

Erie County, Ohio

POPULAR ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2016

Produced By: *Richard H. Jeffrey,*
Erie County Auditor

Table of Contents

Table of Contents2
Introduction from Richard H. Jeffrey3
An Overview of the County Auditor’s Office4
Your Erie County Government6
Erie County Demographics and Statistics.....	.8
Overview of Erie County Finances.....	10
Property Tax Rates & Calculation	16
2016 Projects.....	18
Erie County Elected Officials	20



Cedar Point, Sandusky

Dear Erie County Residents,



The Erie County Auditor’s Office proudly presents the County’s 2016 Popular Annual Financial Report (PAFR). It was primarily created to provide transparency and to increase confidence in the County’s elected officials. It was also created to give the citizens of Erie County a better understanding of the County’s operations.

The information in this PAFR was taken from our Comprehensive Annual Financial Report (CAFR), which provides a more in depth look at the County’s finances. This PAFR is not presented in conformity with GAAP, (Generally Accepted Accounting Principles) nor is it audited by Auditor of State, Dave Yost. Its purpose is to provide readers a summary of the County’s financial activity in an easy to understand format.

The 2016 CAFR was audited by the office of Rea & Associates, Inc. and received an unqualified opinion.

For those seeking the more detailed information contained in the CAFR, a copy is available at the Erie County Auditor’s office, or on our website at <http://erie.iviewauditor.com>.

Thank you for taking the opportunity to review our PAFR. I hope this publication will help you gain a better understanding of the County you live in.

Sincerely,

Richard H. Jeffrey
Erie County Auditor

The Government Finance Officers Association (GFOA) of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Erie County, Ohio for its Popular Annual Financial Report for the fiscal year ended December 31, 2015. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.



Overview of Erie County Auditor's Office

CHIEF FISCAL OFFICER (Finance and Payroll)

As Chief Fiscal Officer of your county, the Auditor is the bookkeeper for all County elected officials and many of the County agencies, such as Human Services and Children Services. It is the Auditor's responsibility to account for all revenues the County receives and to issue warrants (checks) in payment of all County obligations. As part of that bookkeeping responsibility, the County Auditor serves as the paymaster for all County employees.

COUNTY FINANCIAL REPORTS



As the issuer of financial reports for the County, it is the Auditor's duty to make sure that financial records are kept properly. As Chief Fiscal Officer in Erie County, the Auditor is required by law to prepare the County's Annual Financial Report. Erie County prepares a Comprehensive Annual Financial Report, which is a complete and full

disclosure of all financial events for the year.

The County Auditor maintains a close relationship with the Auditor of State's Office. Each year, the Auditor of State reviews these records to assure the County's finances are in order and that proper internal controls are in place. The Auditor of State tests these controls and makes recommendations to the county offices and agencies to assure that your money is spent properly.

In 2016, the County's checkbook was uploaded to www.OhioCheckbook.com, a site launched by the State Treasurer, Josh Mandel in an effort to make government more transparent and accountable to the taxpayers. Users can easily navigate, search and compare County spending across years. The direct link and a "how-to" guide for easy viewing of Erie County's checkbook can be found on the Auditor's website, www.erie.iviewauditor.com.

REAL ESTATE APPRAISAL & ASSESSMENT



Erie County has 46,030 parcels of real property. It is the duty of the Auditor to ensure that every parcel of land and the buildings on it are

fairly and uniformly assessed for tax purposes. A general reappraisal is mandated by Ohio law every six years with an update at the three year midpoint. The Auditor's Office maintains a detailed record of the appraisal of each parcel in the County. These records are open for public inspection. The next countywide reevaluation will take place in 2018.

For taxation purposes, you are assessed at 35% of fair market value.

REAL ESTATE TAXES & RATES

The Erie County Auditor cannot raise or lower property taxes. Tax rates are determined by the budgetary requests of each government unit, as authorized by the vote of the people. Tax rates are computed in strict accordance with procedures requires by the Ohio Department of Taxation, Division of Tax Equalization.

Annually, the Auditor prepares the General Tax List. Your tax bill is based on the tax rate multiplied by your valuation found on this list.

Ohio law limits the amount of taxation without a vote of the people to 10 mills (\$10 per \$1,000 of assessed valuation). Any additional real estate taxes must be voted in by County residents.

