal Expenditures

Direct expenditures or obligations	\$1,897,335,078
Retirement and disability	\$839,829,399
Other direct payments	\$436,673,640
Grant awards	\$341,206,757
Highway planning and construction	\$68,221,884
Temporary assistance to needy families	\$21,339,728
Medical assistance program	\$175,134,899
Procurement contract awards	\$227,524,658
Dept. of Defense	\$213,558,702
Salary and wages	\$52,100,624
Dept. of Defense	\$1,963,000
Other federal assistance	\$605,643,930
Direct loans	\$70,330,521
Guaranteed loans	\$370,811,986
Insurance	\$164,501,423

## Per Capita Personal Income



**Civilian Labor Force**

	2005	2006	2007	2008	2009
Civilian labor force	186,000	189,400	190,100	191,300	191,700
Employed	176,200	178,800	180,400	180,000	173,600
Unemployed	9,700	10,600	9,700	11,200	18,100
Unemployment rate	5.2	5.6	5.1	5.9	9.4

**Establishments, Employment, and Wages by Sector: 2008**

Industrial Sector	Number of Establishments	Average Employment	Total Wages	Average Weekly Wage
Private Sector	7,134	126,846	\$4,976,263,917	\$754
Goods-Producing	1,299	29,333	\$1,603,900,916	\$1,052
Natural Resources and Mining	20	244	\$10,368,295	\$819
Constuction	792	8,593	\$404,247,313	\$905
Manufacturing	487	20,496	\$1,189,285,308	\$1,116
Service-Providing	5,835	97,513	\$3,372,363,001	\$665
Trade, Transportation and Utilities	1,870	36,829	\$1,386,991,486	\$724
Information	85	981	\$46,365,909	\$909
Financial Services	713	10,355	\$571,800,675	\$1,062
Professional and Business Services	1,132	13,710	\$450,965,641	\$633
Education and Health Services	727	18,274	\$639,791,421	\$673
Leisure and Hospitality	678	13,700	\$177,044,121	\$249
Other Services	613	3,629	\$98,118,644	\$520
Federal Government		591	\$31,719,615	\$1,032
State Government		* * * * *	Data Not Available	* * * * *
Local Government		* * * * *	Data Not Available	* * * * *

Private Sector total includes Unclassified establishments not shown.

**Change Since 2003**

Private Sector	8.7%	16.2%	35.4%	16.4%
Goods-Producing	-1.7%	6.7%	26.2%	18.3%
Natural Resources and Mining	5.3%	-9.3%	4.2%	15.0%
Construction	-6.2%	10.2%	35.6%	23.1%
Manufacturing	5.9%	5.5%	23.5%	17.1%
Service-Producing	11.3%	19.4%	40.2%	17.3%
Trade, Transportation and Utilities	8.3%	19.8%	38.7%	15.8%
Information	13.3%	25.0%	72.2%	37.9%
Financial Services	15.0%	10.1%	43.2%	30.0%
Professional and Business Services	14.7%	41.4%	46.9%	3.9%
Education and Health Services	21.4%	26.0%	43.8%	14.1%
Leisure and Hospitality	11.5%	7.7%	22.5%	13.7%
Other Services	2.0%	-3.3%	19.2%	23.2%
Federal Government		9.9%	24.7%	13.5%
State Government		* * * * *	Data Not Available	* * * * *
Local Government		* * * * *	Data Not Available	* * * * *

**Business Numbers**

	2004	2005	2006	2007	2008
Business starts	789	854	1,115	819	757
Active businesses	6,068	6,211	6,271	6,059	5,871

**Major Employers**

AK Steel Holding Corp	Mfg
Amylin Pharmaceuticals Inc	Mfg
BAE Systems	Mfg
Butler County Government	Govt
Cincinnati Financial Corp	Ins
Cornerstone Brands Inc	Trade
Fairfield City Schools	Govt
Ft Hamilton Memorial Hospital	Serv
GE Aviation	Mfg
Hamilton City Schools	Govt
Lakota Local Schools	Govt
Liberty Mutual/Ohio Casualty Corp	Ins
Mercy Regional Hospital	Serv
Miami University	Govt
Middletown Regional Health System	Serv

**Residential Construction**

	2005	2006	2007	2008	2009
Total units	2,777	1,671	910	554	574
Total valuation (000)	\$453,236	\$288,789	\$174,791	\$106,731	\$100,939
Total single-unit bldgs	2,573	1,495	851	521	544
Average cost per unit	\$171,620	\$185,688	\$196,696	\$198,473	\$181,929
Total multi-unit bldg units	204	176	59	33	30
Average cost per unit	\$57,143	\$63,555	\$125,474	\$100,807	\$65,646



# Dave Yost • Auditor of State

**SOURCING OFFICE**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 28, 2011**

January 27, 2012

**RESOLUTION NUMBER 2012.1.1**

**AUTHORIZING SOURCING OFFICE BOARD OF DIRECTORS TO GRANT ITS EXECUTIVE DIRECTOR THE AUTHORITY TO PROCEED WITH THE SUBMISSION OF AN APPLICATION TO THE STATE OF OHIO'S LOCAL GOVERNMENT INNOVATION FUND AS PROVIDED HEREIN.**

**WHEREAS**, Sourcing Office ("SOURCING OFFICE"), a Council of Governments under Chapter 167 of the Ohio Revised Code (ORC) and 501(c)(3) not-for-profit organization, desires to comply with all applicable laws, rules and regulations set forth by the ORC and Ohio Sunshine laws.

**WHEREAS**, SOURCING OFFICE serves public sector entities (local governments, educational institutions, and nonprofit organizations) in Northeast Ohio and other Ohio regions with group purchasing, shared services, and public sector capacity building services.

**WHEREAS**, It is the mission of SOURCING OFFICE to assist public sector entities to save money and time and innovate with collaborative solutions to problems and opportunities.

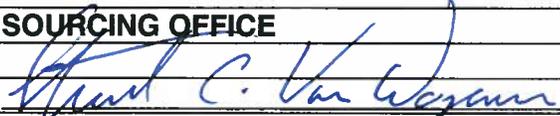
**WHEREAS**, SOURCING OFFICE and Butler County Government wish to apply for a Local Government Innovation Fund (LGIF) grant in the amount of \$100,000.00 from the State of Ohio for the purposes of assisting Butler County Government, the Butler County Port Authority, and possibly some cities and other political jurisdictions in Butler County, Ohio.

**WHEREAS**, The intent of the integrated development budget is to identify development-related expenditures within various administrative departments, draw these resources together into a shared budget, and invest the pooled resources with the rationale of increasing the impact of these financial resources through collaborative and coordinated investment.

**WHEREAS**, This assistance will focus on working with these entities through a feasibility study to develop and evaluate a model integrated development budget, which would prepare these entities to jointly invest their budget resources to increase their collective impact on economic and community development in Butler County.

**WHEREAS**, It is anticipated that once developed in Butler County, this model would be made available by SOURCING OFFICE and the State of Ohio to other local governments in Ohio.

**BE IT RESOLVED**, the SOURCING OFFICE Board of Directors authorizes its Executive Director to proceed with the submission of such application to the State of Ohio's Local Government Innovation Fund, to enter into partnership agreements with Butler County Government, the Butler County Port Authority, and other participating entities, and by way of this resolution states its commitment to this project, if funded by the State of Ohio, effective upon majority affirmative vote of this Resolution Number 2012.1.1

<b>SOURCING OFFICE</b>	Attest:
	
Stuart Chase Van Wagenen, President	Don Iannone, Secretary

Date Adopted: January 27, 2012



**COMMUNITY DEVELOPMENT DEPARTMENT**

WEST CHESTER TOWNSHIP, BUTLER COUNTY, OHIO

MICHAEL F. JUENGLING, DIRECTOR

February 28, 2012

Mr. Robert M. Campbell  
Executive Director  
Butler County Port Authority  
315 High Street, 6<sup>th</sup> Floor  
Hamilton, Ohio 45011

Re: LETTER OF SUPPORT BY WEST CHESTER TOWNSHIP COMMUNITY DEVELOPMENT DEPARTMENT FOR THE BUTLER COUNTY LOCAL GOVERNMENT INNOVATION FUND GRANT APPLICATION TO THE STATE OF OHIO

Dear Mr. Campbell:

The West Chester Township Community Development Department supports the Butler County Local Government Innovation Fund (LGIF) grant application to the State of Ohio by Sourcing Office (a council of governments in Cleveland, Ohio dedicated to strengthening local governments in Ohio through group purchasing, shared services, and public sector capacity building services) to study the feasibility of a Integrated Development Budget (IDB) approach in Butler County, Ohio as a strategy to: a) improve the efficiency and effectiveness of development-related expenditures by the Butler County Government and its communities to foster economic and community development in Butler County; and b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, township, community, and regional development goals.

The West Chester Township Community Development Department agrees to participate in this LGIF grant application by: a) taking part in meetings about the project; b) providing information about the economic development process to the Sourcing Office team; and c) if found to be feasible, consider ways in which West Chester Township might implement the LGIF grant results.

Sincerely,

A handwritten signature in blue ink that reads "Michael F. Juengling".

Michael F. Juengling  
Director



**County  
Commissioners  
Association of Ohio**

*Serving Ohio Counties Since 1880*

Larry L. Long, Executive Director

209 East State Street • Columbus, Ohio 43215-4309  
Phone: 614-221-5627 • Fax: 614-221-6986  
Toll Free: 888-757-1904 • www.ccao.org

February 29, 2012

Christiane Schmenk  
Director, Ohio Department of Development  
Chair, Ohio Local Government Innovation Council  
77 South High Street  
P.O. Box 1001  
Columbus, Ohio 43216-1001

Dear Ms. Schmenk:

At the request of Butler County, the County Commissioners Association of Ohio (CCAO) is providing this letter expressing our interest in the Butler County Local Government Innovation Fund (LGIF) application to develop an Integrated Development Budget (IDB) led by Sourcing Office and involving a number of individuals from our state universities. The concept of an Integrated Development Budget is an innovative idea and can serve as model in the future as a development planning and financing tool.

The project, if funded by the State of Ohio, would provide an opportunity to test the feasibility of using the Integrated Development Budget (IDB) as a tool to increase countywide financial accountability and economic and community development efficiency and effectiveness in Butler County. CCAO believes the IDB concept, if approached and implemented properly, could be a beneficial new tool for Butler County and other Ohio counties.

As a project participant and partner, CCAO's role would be to host 2-3 briefings in Columbus about the project for CCAO member counties to learn about the project and how its results could be applied to other counties grappling with how to effectively budget for and promote development in their counties. CCAO has also agreed to serve as a member of the project review team to ensure that a high quality end product is delivered to Butler County and the approach is relevant to other counties in the state.

CCAO supports the goals of the Ohio Local Government Innovation Fund. One of the tools our members need is innovative approaches to foster economic and community development in the future. The IDB tool is viewed as valuable new approach here in Ohio that should be tested to see how it may help not only Butler County, but other counties in Ohio.

Please feel free to contact me if I can provide additional information on our interest in this project and its approach.