MANUFACTURED HOMES

The Auditor's Office is also responsible for assessing taxes on manufactured housing. Under Ohio law, mobile home owners must register their homes with the Auditor's Office for tax purposes. The Auditor assesses each manufactured home annually and prepares a tax list. The manufactured home tax is distributed back to the local tax districts (townships and schools) in the same manner as real estate taxes.

Overview of Erie County Auditor's Office

CRITICAL RESPONSIBILITIES FOR LOCAL GOVERNMENTS

Your County Auditor also helps watch over local governments within your County by:

- Estimating the tax a local government wants to put on the ballot according to what they define as their need
- Issuing a certificate when the local government wants to borrow money, assuring that the debt of that government does not exceed what is allowed by Ohio law
- Preparing a certificate of estimated resources on behalf of local governments to assure that local governments do not spend more than they can expect to receive
- Distributing taxes to local governments including: real estate, cigarette, estate, gasoline, motor vehicle, and other taxes
- Consulting, advising, and assisting local governments and county departments on proper governmental accounting procedures

WEIGHTS & MEASURES

The Auditor is the Sealer of Weights and Measures for the entire County, maintaining "Equity in the Marketplace," thus protecting both buyer and seller from possible loss which may occur from faulty measuring devices, such as: scales, scanners, retail motor fuel dispensers, and meters. The Auditor is charged with the legal responsibility of ensuring that all State and National Laws relating to Weights and Measures are strictly enforced.



Sealers perform inspections and tests on both commercial and some non-commercial devices to ensure those devices meet the criteria of the National Institute of Standards and Technology and the National Type Evaluation Program. Audits and tests are performed on Random Packed items a store may weigh, such as: meats, cheeses, and produce.

They are also performed on Standard Packed items. These tests are conducted to ensure the product meets or exceeds the requirements of Handbook 130, Checking the Net Contents of Packaged Goods. Price Verification tests are also performed to make sure there is no misrepresentation of pricing.

The Sealer of Erie County is responsible for testing over 1,060 gas pumps and meters and over 2,000 devices in the County. Look for the Yearly County seal on those devices inspected and tested to be assured that they were correct, accurate and sealed.



Again, these services are performed to "Maintain Equity in the Marketplace." If you believe a device is not performing properly, or for more information, please contact the Erie County Auditor's Office, Weights & Measures Division at (419) 626-7746. For web information concerning Weights & Measures, go to www.owma.net.

LICENSES

The County Auditor's Office is responsible for the issuance of licenses for dog, vendors, and cigarette sales. Vendor licenses authorize businesses to sell tangible property to the public and collect sales tax, a part of which is returned for use on the local level.

ADDITIONAL DUTIES

- Secretary of the Budget Commission
- Secretary of the Board of Revision
- Secretary of the Fiscal Report Review Committee
- Chair of the Tax Incentive Review Council
- Member of the Records Commission

Your Erie County Government

Erie County can trace its heritage to the Revolutionary War when numerous Connecticut residents were burned out of their homes by the raiding British. To compensate these citizens for their losses, the Connecticut Assembly awarded them 500,000 acres in the western-most portion of the Western Reserve, which came to be known as the Firelands. The Firelands includes the area that is now Erie and Huron Counties, as well as Ruggles and Danbury Townships.

The first recorded people of the Firelands were the Erie Indians, whose stories are told on Inscription Rock at Kelleys Island. Although the carvings have been eroded by both nature and man, they are considered the most extensive, well sculpted pictographs in the Eastern United States. The Erie Indians were driven out of the Firelands by the Iroquois in 1655. The area was later occupied by the Ottawa and Wyandot Indians.