Sincerely yours,

Larry Long  
Executive Director

cc: Donald Iannone, Executive Director, Sourcing Office



County Risk  
Sharing Authority

Fax: 614-220-0209  
www.corsa.org



County Employee Benefits  
Consortium of Ohio  
Counties Uniting for Affordable Health Benefits  
www.cebco.org



County Commissioners  
Association of Ohio  
Service Corporation

Fax: 614-221-6986  
www.ccao.org



# BUTLER COUNTY, OHIO BOARD OF COMMISSIONERS

## Commissioners

Charles R. Furmon  
Donald L. Dixon  
Cindy Carpenter

February 22, 2012

Christine Schmenk  
Director, Ohio Dept. of Development  
Chairperson, Ohio Local Government Innovation Council  
77 South High Street, P.O. Box 1001  
Columbus, Ohio 43216-1001

Dear Ms. Schmenck:

The Butler County Commissioners Office supports the Local Government Innovation Fund (LGIF) grant application to the State of Ohio by Sourcing Office (a council of governments in Cleveland, Ohio dedicated to strengthening local governments in Ohio through group purchasing, shared services and public sector capacity building services) to study the feasibility of the Integrated Development Budget (IDB) approach in Butler County, Ohio as a strategy to:

- a) improve the efficiency and effectiveness of development-related expenditures by Butler County Government, the Butler County Port Authority, and selected Butler County cities to foster economic and community development in Butler County; and
- b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, community and regional development goals.

The Butler County Commissioners (Port Authority) pledge their support to participate in this LGIF grant application by:

- a) their willingness to be involved in the review and decision-making process about the project outcomes;
- b) committing the involvement of its County Administrator, the Budget Director, and identified Department and Agency personnel in providing information and helping the Sourcing Office undertake this project;
- c) assist in communicating the results of the IDB study to other Ohio counties and communities; and
- d) if found to be feasible, consider ways in which Butler County Government could implement the LGIF grant results.

The Butler County Port Authority approved the Integrated Development Budget (IDB) grant proposal at the Butler County Authority Board Meeting on February 12, 2012.

As Interim Butler County Administrator and Executive Director of the Butler County Port Authority, I will work to implement the grant work plan and schedule while participating with subject matter experts and collaborating partners.

Sincerely,

A handwritten signature in cursive script that reads "Mike Campbell". The signature is written in black ink and is positioned above the printed name.

Mike Campbell  
Interim County Administrator

BUTLER  
COUNTY

PORT  AUTHORITY

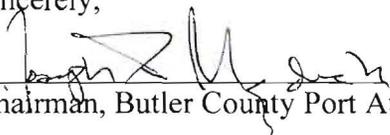
Christine Schmenk  
Director, Ohio Department of Development  
Chairperson, Ohio Local Government Innovation Council  
77 South High Street, P.O. Box 1001  
Columbus, Ohio 43216-1001

Dear Ms. Schmenk:

This letter will confirm that at its regularly scheduled meeting on February 21, 2012, the Board of Directors (the "Board") of the Butler County Port Authority (the "Port Authority") approved that the Port Authority prepare and submit an application to the State of Ohio for a Local Government Innovation Fund grant.

The grant will be to study the feasibility of the Integrated Development Budget approach in Butler County, Ohio (the "County") as a strategy to: (a) improve the efficiency and effectiveness of development related expenditures by the County government, the Port Authority and selected cities in the County to foster economic and community development in the County; and (b) provide a more collaborative and strategic approach to using public funds in the County to achieve countywide, community and regional development goals.

Sincerely,

  
Chairman, Butler County Port Authority

M:\ReisterS\Corp\Butler County Port\ApprovalLGIFGrant22112.doc



February 24, 2012

Butler County Port Authority  
Robert M. Campbell, Executive Director  
315 High Street, 6th Floor  
Hamilton, OH 45011

RE: LETTER OF SUPPORT BY THE CITY OF MIDDLETOWN FOR THE BUTLER COUNTY LOCAL GOVERNMENT INNOVATION FUND GRANT APPLICATION TO THE STATE OF OHIO

Dear Mike:

The City of Middletown supports the Butler County Local Government Innovation Fund (LGIF) grant application to the State of Ohio Sourcing Office. We have developed several innovative public/private partnerships that are very effective, and in this regard we understand that a creative approach to shared services will help governments thrive.

We support the feasibility study to evaluate the Integrated Development Budget (IDB) approach for Butler County, Ohio as a strategy to: a) improve the efficiency and effectiveness of development-related expenditures by Butler County Government and its communities to foster economic and community development in Butler County; and b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, community, and regional development goals.

The City of Middletown enjoys a collaborative relationship with Butler County and hereby pledges its participation in this LGIF grant application by: a) its willingness to be involved in meetings about the project; b) providing information about economic development and municipal budgets to the Sourcing Office team; and c) if found to be feasible, consider ways in which the City of Middletown could possibly implement the LGIF grant results at the city level.

I can be reached at (513) 425-7847 should you have questions or comments.

Sincerely,

Denise Hamet  
Acting Economic Development Director



Founded 1791

**Office of the City Manager**

City of Hamilton, Ohio  
One Renaissance Center  
345 High Street, 7th Floor  
Hamilton, Ohio 45011  
Telephone 513 785-7002  
FAX 513 785-7010  
www.hamilton-city.org

**To:** The State of Ohio  
**From:** Joshua A. Smith, City Manager   
**Date:** February 23, 2012  
**Re:** Butler County Local Government Innovation Fund Grant Application

\* \* \* \* \*

The City of Hamilton supports the Butler County Local Government Innovation Fund (LGIF) grant application to the State of Ohio by Sourcing Office (a council of governments in Cleveland, Ohio dedicated to strengthening local governments in Ohio through group purchasing, shared services, and public sector capacity building services) to study the feasibility of the Integrated Development Budget (IDB) approach in Butler County, Ohio as a strategy to: a) improve the efficiency and effectiveness of development-related expenditures by Butler County Government and its communities to foster economic and community development in Butler County; and b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, community, and regional development goals.

The City of Hamilton pledges its participation in this LGIF grant application by: a) its willingness to be involved in meetings about the project; b) providing information about economic development and municipal budgets to the Sourcing Office team; and c) if found to be feasible, consider ways in which the City of Hamilton could possibly implement the LGIF grant results at the city level.



February 21, 2012

RE: LETTER OF SUPPORT FROM THE CITY OF TRENTON FOR THE BUTLER COUNTY LOCAL GOVERNMENT INNOVATION FUND GRANT APPLICATION TO THE STATE OF OHIO

To Whom It May Concern:

The City of Trenton, Butler County, Ohio, supports the Butler County Local Government Innovation Fund (LGIF) grant application to the State of Ohio by Sourcing Office (a council of governments in Cleveland, Ohio dedicated to strengthening local governments in Ohio through group purchasing, shared services, and public sector capacity building services) to study the feasibility of the Integrated Development Budget (IDB) approach in Butler County as a strategy to: a) improve the efficiency and effectiveness of development-related expenditures by Butler County Government and its communities to foster economic and community development in Butler County; and b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, community, and regional development goals.

The City of Trenton pledges its participation in this LGIF grant application by: a) its willingness to be involved in meetings about the project; b) providing information about economic development and municipal budgets to the Sourcing Office team; and c) if found to be feasible, considering ways in which the City of Trenton could possibly implement the LGIF grant results at the city level.

Sincerely,

James A. Foster  
Economic Development Director



Greater Hamilton Chamber of Commerce  
201 Dayton Street  
Hamilton, OH 45011  
513-844-1500  
513-844-1999 Fax  
www.hamilton-ohio.com

*A Payback Today....A Partner Forever*

**Date:** 2-23-2012

**To:** Mike Campbell- Executive Director, Butler County Port Authority

**Re:** LETTER OF SUPPORT BY THE GREATER HAMILTON CHAMBER OF COMMERCE FOR THE BUTLER COUNTY LOCAL GOVERNMENT INNOVATION FUND GRANT APPLICATION TO THE STATE OF OHIO

Dear Mr. Campbell,

The Greater Hamilton Chamber of Commerce (GHCC) supports the Butler County Local Government Innovation Fund (LGIF) grant application to the State of Ohio by Sourcing Office (a council of governments in Cleveland, Ohio dedicated to strengthening local governments in Ohio through group purchasing, shared services, and public sector capacity building services) to study the feasibility of the Integrated Development Budget (IDB) approach in Butler County, Ohio as a strategy to: a) improve the efficiency and effectiveness of development-related expenditures by Butler County Government and its communities to foster economic and community development in Butler County; and b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, township, community, and regional development goals.

The GHCC has a strong interest in supporting local government efficiency by increasing economic development capacity throughout Butler County and in the Hamilton area.

Sincerely,

Kenny Craig  
President/CEO

# Current Membership

## K-12

Aurora City School District  
Avon Lake City Schools  
Beachwood City School District  
Big Walnut Local School District  
Boadman Local School District  
Breakthrough Schools  
Brecksville-Broadview Hts City SD  
Canfield Local Schools  
Canton City Schools  
Chardon Local Schools  
Clearview Local Schools  
Columbiana Ex. Vill. SD  
Coventry Local School District  
Cuyahoga Falls City School District

Cuyahoga Valley Career Center  
Elyria City Schools  
ESC of Lake Erie West  
Firelands Local Schools  
Gilmour Academy  
Groveport Madison Local SD  
Highland Local Schools  
Hudson City Schools  
James A. Garfield School District  
Kenston Local Schools  
Kent City School District  
Keystone Local Schools  
Kirtland Local School District  
LNOCA

Lakewood City Schools  
Lisbon Ex. Vill. School District  
Lordstown Local School District  
Mahoning Co. Career & Tech Center  
Maple Heights City Schools  
Maplewood Local School District  
Newton Falls Ex. Vill. School District  
Nardon Hills City School District  
North Canton City Schools  
North Ridgeville City Schools  
Oberlin City Schools  
Orville City Schools  
Painesville City Local Schools  
Pymatuning Valley Schools

Rocky River City School District  
Shaker Heights City Schools  
Springfield Local School District  
United Local School District  
Vermilion Local Schools  
Wadsworth City School District  
Wellington Ex. Vill. Schools  
West Branch Local School District  
Westfall Local Schools  
West Geauga Local School District  
Wooster City School District

## Public

Amherst Township  
Archbold Community Library  
Athens County Board of DD  
Atwater Township  
Austintown Township  
Bainbridge Township  
Bath Township  
Butler County Board of DD  
Carroll County  
Carroll County Council of Aging  
Carroll County Recorder  
City of Avon  
City of Avon Lake  
City of Bay Village  
City of Beachwood  
City of Bedford  
City of Bedford Heights  
City of Berea  
City of Brooklyn  
City of Brookline  
City of Chardon  
City of Cleveland  
City of Cleveland Heights  
City of Columbus  
City of Covington  
City of Dublin  
City of Eastlake  
City of Euclid  
City of Fairlawn  
City of Galion  
City of Garfield Heights  
City of Glen Dale, WV  
City of Green  
City of Hudson  
City of Kent  
City of Kirtland  
City of Lakewood  
City of Lorain  
City of Lyndhurst  
City of Macedonia  
City of Marysville

City of Massillon  
City of Mayfield Heights  
City of Middleburg Heights  
City of New Lexington  
City of Newark  
City of Newton Falls  
City of North Olmsted  
City of North Ridgeville  
City of Norton  
City of Oberlin  
City of Olmsted Falls  
City of Orrville  
City of Painesville  
City of Parma  
City of Parma Heights  
City of Pepper Pike  
City of Ravenna  
City of Richmond Heights  
City of Rocky River  
City of Shaker Heights  
City of Sheffield Lake  
City of South Euclid  
City of Stow  
City of Strongsville  
City of Tallmadge  
City of Toledo  
City of Twinsburg  
City of University Heights  
City of Vermilion  
City of Warren  
City of Wickliffe  
City of Willoughby  
City of Willoughby Hills  
City of Wooster  
Cleveland Hts - University Hts Library  
Concord Township  
Copley Township  
Coshocton Public Library  
County of Trumbull  
Cuyahoga County  
Cuyahoga County Public Library  
Cuyahoga Metro. Housing Authority

Delhi Township  
Fairfield County Board of MRDD  
Fairfield County Health Department  
Gauga County Board of DD  
Gauga County Public Library  
Goshen Township, Mahoning County  
Greater Cleveland Metroparks  
Greater Cleveland Regional Transit Authority  
Green Township  
Greene County Public Library  
Hambden Township  
Harrisville Township  
Highland County  
Huntington Township  
Jackson City Library  
Kingsville Public Library  
Lake County  
Lake County Board of MRDD  
Lake Metroparks  
Lawrence Township  
Licking County Health Department  
Lorain County Board of Elections  
Lorain Public Library System  
Madison Public Library  
Massillon Public Library  
Medina County  
Minerva Public Library  
Northeast Ohio Regional Sewer District  
Ohio Housing Finance Agency  
Painesville Township  
Perry County  
Perry Public Library  
Portage Metropolitan Housing Authority  
Randolph Township  
Ravenna Township  
Ritter Public Library  
Rodman Public Library  
Russell Township  
SEPTA Correctional Facility  
Shaker Heights Public Library  
Springfield Metropolitan Housing Authority  
Springfield Township

Stark County Job & Family Services  
Summit County  
Summit County Alcohol, Drug Addiction, & MH  
Summit County Health District  
Township of Boardman  
Township of Boston  
Township of Canfield  
Tuscarawas County  
Twinsburg Township  
Venango County  
Village of Bentleyville  
Village of Brewster  
Village of Chagrin Falls  
Village of Fairport Harbor  
Village of Gates Mills  
Village of Glenwillow  
Village of Mayfield  
Village of Moreland Hills  
Village of Newburgh Heights  
Village of North Perry  
Village of Northfield  
Village of Salineville  
Village of Sebring  
Village of Shawnee Hills  
Village of Sheffield  
Village of South Russell  
Village of Spencer  
Village of Timberlake  
Village of Walton Hills  
Village of Wellington  
Village of West Salem  
Wayne County Public Library  
West Licking Joint Fire District  
Western Reserve Port Authority  
Wickliffe Public Library  
Wood County District Public Library

## Higher Education

Ashland University  
Bowling Green State University  
Central Ohio Technical College  
Clark State Community College  
Columbus State Community College  
Cuyahoga Community College (Tri-C)  
Eastern Gateway Community College

Heidelberg College  
Hiram College  
John Carroll University  
Kent State University  
Lake Erie College  
Lorain County Community College  
Lourdes College

Mount Vernon Nazarene University  
Muskingum University  
Northwest State Community College  
Notre Dame College  
Ohio College of Podiatric Medicine  
Owens State Community College  
Rhodes State College

Southern State Community College  
Terra State Community College  
University of Mount Union  
Ursuline College  
Walsh University

## Association Partners

Council of Smaller Enterprises  
Ohio Foundation of Independent Colleges  
United Way of Greater Cleveland

Employers Resource Council  
Ohio Library Council  
United Way of Summit County

National NeighborWorks Association  
Ohio Schools Council

Ohio City NPOs  
Small Business Association of Michigan

## Not-for-Profit and Private Organizations

Directly and through our Association Partnerships, Sourcing Office's programs are utilized by thousands of not-for-profit and private organizations throughout the United States.



# Sourcing Office

Your Partner in Governmental Collaboration



## Sourcing Office

5422 East 96th Street, Suite 120  
Cleveland, OH 44125  
216.581.6200  
www.sourcingoffice.org



www.sourcingoffice.org



## About Sourcing Office

Sourcing Office is a Council of Governments organized under Section 167 of the Ohio Revised Code headquartered in Cleveland, Ohio. Sourcing Office creates and manages group purchasing programs for local governments, not-for-profit, and for-profit entities.

Sourcing Office develops programs to save participants time and money, which increases operational efficiency and ultimately benefits constituents and taxpayers. There are currently more than 200 participating public sector, not-for-profit, and for-profit entities in Northeast Ohio. Sourcing Office also serves more than 50,000 entities across the entire U.S. through affiliate memberships and associations.

Organizations can join Sourcing Office by simply completing an Affiliate Membership form. There are no fees, dues, or minimum requirements to join Sourcing Office.

Sourcing Office manages the sourcing and contracting process in accordance with applicable public sector guidelines to ensure that public sector participants are in full compliance with all public procurement laws. Affiliates have access to available Sourcing Office supplier contracts through this delegated procurement process, allowing each participant to receive better pricing, service levels, terms, and conditions than they can achieve individually.

## The Sourcing Office Advantage

- No dues, fees, or obligations to join Sourcing Office
- Publicly procured contracts in accordance with applicable public sector guidelines
- Local governments do not have to go out to public bid, saving them valuable time and money
- Programs and supplier relationships are managed by Sourcing Office



## What Sourcing Office Participants are Saying

- "Anything that we can do to bypass our own bid process is a good thing. I repeat, **anything.**" *Current customer, an elected official*
- "... the Lake County Board of DD is excited to participate in their office supply program. We are very proud of Lake County and will do whatever we can to save money to help our organization." *Diana Nichols, Procurement Director, Lake County Board of DD*
- "Sourcing Office and their programs are another valuable tool to have available." *Bob McCracken, Goshen Township Trustee Chairman*
- "Better solutions, lower costs, and collaborating with communities throughout Northeast Ohio through Sourcing Office. These are the type of common sense approaches to regionalism that I have promoted for years." *Mayor William Currin, City of Hudson*

All Sourcing Office programs are developed with being green and sustainable in mind.



## Sourcing Office Programs



### Office Supplies, Off-Site Printing, Furniture, Paper, & Technology Supplies and Services

- 295 apples-to-apples core list items beat the State of Ohio contract with Staples by at least 5%
- Online ordering with one vendor, one invoice, and free next day delivery, which includes online controls to prohibit unnecessary purchases
- Discounts on not only office supplies, but technology products, furniture, off-site printing

### Managed Print Services

- A comprehensive print management program proven to drive down operational costs
- No cost audit of current inventory and associated expenses
- High level security features to protect sensitive and legal information

### Janitorial, Sanitation, and Safety Supplies

- Full line of industrial and institutional chemical products
- Chemical Dilution Systems: ready-to-Use Products at Bulk Price, including service
- Drain and Sewer Maintenance, Water Treatment, and Floor Care Programs
- Over 30,000 quality products, including paper and safety supplies
- Innovative dispensing options to control costs and increase productivity
- Complete line of safety products

### Benefits, Payroll, and HR Services

- Combines an array of HR services ranging from employee benefits brokerage and consulting, benefits administration & payroll/HR technology saving you time and money
- Offers a Split Funding program that has saved participating clients on average 23% on their health care costs
- Empowers your staff by promoting tools that enhance productivity and self-sufficiency

### Managed Technology Cooperative: IT, Telecommunications

- An independent member advocate for technology solutions using a holistic approach.
- Cost reductions through cost savings, group buying power, network design, managed services, and facilitated collaboration.
- Enhanced internal productivity translates to business process optimization and increased quality of service.
- Managed IT services and objective guidance supports technology risk management and better decision-making.

### Electricity

- Unique pricing models for both small and large entities
- Free audit of your current bills to ascertain savings and eligibility
- No visit or mechanical changes necessary

### Renewable Energy

- Comprehensive audit and study of electric and gas bills to determine eligibility
- All zoning hearings, issues, and applicable regulations are handled
- Complete warranty and maintenance for the life of the relationship



## What is Sourcing Office's legal authority?\*

Sourcing Office is an Ohio-based Council of Governments organized under Section 167 of the Ohio Revised Code, which states in Section 167.01:

*That governing bodies of any two or more counties, municipal corporations, townships, special districts, school districts, or other political subdivisions may enter into an agreement with each other, or with the governing bodies of any counties, municipal corporations, townships, special districts, school districts **or other political subdivisions of any other state to the extent that laws of such other state permit**, for establishment of a regional council consisting of such political subdivisions.*

**Sourcing Office is a political subdivision** and a unit of local government under Ohio law. It is legally empowered to enter into agreements such as the Sourcing Office Affiliate Membership Agreement with political subdivisions in any state to the extent permitted by law in that other state. Section 167.03 of the Ohio Revised Code authorizes Sourcing Office to:

*Promote cooperative arrangements and coordinate action among its members, and between its members and other agencies of local or state governments, **whether or not within Ohio**, and the federal government;*

*Promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies;*

Through this legal authority, Sourcing Office competitively procures contracts for products and/or services in accordance with applicable public sector procurement guidelines. Sourcing Office then makes these already-procured contracts available to its members. **Local and state governmental agencies within and outside of Ohio and Sourcing Office members, including political subdivisions in other states, are eligible to utilize Sourcing Office's competitively procured contracts to the extent permitted by law in those other states.**

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## Are Ohio-based political subdivisions eligible to utilize Sourcing Office contracts?

The State of Ohio authorizes political subdivisions (as defined in Section 2744.01) to utilize joint purchasing programs in Ohio Revised Code Section 9.48, which includes the following language:

(B) **A political subdivision may** do any of the following:

(1) **Permit one or more other political subdivisions to participate in contracts into which it has entered for the acquisition of equipment, materials, supplies, or services**, and may charge such participating political subdivisions a reasonable fee to cover any additional costs incurred as a result of their participation;

(2) **Participate in a joint purchasing program operated by or through a national or state association of political subdivisions in which the purchasing political subdivision is eligible for membership.**

(C) Acquisition by a political subdivision of equipment, material, supplies, or services, through participation in a contract of another political subdivision or participation in an association program under division (B)(1) or (2) of this section, is **exempt from any competitive selection requirements otherwise required by law, if the contract in which it is participating was awarded pursuant to a publicly solicited request for a proposal or a competitive selection procedure of another political subdivision within this state or in another state.**

**Sourcing Office is a political subdivision and permits other political subdivisions and units of local government to participate in contracts into which it has entered as a result of its publicly solicited requests for proposal.**

Section 2744.01 of the Ohio Revised Code, which is referenced by Section 9.48, defines political subdivisions subject to Section 9.48 as: "**a municipal corporation, township, county, school district, or other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state.**" This Section 2744.01 continues to define political subdivisions to include, but not be limited to, the following types of public entities formed under specific sections of the Ohio Revised Code: county hospital commissions, municipal hospital commissions, regional planning commissions, county planning commissions, joint planning councils, interstate regional planning commissions, port authorities, regional councils of governments, emergency planning districts, joint emergency planning districts, joint emergency medical services districts, fire and ambulance districts, joint interstate emergency planning districts, county solid waste management districts, joint solid waste management districts, community schools, counties served by community-based correctional facilities, district community-based correctional facilities, and the facility governing board of a community-based correctional facility.