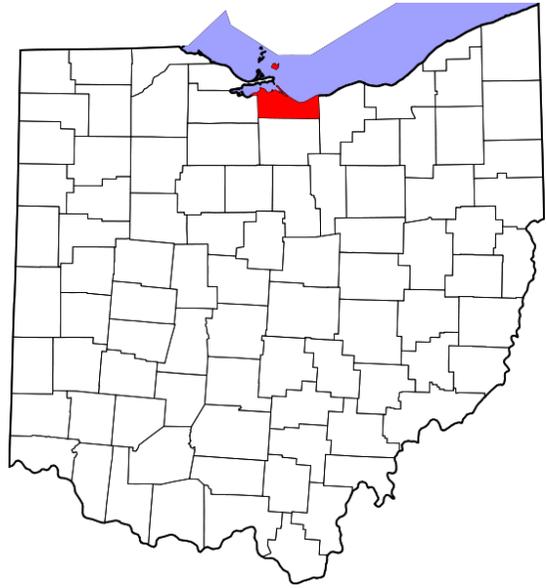


Although a few traders made their homes in the Firelands in the late 1700s, most of the early white settlers arrived in the early 1800s. Many subsequently left the area during the War of 1812 and did not return until after Commodore Oliver Hazard Perry's victory over the British fleet on September 10, 1813. This famous naval battle was fought in the waters of Lake Erie just a few miles from South Bass Island. It marks the only time in history that a British naval fleet ever surrendered.

Commodore Oliver Hazard Perry's victory over the British fleet secured the right of Americans to independently dwell in the New World and along the shores of Lake Erie. Then, a little over 25 years later in 1838, the Ohio government decided to divide large counties such as Huron, into smaller areas of land. This led to the formation of Erie County, named after the Erie Indians and Lake Erie.



Erie County was formed by an Act of the Ohio General Assembly on March 16, 1838. It borders Lake Erie in north-central Ohio, extending 28 miles in an east-west direction and 11 miles in a north-south direction. Sandusky is 55 miles east of Toledo, 60 miles west of Cleveland and 106 miles north of Columbus. The area is 264 square miles with 8,560 acres of wetlands. The average temperature is 51.3° F and the average annual rainfall is 33.1 inches.



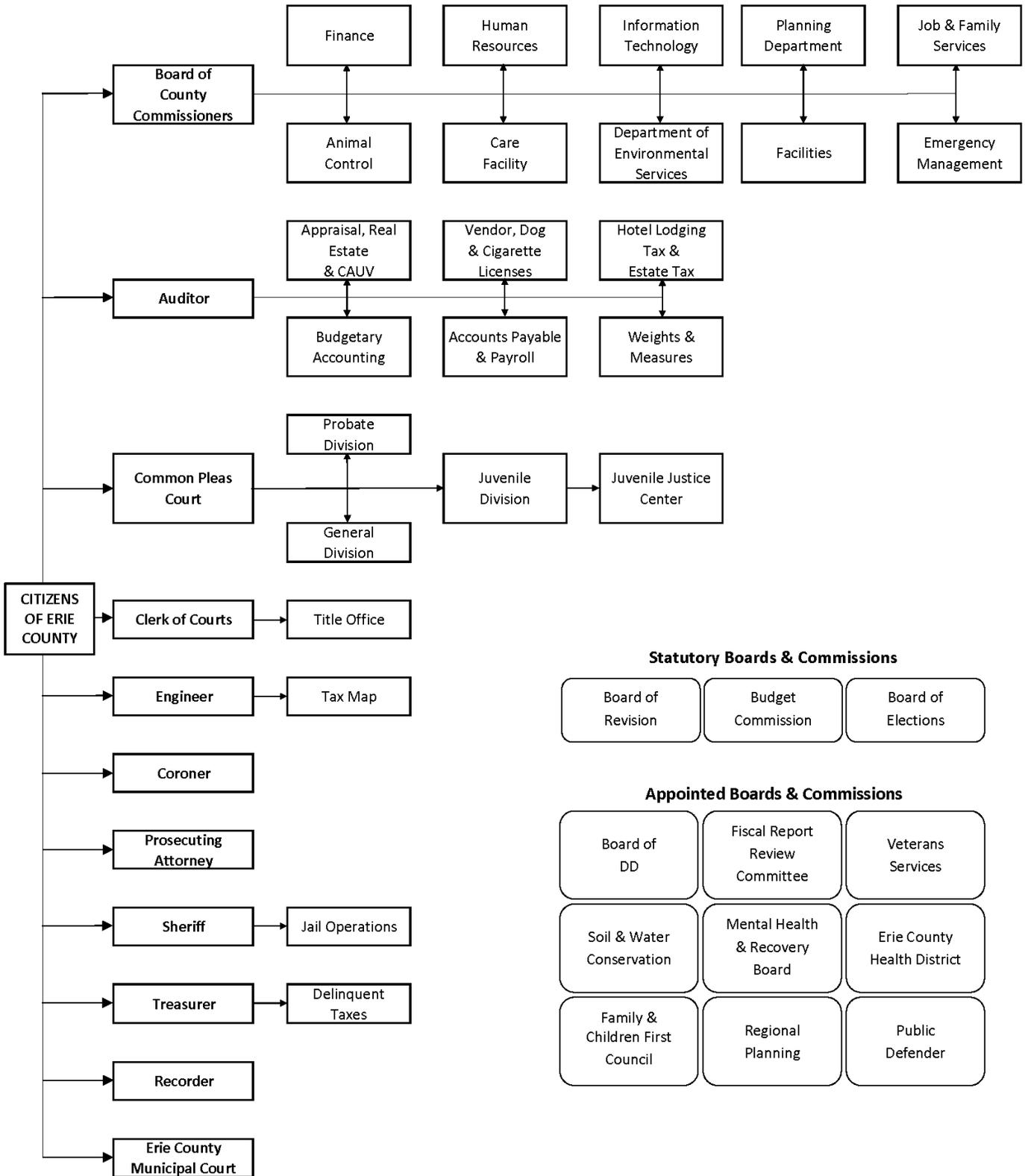
Erie county is made up of three cities (Huron, Sandusky and Vermilion), nine townships (Berlin, Florence, Groton, Huron, Margaretta, Milan, Oxford, Perkins and Vermilion) and five villages (Bay View, Berlin Heights, Castalia, Kelleys Island and Milan).