\*\* Please keep in mind that this information is a service provided to affiliates, members, and suppliers of Sourcing Office. It is designed only to give general information. This is not intended to be a comprehensive summary of recent developments in the law, treat exhaustively the subjects covered, provide legal advice, or render a legal opinion. Sourcing Office and its members are not attorneys and are not responsible for any legal advice. Sourcing Office encourages units of local government and other public agencies in Ohio to have appropriate legal counsel review the applicable articles in Ohio State Statutes to determine their eligibility to join Sourcing Office and utilize Sourcing Office competitively procured contracts. \*\*

## 1. The Problem/Situation

NEORSD faced a number of common challenges:

- End of life, 8-year old copier equipment
- Maintenance agreement expiring in 3 months
- Two years invested in analysis and research
- Consultant's analysis did not fully address NEORSD's unique requirements and could not be used as the basis of a bid document

In an extremely limited timeframe, NEORSD needed to design and procure a solution that:

- Did not require NEORSD to conduct its own bid
- Enabled the inclusion of desktop printers under the same service contract
- Allowed for additional devices to be added in the future
- Avoided up-front capital investment of \$500,000 by transitioning to ongoing operating expense model
- Provided high quality equipment with increased functionality
- Delivered budget certainty and fixed monthly costs with no escalators for the contract term
- Met the rigorous internal approval process
- Would stand up to any challenges of the contract award by competitors

## 3. The Net Results

NEORSD awarded the contract for comprehensive print management to ComDoc. Key benefits included:

- NEORSD did not have to conduct its own bid process, which would have required:
  - Developing a Request for Proposal (RFP)
  - Publishing the RFP
  - Scoring proposals
  - Interviewing suppliers
  - Allocating 6 to 9 months to complete process
  - Spending staff time and resources on all of the above
- 75 days from initial meeting to signed contract
- Customized solution with excellent pricing, high quality equipment, no up-front capital outlay, and budget certainty for five years
- NEORSD will be supported by a highly regarded and experienced project team to implement the solution and manage the relationship over the contract term.
- Use of the highly favorable ComDoc customer agreement negotiated by Sourcing Office for its participants
- NEORSD and Sourcing Office quickly and conclusively addressed a competitor's challenge of the contract award

## 2. The Sourcing Office/ComDoc Approach

Sourcing Office introduced its competitively bid, already-procured comprehensive print management program with ComDoc and:

- Conducted additional analysis to supplement consultant's report
- Developed a fixed cost solution that provided
  - High quality equipment customized to meet NEORSD's unique needs
  - Increased functionality and capabilities
  - The ability to add equipment and incorporate printers in the future
  - Budget certainty with no escalators
  - A PRINT *responsibly* printing environment whereby NEORSD will institute policies such as standard two-sided printing and defaulting to black print on color-capable devices. Additionally, all print and copy cartridges will be recycled.

With the existing maintenance agreement expiring in 60 days and the requirement that the contract award receive board approval within a 30-day window, Sourcing Office and ComDoc worked rapidly to:

- Prepare a proposal that met NEORSD's needs and was accepted by the procurement team
- Develop materials to present the proposal for board approval
- Attended the board meeting in a support capacity
- Helped NEORSD respond to and eliminate another supplier's challenge of the contract award by:
  - Providing extensive back-up information and validation of the procurement process
  - Being available by phone and in person to address unfounded challenge

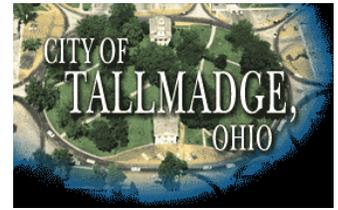
*"Sourcing Office and ComDoc worked tirelessly to create a solution that met all of our requirements. The timeframe was extremely tight. We simply could not have completed this project without them."*

*"It was one heck of a team effort, but we pulled it off."*

*"Thanks to the Sourcing Office and ComDoc teams for your patience and support during one of the most challenging contract awards I've ever been a part of."*

**Lisa Francisco**  
**Manager of Facility & Administrative Support**

## CASE STUDY:



[www.tallmadge-ohio.org](http://www.tallmadge-ohio.org)  
(330) 633-0857

*"I am happy to share with your company that not only did you meet our expectations, but in many ways you exceeded them! We will be significantly reducing our telecommunications costs and because of that, able to fund our new VoIP telephone system. Best of all, we will be securing very advanced communication capabilities, which will result in improved productivity and better service to our community."*

David G. Kline • Mayor

### Challenge

The City of Tallmadge wanted to enhance their voice and data communications capabilities, improve efficiency, enhance services to their community, and reduce telecommunications costs. The city had very out of date telecommunications infrastructure consisting of multiple types of end of life systems, numerous lines and circuits, limited communications capabilities and high costs. The city had, over 8 years, deployed a privately owned fiber network, but they were unable to effectively utilize this asset in meeting these objectives.

### HTEEx Approach

HTEEx conducted a comprehensive review and assessment of in-place conditions, equipment and LAN infrastructure, services, contracts, fiber and WAN network and costs. HTEEx conducted an assessment of advanced VoIP applications that would improve internal capabilities and services to the community. HTEEx conducted a cost savings analysis, across all services, leveraging the in-place fiber network and a new state-of-the-art telecommunications equipment infrastructure. HTEEx evaluated multiple new VOIP telecommunications systems and recommended the system that best suited the short and long term needs of both the city and the community from both a cost and functionality perspective.

### Results

HTEEx achieved 25% total cost savings which was able to totally fund the new telecommunications solution. The city was also able to avoid an emergency capital cost of \$46,000 to replace safety services equipment by embedding like functionality as an operating cost in the new solution.

### Strategic Benefits

- HTEEx created a long term cost/benefit and ROI analysis which indicated that, over the long term, the HTEEx generated cost savings will totally fund the new telecommunications solution with a net cost savings.
- HTEEx provided a new system/network implementation plan and serves in a project management capacity.
- HTEEx is now working with the city to leverage the new VoIP solution to provide better services within the City of Tallmadge.
- HTEEx is working with the city to establish unique collaborative ventures with the surrounding communities.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Member Value	\$105,800	\$65,600	\$74,400	\$83,200	\$ 92,200	\$421,200
Member Fees	(16,900)	(7,000)	(6,700)	(6,300)	(5,900)	(42,800)
Net Program Benefit	\$ 88,900	\$58,600	\$67,700	\$76,900	\$ 86,300	\$378,400

HTEEx Program Member Value vs. Member Costs



Initial Cost Savings 23.2%  
Payback in Months 6.2  
Five Yr. Internal Return 1,888%



[www.htexch.com](http://www.htexch.com)

## CASE STUDY:

*"HTEEx has definitely delivered to our city more than you projected at the start. Achieving telecommunications cost savings of 42% is truly impressive. However, we feel that the new VOIP system and network will provide even greater benefits for both our city and the Hudson community. The collaborative manner which you utilized to assess our city's needs was much appreciated. The fact that our new system is funded from the HTEEx generated costs savings is an added bonus."*

Tony Bales • City Manager



City of Hudson  
www.hudson.oh.us  
(330) 659-1799

### Challenge

The City of Hudson recognized that their current telecommunications system and periodic system failures were negatively impacting internal productivity and their ability to serve their constituents. The city desired a system that would enable collaboration with other communities. However, it had an out of date telecommunications capability and network infrastructure with numerous costly lines and circuits. Existing fiber was underutilized and could not be redeployed under the current system to be more efficient and cost effective. The city wanted to increase communication capabilities and constituent services at lower costs while improving quality.

### HTEEx Approach

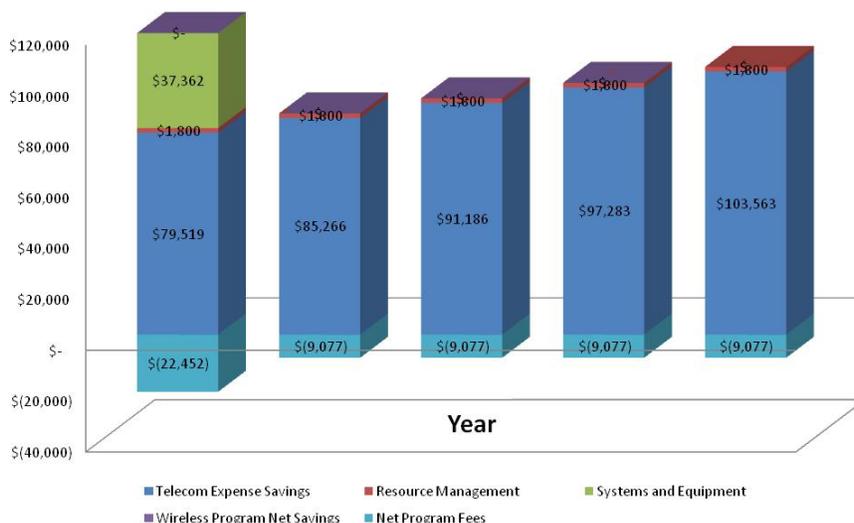
HTEEx conducted a comprehensive review and assessment of in-place telecommunications conditions, equipment and LAN infrastructure, services, contracts, fiber and WAN network and costs. HTEEx redesigned the telecommunications and network services leveraging the in-place fiber assets and new equipment. HTEEx conducted a communications applications needs assessment and development of the specification design in close collaboration with the City Manager and department heads. HTEEx proposed system and vendor options that would provide the city the most functional and cost effective value.

### Results

HTEEx achieved 42% total cost savings by implementing the design recommendations and utilizing an HTEEx vendor partner. The cost savings will fully fund the proposed new system solution and provide funding for additional investments.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Member Value	\$118,700	\$87,100	\$93,000	\$99,100	\$105,400	\$503,300
Member Fees	(22,500)	(9,100)	(9,100)	(9,100)	(9,100)	(58,900)
Net Program Benefit	\$ 96,200	\$78,000	\$83,900	\$90,000	\$ 96,300	\$444,400

HTEEx Program Member Value vs. Member Costs



### Strategic Benefits

- The new proposed VoIP system and network will provide the most efficient functional capabilities at the lowest cost while enabling the desired collaboration with other communities.
- The cost savings, both on-going and the contractual HTEEx partner discounts, enabled the new VoIP system to be deployed at substantial costs savings.
- The city has achieved the ability to increase internal productivity, provide enhanced services to the community and more effectively control on-going costs.
- HTEEx is partnering with the city to manage ongoing costs, evaluate new applications, and advance economic development.

Initial Cost Savings 41.5%  
Payback in Months 3.4  
Five Yr. Internal Return 2,052%



www.htexch.com



April 2, 2012

Donald Iannone  
Sourcing Office (Butler County)  
5422 East 96th Street, Suite 120  
Cleveland, Ohio 44125

RE: Application Cure Letter

Dear Donald Iannone:

The Ohio Department of Development (Development) has received and is currently reviewing your application for Round 1 of Local Government Innovation Fund program. During this review Development has determined that additional information is needed for your application. The identified item(s) requiring your attention are listed on the attached page(s). Please respond only to the issues raised. Failure to fully address all the identified items could lead to a competitive score reduction or ineligibility for Round 1 of the Local Government Innovation Fund program. **A written response from the applicant to this completeness review is due to Development no later than 5:00 p.m. on April 30, 2012.** Please send the response in a single email to [lgif@development.ohio.gov](mailto:lgif@development.ohio.gov) and include "Cure—Project Name" in the subject line.

While this cure letter represents the additional information needed for Development review, the Local Government Innovation Council continues to reserve the right to request additional information about your application.

Thank you once again for your participation in Local Government Innovation program. Please contact the Office of Redevelopment at [lgif@development.ohio.gov](mailto:lgif@development.ohio.gov) or 614-995-2292 if you have further questions regarding your application or the information requested in this letter.

Sincerely,

Thea J. Walsh, AICP  
Deputy Chief, Office of Redevelopment  
Ohio Department of Development

## Local Government Innovation Fund Completeness Review

**Applicant:** Sourcing Office (Butler County)  
**Project Name:** Integrated Development Budget: A Collaborative Project  
**Request Type:** Grant

### Issues for Response

#### 1. Budget

Please provide a line item budget that includes at minimum: 1) the sources of all funds being contributed to the project include **all** sources—cash, in-kind, etc.; 2) the uses of all funds (provide a line item for each use); 3) the total project costs (including the funding request **and** the local match. Please be sure that all uses of funds are eligible expenses as set forth in the program guidelines.

**Example:**

**Collaboration Village’s Project Budget**

**Sources of Funds**

LGIF Request	\$100,000
Match Contribution (10%)	\$ 11,111
Total	\$111,111

**Uses of Funds**

Consultant Fees for Study	\$111,111
Total	\$111,111

**Total Project Cost: \$111,111**

#### 2. Match

A minimum of 10% match is required for all projects. Matching funds must be 10% of the **total project cost** (not 10% of the funding request). Please document your 10% match and provide evidence of the contribution.

For **in-kind contributions**, please provide documentation as outlined in section 2.06 of the Local Government Innovation Fund program policies. Certification of in-kind contributions may only be made for past investments. Anticipated in-kind contributions must be certified **after** the contribution is made.

#### 3. Financial Documentation (Projections)

Please provide financial projections for your funding request. For grant requests, applicants must at minimum, estimate the anticipated savings they are expecting to realize as a result of the study. For loan projects, please provide projections for at least three years to help demonstrate the savings achieved and the repayment source for the loan.

#### 4. Self-Score Assessment

Please complete the interactive selection methodology available on the LGIF program website <http://www.development.ohio.gov/Urban/LGIF.htm> (select selection methodology) to score your project. Applicants do not need to complete the Council Preference or score validation sections when scoring their projects.

**5. Population Information and Documentation**

Please provide documentation supporting population information provided using the 2010 U.S. Census. To access census information, you may visit the following website <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

**6. Resolutions of Support**

Resolutions of support must be provided by the governing body of the main applicant and each collaborative partner. If the collaborative partner is a private entity with no governing body, a letter of support **for the project** is required.

**7. Partnership Agreements**

Partnership agreements must be signed by all parties listed as collaborative partners. Please provide a partnership agreement that at minimum: 1) lists all collaborative partners; 2) lists the nature of the partnership; and 3) is signed by all parties. Please note, partnership agreements must be specific to the project for which funding is requested.

April 30, 2012

Thea J. Walsh, AICP  
 Deputy Chief, Office of Redevelopment  
 Ohio Department of Development  
 77 South High Street  
 P.O. Box 1001  
 Columbus, Ohio 43216-1001

Re: Cure Letter for Butler County LGIF Application

Dear Thea:

This letter responds to the Cure Letter Request from your office regarding our LGIF grant application for Butler County. In summary, a \$100,000 LGIF grant is requested by Sourcing Office (a council of governments headquartered in Cleveland, Ohio) from the State of Ohio, which will be matched by \$50,000 in “future” in-kind contributions to assist Butler County Government and the Butler County Port Authority to develop an Integrated Development Budget (IDB) for Butler County, and then test the feasibility of the IDB as a strategy to reduce local government costs associated with sparking and assisting economic and community development in Butler County.

**I. Budget**

**Sources of Funds**

LGIF Request	\$100,000
Match Contribution:	\$ 50,000
Sourcing Office (Discounted Admin Fee):	
Normal Rate (30% x \$100,000) = \$30,000	
Discounted Rate (10% x \$100,000) = \$10,000	
In-Kind Contribution:	= \$20,000
Butler County Government and Port Authority	
(Staff time contribution)	= \$20,000
Four university subject matter experts	= <u>\$10,000</u>
(In-kind time by Russo, O’Brien, Hoornbeek, Carroll)	
In-Kind Match Contribution Total = \$50,000	
<b>Total Sources of Funds</b>	<b>\$150,000</b>

**Uses of Funds**

Sourcing Office staff (Iannone, Akers)	= \$30,000
University subject matter experts	= \$50,000
(\$12,500 x 4 SMEs)	
Travel, Communications, and Copies	= \$10,000
Sourcing Office Admin Fee	= \$10,000
In-Kind Contributed Time & Admin Fee	= <u>\$50,000</u>
<b>Total</b>	<b>\$150,000</b>

## II. Match Explanation and Documentation

The match for this application is a *future in-kind contribution of staff time and discounted administrative fees*. All collaborating partners certify this match will be provided as described in I. Budget above. The Sourcing Office Board of Directors has passed a resolution honoring this commitment. The Butler County Commissioners and Butler County Port Authority have passed resolutions honoring their commitments. Each university subject matter expert has provided a letter confirming their in-kind commitment. Documentation will be provided to the State of Ohio regarding the future in-kind contributions to this project.

## III. Financial Documentation (Projections)

The objective of this project is to develop a collaborative budgeting tool that can reduce local government costs of assisting and stimulating economic and community development in Butler County communities. The Integrated Development Budget (IDB), which is described in detail in our original application, is a potentially effective tool that can help local governments reduce the cost of their direct and indirect expenditures for economic and community development in Butler County.

The IDB could be used in two important ways in Butler County: 1) reduce the cost of appropriated governmental investments and foregone tax revenue investments (such tax abatements and credits) in economic and community projects by improving the coordination of these investments among Butler County Government, municipal or township governments, and the State of Ohio (where the State agrees to participate in economic and community development project funding); and 2) reducing the excess cost of government services (such as infrastructure and utilities) to support economic development in Butler County by encouraging development to occur more efficiently and avoid sprawl where possible.

Precise cost savings from this project cannot be estimated at this time since historical data related to the use of an Integrated Development Budget (IDB) in Butler County is not available. The IDB has not been used in Butler County in the past. In addition, County Government, the Port Authority, and other governmental entities in the County have not kept comprehensive records of development expenditures (costs) and how these numbers compare to the financial and economic benefits produced by these expenditures. We have provided best available *insights* about the costs and benefits associated with this project. Hopefully these insights will suffice in responding to your request for financial documentation related to this project.

According to Greg LeRoy, the executive director of Good Jobs First, a national policy resource center for public officials, which promotes corporate and government accountability in economic development and smart growth, the IDB approach could produce cost savings on economic development incentive projects alone of 15-20%, if local governments did a better job of understanding how their public investments can more efficiently produce economic development project benefits (such as jobs, payroll, and tax revenues). Good Jobs First has conducted research on the IDB and advocates its use as a strategy to increase efficiency and accountability for government investments in economic development. According to LeRoy, the District of Columbia instituted the IDB approach four years ago, and since its implementation the District has greatly improved its accounting for development-related expenditures and reduced its investment costs in economic development projects (Interview with Greg LeRoy on February 27, 2012.) Actual cost savings data is not available at this time however.

The Ohio-Kentucky-Indiana (OKI) Regional Council of Government, which serves Butler County, has a fiscal impact model called the *Fiscal Impact Analysis Model (FIAM)*. According to Travis Miller at OKI, the *FIAM* could help pinpoint the fiscal costs and benefits of the 5 case studies to be examined in the Butler County LGIF project. Our team just discovered this model, and it plans to use it in its analysis. Miller has reviewed the Butler County LGIF application and he sees the IDB as a promising vehicle to produce future cost savings related to local government development-related expenditures in Butler County (Interview on April 25, 2012).

Next our team would like to provide some recent economic development results data for Butler County. A comprehensive analysis of development activities in Butler County does not exist, but insights have been provided by David Fehr, Butler County development director.

### *Business Expansion*

In 2011, 31 companies (non-retail) located to or expanded in Butler County. These projects created 821 documented new non-retail jobs. Note: Not all businesses report job numbers, but Fehr and other local officials believe that the real number of jobs created could be higher.

There was \$360 million of new business investment in Butler County in 2011. The largest single investment was Air Products and Chemicals, Inc. in Middletown, OH with a \$315 million expansion.

The City of Monroe added Schwan Food Manufacturing. The company added 65 jobs, and the investment by the company was \$22 million.

West Chester Township, a rapidly growing community in Butler County, had 25 companies locate or expand within its borders.

### *Housing*

In 2011, Butler County added 229 new single homes, with most construction occurring in Liberty and West Chester Township, which are growing communities.

### *Government Investment*

Butler County was able to obtain nearly \$1.9 million in Federal Stimulus money toward energy efficiency building projects, which will boost local construction and manufacturing companies.

In addition, Butler County, in partnership with the Hamilton Community Foundation and the Ohio Department of Natural Resources, was able to obtain a \$500,000 Clean Ohio Fund Grant to construct an additional 2 miles of the Great Miami River Recreation Trail from Hamilton to Fairfield Township.

### *Employment*

Butler County unemployment rate in March 2012 was 7.9 percent rate, which is better than the national rate of 8.4 percent. Several communities with the County are showing stronger signs of growth, which indicates the IDB could be a timely and beneficial tool for the local government officials in the County.

### *Cost of Community Services*

Butler County had a detailed analysis performed on the “cost” to the community of different types of development by the American Farmland Trust in 2004. In summary, for every \$1.00 collected in revenue from residential development, it costs the community \$1.12 to provide the necessary services. For every \$1.00 collected from commercial/industrial land, it only cost \$.45 to provide services. For every \$1.00 collected from Farmland and Open Space, it costs the community \$.49 to provide services. These are the best available estimates of development costs in Butler County.

Butler County, like most other Ohio counties, does not have a good factual understanding of the short and longer term costs and benefits of economic and community development projects. The IDB could help fill this knowledge gap in the future.

### *Expert Views on Public Sector Development Costs*

Because of the absence of hard numbers on the cost savings of this project, our team conducted some interviews with various experts, including the four subject matter experts (SMEs) proposed to work on this project. These experts concur with cost of service numbers from the 2004 study. They believe: 1) community service costs for residential development have always been higher in the past and will be in the future; and 2) the results of the IDB project will provide an improved basis for estimating actual costs and benefits of various types of development in Butler County in the future.

The County Commissioners Association of Ohio (CCAO) has signed on as a supporter of this project because of the potential value of the IDB in saving Ohio counties money in assisting economic and community development.

Interviews with Colin Laird of the Center for Healthy Communities in Colorado (April 26, 2012) and Robert Lynch an economist at Washington College (Maryland) (April 27, 2012) confirm that the IDB approach will be a valuable tool in documenting and reducing development costs in Butler County. Laird is the author of the *Colorado Smart Growth Scoreboard*, and Robert Lynch is the author of *Rethinking Growth Strategies*, a report on how local and state taxes and services affect economic development. Lynch estimates that Butler County could at least reduce its “direct” cost of supporting development by 5-10 percent in the first 3 years through the IDB approach by focusing future local government investments on higher return on investment (ROI) development projects, especially manufacturing, financial and professional services, and technology businesses. Laird and Lynch believe that residential development will always produce higher costs than revenues, but these costs could be lowered if greater attention was given to in-fill development, and if residential development was concentrated in currently developed areas, and not allowed to sprawl in the future.

### *Looking Ahead*

According to David Fehr, Butler County economic development officials are actively pursuing 42 “leads,” which are companies that within the last year have inquired about moving to Butler County. These companies could potentially bring more than 3,600 jobs to the County in the future. With improvement in the general economy, the likely of some of these projects moving forward in Butler County is much greater.

Butler County officials and the Butler County Transportation Improvement District are working on plans to expand State Route 63 to the west, and they have identified the project as the Pioneer Parkway.

The roadway improvements to I-75 at Liberty Way are completed and put Butler County in a good position for growth as the economy improves and expands.

The Steiner Company continues to work with County and Liberty Township officials on their multi-million dollar mixed use project located at I-75 and State Route 129, which will be known as Liberty Town Centre.

#### **IV. Self-Score Assessment**

This was provided in our initial application. An additional copy of this assessment is attached to this letter as Attachment 1.

#### **V. Population Information and Documentation**

The 2010 population information for Butler County, Ohio is provided in Attachment 2 to this letter. Since 1970, Butler County's total population has increased by 62.7%, growing from 226,207 in 1970 to 368,130 in 2010. Since 2000, the County's population increased by 10.6%.

#### **VI. Resolutions of Support**

Three primary collaborative partners will be involved in this project. These are: the Butler County Commissioners and County Government; the Butler County Port Authority; and Sourcing Office. The governing bodies of all three primary collaborative partners have passed resolutions in support of this application. These are found in Attachment 3 to this letter.

Several secondary collaborative partners will participate in and contribute to this project. These include: the Cities of Hamilton, Middletown, and Trenton, West Chester Township, and the Greater Hamilton Chamber of Commerce. Letters of support for this project have been received from each of these five Butler County entities. These are included in our original application, but are included here as Attachment 4. In addition, four subject matter experts from four Ohio universities will be secondary partners. Letters of support have been provided by each of these universities. Copies of these letters are also included in Attachment 4 to this letter.

#### **VII. Partnership Agreement**

The three primary collaborative partners have provided signed resolutions committing themselves to this project, its objectives and deliverables. These resolutions, coupled with the original project application, constitute the partnership agreement for this project. Please consider the signed resolutions and our original application as evidence that these entities are fully committed to working together to these the goals and objectives identified in the Butler County LGIF application.

The primary collaborative partners for this project are:

- Butler County Government
- Butler County Port Authority
- Sourcing Office

The nature of the partnership agreement among these primary partners is to work together to achieve three major objectives:

- Develop a model integrated development budget (IDB) for Butler County.
- Test the feasibility of the IDB from an implementation standpoint.
- Communicate the results of the project to other local governments in Ohio.

These partners are fully committed to producing the following deliverables as evidence of achievement of these three objectives:

The five deliverables for the project are:

- A model IDB and a guiding plan for implementing the IDB in Butler County.
- A final report documenting the process and major learning from the project.
- Two interim and one final project presentations to local and state officials.
- Two public information-sharing meetings about the project results with the State of Ohio and the County Commissioners Association of Ohio (CCAO) and its members and a broader public meeting in Columbus with public sector officials from across the state.
- An executive style article for publication in various state and local government newsletters and reports and posting on State of Ohio and other public sector websites.

We appreciate this opportunity to provide additional information in support of our LGIF application for Butler County, Ohio.

Please contact me directly if I can answer any questions regarding this letter or provide additional information required.

Thank you.

Sincerely,

*Donald T. Iannone*

Donald T. Iannone  
Executive Director

4 Attachments:

1. Self-score assessment
2. 2010 population documentation
3. Primary partner resolutions (3)
4. Secondary partner resolutions (8)



## State &amp; County QuickFacts

**Butler County, Ohio**

<b>People QuickFacts</b>	<b>Butler County</b>	<b>Ohio</b>
Population, 2011 estimate	NA	11,544,951
Population, 2010	368,130	11,536,504
Population, percent change, 2000 to 2010	10.6%	1.6%
Population, 2000	332,807	11,353,140
Persons under 5 years, percent, 2010	6.8%	6.2%
Persons under 18 years, percent, 2010	25.2%	23.7%
Persons 65 years and over, percent, 2010	11.5%	14.1%
Female persons, percent, 2010	51.1%	51.2%
White persons, percent, 2010 (a)	86.0%	82.7%
Black persons, percent, 2010 (a)	7.3%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.2%	0.2%
Asian persons, percent, 2010 (a)	2.4%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	Z
Persons reporting two or more races, percent, 2010	2.1%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	4.0%	3.1%
White persons not Hispanic, percent, 2010	84.3%	81.1%
Living in same house 1 year & over, 2006-2010	82.8%	85.0%
Foreign born persons, percent, 2006-2010	4.9%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	6.5%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	86.8%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	25.9%	24.1%
Veterans, 2006-2010	26,540	936,383
Mean travel time to work (minutes), workers age 16+, 2006-2010	23.1	22.7
Housing units, 2010	148,273	5,127,508
Homeownership rate, 2006-2010	70.9%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	21.9%	23.0%
Median value of owner-occupied housing units, 2006-2010	\$160,600	\$136,400
Households, 2006-2010	134,287	4,552,270
Persons per household, 2006-2010	2.60	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	\$25,892	\$25,113
Median household income 2006-2010	\$54,788	\$47,358

Persons below poverty level, percent, 2006-2010	12.8%	14.2%
<b>Business QuickFacts</b>	<b>Butler County</b>	<b>Ohio</b>
Private nonfarm establishments, 2009	7,019	256,551 <sup>1</sup>
Private nonfarm employment, 2009	129,208	4,460,553 <sup>1</sup>
Private nonfarm employment, percent change 2000-2009	12.9%	-10.8% <sup>1</sup>
Nonemployer establishments, 2009	20,047	697,000
-----		
Total number of firms, 2007	26,226	897,939
Black-owned firms, percent, 2007	3.3%	5.8%
American Indian- and Alaska Native-owned firms, percent, 2007	0.3%	0.3%
Asian-owned firms, percent, 2007	2.6%	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	1.4%	1.1%
Women-owned firms, percent, 2007	28.1%	27.7%
-----		
Manufacturers shipments, 2007 (\$1000)	11,362,034	295,890,890
Merchant wholesaler sales, 2007 (\$1000)	7,336,978	135,575,279
Retail sales, 2007 (\$1000)	4,876,153	138,816,008
Retail sales per capita, 2007	\$13,616	\$12,049
Accommodation and food services sales, 2007 (\$1000)	531,073	17,779,905
Building permits, 2010	462	13,710
Federal spending, 2009	2,022,013	105,173,413 <sup>1</sup>
<b>Geography QuickFacts</b>	<b>Butler County</b>	<b>Ohio</b>
Land area in square miles, 2010	467.06	40,860.69
Persons per square mile, 2010	788.2	282.3
FIPS Code	017	39
Metropolitan or Micropolitan Statistical Area	Cincinnati-Middletown, OH-KY-IN Metro Area	

1: Includes data not distributed by county.

Population estimates for counties will be available in April, 2012 and for cities in June, 2012.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

NA: Not available

S: Suppressed; does not meet publication standards

X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report

Last Revised: Tuesday, 31-Jan-2012 16:55:45 EST



# Cleveland State University

Maxine Goodman Levin College of Urban Affairs  
*Great Lakes Environmental Finance Center*

Ms. Christiane Schmenk  
Director, Ohio Department of Development  
77 South High Street, P.O. Box 1001  
Columbus, Ohio 43216-1001

Dear Ms. Schmenk:

The Great Lakes Environmental Finance Center at Cleveland State University is pleased to collaborate with the Sourcing Office, et.al. on the Butler County LGIF project. My role will be as a subject matter expert (SME) on the project, identifying the public finance related analysis on the proposed integrated development budget (IDB) for Butler County. Addition definition will be provided at a future date.

If you have any questions, please feel free to call or e-mail me at (216)687-2188 or [k.e.obrien@csuohio.edu](mailto:k.e.obrien@csuohio.edu).

Sincerely,

Kevin E. O'Brien





April 11, 2012

Ms. Christiane Schmenk  
Director, Ohio Department of Development  
77 South High Street, P.O. Box 1001  
Columbus, Ohio 43216-1001

Dear Ms. Schmenk:

I am writing to confirm our interest and commitment to working as a partner on the proposed Butler County Local Government Innovation Fund (LGIF) project.

Dr. John Hoornbeek, Associate Professor and Director of the Center for Public Administration at Kent State University (KSU), would serve as a subject matter expert on the project. In this capacity, he would assist the Sourcing Office and other partners on matters associated local government collaboration, an area that Dr. Hoornbeek and others on the KSU Center staff have researched in some depth. We look forward to working with our partners and with Butler County on strategies to integrate budgeting processes in Butler County. If the project is funded, we also look forward to working with our partners to define ways in which we can contribute in more specific terms.

Thank you for your time, attention, and consideration.

Sincerely,

A handwritten signature in black ink that reads "John Hoornbeek".

John Hoornbeek, PhD  
Center Director and Associate Professor  
Kent State University  
330-672-7148 (office)  
330-931-8979 (cell)



April 12, 2012

Ms. Christiane Schmenk  
Director, Ohio Department of Development  
77 South High Street, P.O. Box 1001  
Columbus, Ohio 43216-1001

Dear Ms. Schmenk:

The Center for Public Management and Regional Affairs is committed to working as a partner on the Butler County LGIF project. Dr. Philip A. Russo, Jr., the Center Director, would serve as a subject matter expert (SME) on the project. His role would be to provide local government management analysis and collaboration recommendations related to the economic impact of Butler County's current budgetary policies and strategy and a proposed integrated development budget (IDB) for Butler County.

If the Butler County LGIF project is funded by the State of Ohio, Dr. Russo's (and his staff) roles will be defined in more specific terms.

Thank you.

Best Regards,



Philip A. Russo, Jr, Ph.D.  
Professor, Political Science  
Director, Center for Public Management and Regional Affairs  
Miami University  
Oxford, OH 45056

cc: Don Iannone, Executive Director, Sourcing Office

**Resolution No. 12-04-02451****Resolved By the Board of County Commissioners of Butler County, Ohio, That**

WHEREAS, the Butler County Port Authority desires to have the support from the Butler County Commissioners for the Local Government Innovation Fund Grant application; and

WHEREAS, the Butler County Commissioners supports the Butler County Local Government Innovation Fund (LGIF) grant application to the State of Ohio by Sourcing Office (a council of governments in Cleveland, Ohio dedicated to strengthening local governments in Ohio through group purchasing, shared services, and public sector capacity building services) to study the feasibility of the Integrated Development Budget (IDB) approach in Butler County, Ohio as a strategy to: a) improve the efficiency and effectiveness of development-related expenditures by Butler County Government and its communities to foster economic and community development in Butler County; and b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, community, and regional development goals; and

WHEREAS, the Butler County Commissioners pledges its participation in this LGIF grant application by: a) its willingness to be involved in meetings about the project; b) providing information about economic development and municipal budgets to the Sourcing Office team; and c) if found to be feasible, consider ways in which the County could possibly implement the LGIF grant results both locally and regionally; and

WHEREAS, the Butler County Port Authority has approved participation in the providing grant administration and management at the February 21<sup>st</sup> Butler County Port Authority Regular Meeting.

NOW, THEREFORE, BE IT RESOLVED that the Butler County Commissioners supports the Butler County Local Government Innovation Fund (LGIF) grant application and pledges to participate in the LGIF grant application.

## Resolution No. 12-04-02451

Requestor : Flora Butler  
Request Date: April 16, 2012

Commissioner Carpenter moved for the adoption of the foregoing resolution.  
Commissioner Dixon seconded the motion and upon call of the roll  
the vote resulted as follows:

Commissioner Dixon	Yea
Commissioner Carpenter	Yea
Commissioner Furmon	Absent

Adopted: April 16, 2012

Attest: Flora K. Butler, clerk



# BUTLER COUNTY, OHIO BOARD OF COMMISSIONERS

## Commissioners

Charles R. Furmon  
Donald L. Dixon  
Cindy Carpenter

February 22, 2012

Christine Schmenk  
Director, Ohio Dept. of Development  
Chairperson, Ohio Local Government Innovation Council  
77 South High Street, P.O. Box 1001  
Columbus, Ohio 43216-1001

Dear Ms. Schmenck:

The Butler County Commissioners Office supports the Local Government Innovation Fund (LGIF) grant application to the State of Ohio by Sourcing Office (a council of governments in Cleveland, Ohio dedicated to strengthening local governments in Ohio through group purchasing, shared services and public sector capacity building services) to study the feasibility of the Integrated Development Budget (IDB) approach in Butler County, Ohio as a strategy to:

- a) improve the efficiency and effectiveness of development-related expenditures by Butler County Government, the Butler County Port Authority, and selected Butler County cities to foster economic and community development in Butler County; and
- b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, community and regional development goals.

The Butler County Commissioners (Port Authority) pledge their support to participate in this LGIF grant application by:

- a) their willingness to be involved in the review and decision-making process about the project outcomes;
- b) committing the involvement of its County Administrator, the Budget Director, and identified Department and Agency personnel in providing information and helping the Sourcing Office undertake this project;
- c) assist in communicating the results of the IDB study to other Ohio counties and communities; and
- d) if found to be feasible, consider ways in which Butler County Government could implement the LGIF grant results.

The Butler County Port Authority approved the Integrated Development Budget (IDB) grant proposal at the Butler County Authority Board Meeting on February 12, 2012.

As Interim Butler County Administrator and Executive Director of the Butler County Port Authority, I will work to implement the grant work plan and schedule while participating with subject matter experts and collaborating partners.

Sincerely,

A handwritten signature in cursive script that reads "Mike Campbell". The signature is written in black ink and is positioned above the printed name.

Mike Campbell  
Interim County Administrator

BUTLER  
COUNTY

PORT  AUTHORITY

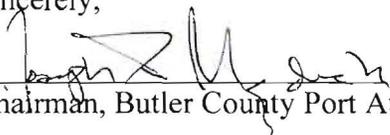
Christine Schmenk  
Director, Ohio Department of Development  
Chairperson, Ohio Local Government Innovation Council  
77 South High Street, P.O. Box 1001  
Columbus, Ohio 43216-1001

Dear Ms. Schmenk:

This letter will confirm that at its regularly scheduled meeting on February 21, 2012, the Board of Directors (the "Board") of the Butler County Port Authority (the "Port Authority") approved that the Port Authority prepare and submit an application to the State of Ohio for a Local Government Innovation Fund grant.

The grant will be to study the feasibility of the Integrated Development Budget approach in Butler County, Ohio (the "County") as a strategy to: (a) improve the efficiency and effectiveness of development related expenditures by the County government, the Port Authority and selected cities in the County to foster economic and community development in the County; and (b) provide a more collaborative and strategic approach to using public funds in the County to achieve countywide, community and regional development goals.

Sincerely,

  
Chairman, Butler County Port Authority

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February 24, 2012

Butler County Port Authority  
Robert M. Campbell, Executive Director  
315 High Street, 6th Floor  
Hamilton, OH 45011

RE: LETTER OF SUPPORT BY THE CITY OF MIDDLETOWN FOR THE BUTLER COUNTY LOCAL GOVERNMENT INNOVATION FUND GRANT APPLICATION TO THE STATE OF OHIO

Dear Mike:

The City of Middletown supports the Butler County Local Government Innovation Fund (LGIF) grant application to the State of Ohio Sourcing Office. We have developed several innovative public/private partnerships that are very effective, and in this regard we understand that a creative approach to shared services will help governments thrive.

We support the feasibility study to evaluate the Integrated Development Budget (IDB) approach for Butler County, Ohio as a strategy to: a) improve the efficiency and effectiveness of development-related expenditures by Butler County Government and its communities to foster economic and community development in Butler County; and b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, community, and regional development goals.

The City of Middletown enjoys a collaborative relationship with Butler County and hereby pledges its participation in this LGIF grant application by: a) its willingness to be involved in meetings about the project; b) providing information about economic development and municipal budgets to the Sourcing Office team; and c) if found to be feasible, consider ways in which the City of Middletown could possibly implement the LGIF grant results at the city level.

I can be reached at (513) 425-7847 should you have questions or comments.

Sincerely,

Denise Hamet  
Acting Economic Development Director



Founded 1791

**Office of the City Manager**

City of Hamilton, Ohio  
One Renaissance Center  
345 High Street, 7th Floor  
Hamilton, Ohio 45011  
Telephone 513 785-7002  
FAX 513 785-7010  
www.hamilton-city.org

**To:** The State of Ohio  
**From:** Joshua A. Smith, City Manager   
**Date:** February 23, 2012  
**Re:** Butler County Local Government Innovation Fund Grant Application

\* \* \* \* \*

The City of Hamilton supports the Butler County Local Government Innovation Fund (LGIF) grant application to the State of Ohio by Sourcing Office (a council of governments in Cleveland, Ohio dedicated to strengthening local governments in Ohio through group purchasing, shared services, and public sector capacity building services) to study the feasibility of the Integrated Development Budget (IDB) approach in Butler County, Ohio as a strategy to: a) improve the efficiency and effectiveness of development-related expenditures by Butler County Government and its communities to foster economic and community development in Butler County; and b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, community, and regional development goals.

The City of Hamilton pledges its participation in this LGIF grant application by: a) its willingness to be involved in meetings about the project; b) providing information about economic development and municipal budgets to the Sourcing Office team; and c) if found to be feasible, consider ways in which the City of Hamilton could possibly implement the LGIF grant results at the city level.



February 21, 2012

RE: LETTER OF SUPPORT FROM THE CITY OF TRENTON FOR THE BUTLER COUNTY LOCAL GOVERNMENT INNOVATION FUND GRANT APPLICATION TO THE STATE OF OHIO

To Whom It May Concern:

The City of Trenton, Butler County, Ohio, supports the Butler County Local Government Innovation Fund (LGIF) grant application to the State of Ohio by Sourcing Office (a council of governments in Cleveland, Ohio dedicated to strengthening local governments in Ohio through group purchasing, shared services, and public sector capacity building services) to study the feasibility of the Integrated Development Budget (IDB) approach in Butler County as a strategy to: a) improve the efficiency and effectiveness of development-related expenditures by Butler County Government and its communities to foster economic and community development in Butler County; and b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, community, and regional development goals.

The City of Trenton pledges its participation in this LGIF grant application by: a) its willingness to be involved in meetings about the project; b) providing information about economic development and municipal budgets to the Sourcing Office team; and c) if found to be feasible, considering ways in which the City of Trenton could possibly implement the LGIF grant results at the city level.

Sincerely,

James A. Foster  
Economic Development Director



Greater Hamilton Chamber of Commerce  
201 Dayton Street  
Hamilton, OH 45011  
513-844-1500  
513-844-1999 Fax  
www.hamilton-ohio.com

*A Payback Today....A Partner Forever*

**Date:** 2-23-2012

**To:** Mike Campbell- Executive Director, Butler County Port Authority  
**Re:** LETTER OF SUPPORT BY THE GREATER HAMILTON CHAMBER OF COMMERCE FOR THE BUTLER COUNTY LOCAL GOVERNMENT INNOVATION FUND GRANT APPLICATION TO THE STATE OF OHIO

Dear Mr. Campbell,

The Greater Hamilton Chamber of Commerce (GHCC) supports the Butler County Local Government Innovation Fund (LGIF) grant application to the State of Ohio by Sourcing Office (a council of governments in Cleveland, Ohio dedicated to strengthening local governments in Ohio through group purchasing, shared services, and public sector capacity building services) to study the feasibility of the Integrated Development Budget (IDB) approach in Butler County, Ohio as a strategy to: a) improve the efficiency and effectiveness of development-related expenditures by Butler County Government and its communities to foster economic and community development in Butler County; and b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, township, community, and regional development goals.

The GHCC has a strong interest in supporting local government efficiency by increasing economic development capacity throughout Butler County and in the Hamilton area.

Sincerely,

Kenny Craig  
President/CEO



**County  
Commissioners  
Association of Ohio**

*Serving Ohio Counties Since 1880*

Larry L. Long, Executive Director

209 East State Street • Columbus, Ohio 43215-4309  
Phone: 614-221-5627 • Fax: 614-221-6986  
Toll Free: 888-757-1904 • www.ccao.org

February 29, 2012

Christiane Schmenk  
Director, Ohio Department of Development  
Chair, Ohio Local Government Innovation Council  
77 South High Street  
P.O. Box 1001  
Columbus, Ohio 43216-1001

Dear Ms. Schmenk:

At the request of Butler County, the County Commissioners Association of Ohio (CCAO) is providing this letter expressing our interest in the Butler County Local Government Innovation Fund (LGIF) application to develop an Integrated Development Budget (IDB) led by Sourcing Office and involving a number of individuals from our state universities. The concept of an Integrated Development Budget is an innovative idea and can serve as model in the future as a development planning and financing tool.

The project, if funded by the State of Ohio, would provide an opportunity to test the feasibility of using the Integrated Development Budget (IDB) as a tool to increase countywide financial accountability and economic and community development efficiency and effectiveness in Butler County. CCAO believes the IDB concept, if approached and implemented properly, could be a beneficial new tool for Butler County and other Ohio counties.

As a project participant and partner, CCAO's role would be to host 2-3 briefings in Columbus about the project for CCAO member counties to learn about the project and how its results could be applied to other counties grappling with how to effectively budget for and promote development in their counties. CCAO has also agreed to serve as a member of the project review team to ensure that a high quality end product is delivered to Butler County and the approach is relevant to other counties in the state.

CCAO supports the goals of the Ohio Local Government Innovation Fund. One of the tools our members need is innovative approaches to foster economic and community development in the future. The IDB tool is viewed as valuable new approach here in Ohio that should be tested to see how it may help not only Butler County, but other counties in Ohio.

Please feel free to contact me if I can provide additional information on our interest in this project and its approach.

Sincerely yours,

Larry Long  
Executive Director

cc: Donald Iannone, Executive Director, Sourcing Office



County Risk  
Sharing Authority

Fax: 614-220-0209  
www.corsa.org



County Employee Benefits  
Consortium of Ohio  
Counties Uniting for Affordable Health Benefits  
www.cebco.org



County Commissioners  
Association of Ohio  
Service Corporation

Fax: 614-221-6986  
www.ccao.org



**COMMUNITY DEVELOPMENT DEPARTMENT**

WEST CHESTER TOWNSHIP, BUTLER COUNTY, OHIO

MICHAEL F. JUENGLING, DIRECTOR

February 28, 2012

Mr. Robert M. Campbell  
Executive Director  
Butler County Port Authority  
315 High Street, 6<sup>th</sup> Floor  
Hamilton, Ohio 45011

Re: LETTER OF SUPPORT BY WEST CHESTER TOWNSHIP COMMUNITY DEVELOPMENT DEPARTMENT FOR THE BUTLER COUNTY LOCAL GOVERNMENT INNOVATION FUND GRANT APPLICATION TO THE STATE OF OHIO

Dear Mr. Campbell:

The West Chester Township Community Development Department supports the Butler County Local Government Innovation Fund (LGIF) grant application to the State of Ohio by Sourcing Office (a council of governments in Cleveland, Ohio dedicated to strengthening local governments in Ohio through group purchasing, shared services, and public sector capacity building services) to study the feasibility of a Integrated Development Budget (IDB) approach in Butler County, Ohio as a strategy to: a) improve the efficiency and effectiveness of development-related expenditures by the Butler County Government and its communities to foster economic and community development in Butler County; and b) provide a more collaborative and strategic approach to using public funds in Butler County to achieve countywide, township, community, and regional development goals.

The West Chester Township Community Development Department agrees to participate in this LGIF grant application by: a) taking part in meetings about the project; b) providing information about the economic development process to the Sourcing Office team; and c) if found to be feasible, consider ways in which West Chester Township might implement the LGIF grant results.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael F. Juengling".

Michael F. Juengling  
Director

January 27, 2012

**RESOLUTION NUMBER 2012.1.1**

**AUTHORIZING SOURCING OFFICE BOARD OF DIRECTORS TO GRANT ITS EXECUTIVE DIRECTOR THE AUTHORITY TO PROCEED WITH THE SUBMISSION OF AN APPLICATION TO THE STATE OF OHIO'S LOCAL GOVERNMENT INNOVATION FUND AS PROVIDED HEREIN.**

**WHEREAS**, Sourcing Office ("SOURCING OFFICE"), a Council of Governments under Chapter 167 of the Ohio Revised Code (ORC) and 501(c)(3) not-for-profit organization, desires to comply with all applicable laws, rules and regulations set forth by the ORC and Ohio Sunshine laws.

**WHEREAS**, SOURCING OFFICE serves public sector entities (local governments, educational institutions, and nonprofit organizations) in Northeast Ohio and other Ohio regions with group purchasing, shared services, and public sector capacity building services.

**WHEREAS**, It is the mission of SOURCING OFFICE to assist public sector entities to save money and time and innovate with collaborative solutions to problems and opportunities.

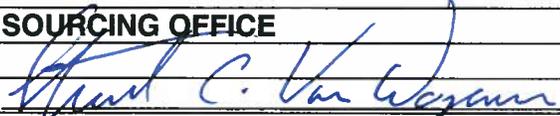
**WHEREAS**, SOURCING OFFICE and Butler County Government wish to apply for a Local Government Innovation Fund (LGIF) grant in the amount of \$100,000.00 from the State of Ohio for the purposes of assisting Butler County Government, the Butler County Port Authority, and possibly some cities and other political jurisdictions in Butler County, Ohio.

**WHEREAS**, The intent of the integrated development budget is to identify development-related expenditures within various administrative departments, draw these resources together into a shared budget, and invest the pooled resources with the rationale of increasing the impact of these financial resources through collaborative and coordinated investment.

**WHEREAS**, This assistance will focus on working with these entities through a feasibility study to develop and evaluate a model integrated development budget, which would prepare these entities to jointly invest their budget resources to increase their collective impact on economic and community development in Butler County.

**WHEREAS**, It is anticipated that once developed in Butler County, this model would be made available by SOURCING OFFICE and the State of Ohio to other local governments in Ohio.

**BE IT RESOLVED**, the SOURCING OFFICE Board of Directors authorizes its Executive Director to proceed with the submission of such application to the State of Ohio's Local Government Innovation Fund, to enter into partnership agreements with Butler County Government, the Butler County Port Authority, and other participating entities, and by way of this resolution states its commitment to this project, if funded by the State of Ohio, effective upon majority affirmative vote of this Resolution Number 2012.1.1

<b>SOURCING OFFICE</b>	Attest:
	
Stuart Chase Van Wagenen, President	Don Iannone, Secretary

Date Adopted: January 27, 2012

# Local Government Innovation Fund Program

*Application Score* £ £

<b>Lead Applicant</b>	
<b>Project Name</b>	

	<b>Grant Application</b>
--	--------------------------

**or**

	<b>Loan Application</b>
--	-------------------------

The Local Government Innovation Fund Council  
77 South High Street  
P.O. Box 1001  
Columbus, Ohio 43216-1001  
(614) 995-2292

## Local Government Innovation Fund Project Scoring Sheet

### Section 1: Financing Measures

Financing Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
<b>Financial Information</b>	<i>Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three year period following the project. The financial information must be directly related to the scope of the project and will be used as the cost basis for determining any savings resulting from the project.</i>	Applicant provides a thorough, detailed and complete financial information	<b>5</b>		
		Applicant provided more than minimum requirements but did not provide additional justification or support	<b>3</b>		
		Applicant provided minimal financial information	<b>1</b>		
		<b>Points</b>			
<b>Repayment Structure (Loan Only)</b>	<i>Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e., emergency rainy day , or contingency fund, etc.).</i>	Applicant clearly demonstrates a secondary repayment source.	<b>5</b>		
		Applicant does not have a secondary repayment source.	<b>0</b>		
		<b>Points</b>			
<b>Local Match</b>	<i>Percentage of local matching funds being contributed to the project. This may include in-kind contributions.</i>	70% or greater	<b>5</b>		
		40-69.99%	<b>3</b>		
		10-39.99%	<b>1</b>		
		<b>Points</b>			
<b>Total Section Points</b>					

### Section 2: Collaborative Measures

Collaborative Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
<b>Population</b>	<i>Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the <b>smallest</b> population listed in the application. Applications from (or collaborating with) small communities are preferred.</i>	Applicant (or collaborative partner) is not a county and has a population of less than 20,000 residents	<b>5</b>		
		Applicant (or collaborative partner) is a county but has less than 235,000	<b>5</b>		
		Applicant (or collaborative partner) is not a county but has a population 20,001 or greater.	<b>3</b>		
		Applicant (or collaborative partner) is a county with a population of 235,001 residents or more	<b>3</b>		
		<b>Points</b>			
<b>Participating Entities</b>	<i>Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support. (Note: Sole applicants only need to provide a resolution of support from its governing entity.)</i>	More than one applicant	<b>5</b>		
		Single applicant	<b>1</b>		
		<b>Points</b>			
<b>Total Section Points</b>					

## Local Government Innovation Fund Project Scoring Sheet

### Section 3: Success Measures

Success Measures	Description	Criteria	Points	Applicant Self Score	Validated Score
Expected Return	<i>Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue, or cost avoidance ) an expected return. The return must be derived from the applicant's cost basis. The expected return is ranked in one of the following percentage categories:</i>	75% or greater	30		
		25.01% to 74.99%	20		
		Less than 25%	10		
			<b>Points</b>		
Past Success	<i>Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.</i>	Yes	5		
		No	0		
			<b>Points</b>		
Scalable/Replicable Proposal	<i>Applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments.</i>	The project is both scalable and replicable	10		
		The project is either scalable or replicable	5		
		Does not apply	0		
			<b>Points</b>		
Probability of Success	<i>Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.</i>	Provided	5		
		Not Provided	0		
			<b>Points</b>		
<b>Total Section Points</b>					

### Section 4: Significance Measures

Significance Measures	Description	Criteria	Points Assigned	Applicant Self Score	Validated Score
Performance Audit Implementation /Cost Benchmarking	<i>The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.</i>	Project implements a recommendation from an audit or is informed by benchmarking	5		
		Project does not implement a recommendation from an audit and is not informed by benchmarking	0		
			<b>Points</b>		
Economic Impact	<i>Applicant demonstrates the project will a promote business environment (i.e., demonstrates a business relationship resulting from the project) and will provide for community attraction (i.e., cost avoidance with respect to taxes)</i>	Applicant clearly demonstrates economic impact	5		
		Applicant mentions but does not prove economic impact	3		
		Applicant does not demonstrate an economic impact	0		
			<b>Points</b>		
Response to Economic Demand	<i>The project responds to current substantial changes in economic demand for local or regional government services.</i>	Yes	5		
		No	0		
			<b>Points</b>		
<b>Total Section Points</b>					

Section 5: Council Measures			
Council Measures	Description	Criteria	Points Assigned
Council Preference	Council Ranking for Competitive Rounds	<b>The Applicant Does Not Fill Out This Section;</b> This is for the Local Government Innovation Fund Council only. The points for this section is based on the applicant demonstrating innovation or inventiveness with the project	
<b>Total Section Points (10max)</b>			

Scoring Summary		
	Applicant Self Score	Validated Score
Section 1: Financing Measures		
Section 2: Collaborative Measures		
Section 3: Success Measures		
Section 4: Significance Measures		
<b>Total Base Points:</b>		

**Reviewer Comments**