Erie County is governed by the Board of County Commissioners that functions as the executive and legislative branches of the county. The Board is made up of three commissioners who serve terms of four years each. In addition to the County Auditor, who serves as the Chief Fiscal Officer, there are seven other elected officials who operate independently following legislation of the Ohio Revised Code. These elected officials also serve four year terms and include: Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff and Treasurer. Erie County has five Judges elected to six year terms. There are two judges in the Common Pleas Court, and one judge in each of the following areas: Probate Court, Juvenile Court and County Municipal Court.

Erie County employed approximately 695 full time employees and 195 part time employees in 2016 to provide services such as: capital improvements to roads/bridges/sewers, public safety, veterans services, tax collections, job and family services, emergency management services, economic development, animal control and health services just to name a few.

The following chart shows how Erie County departments are currently organized.

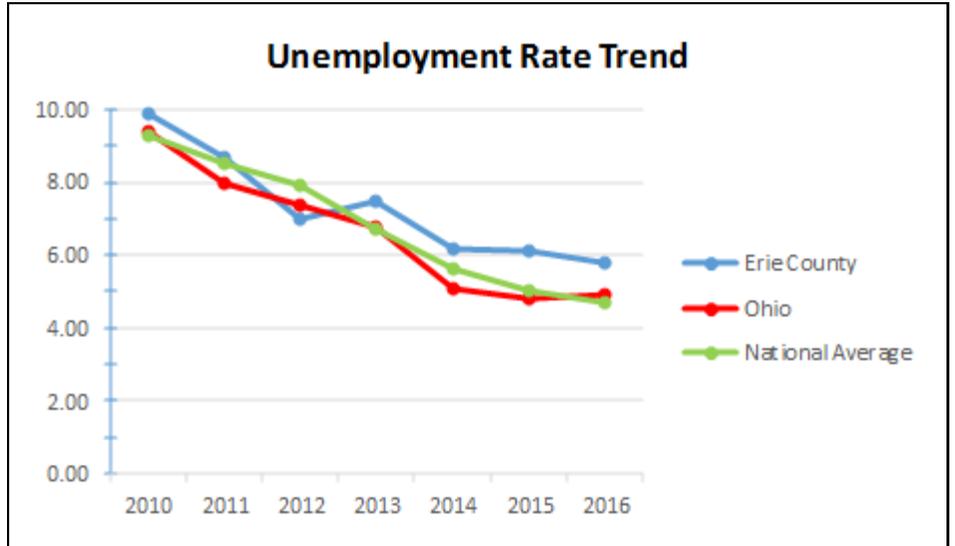
Organizational Chart



Erie County Demographics and Statistics

In 2016, Erie County’s unemployment rate showed slight improvement lowering to 5.80% from 6.10% in 2015.

In comparison to surrounding areas, Erie County’s unemployment rate remains one of the lower, stable rates.



2016 TOP TEN EMPLOYERS

EMPLOYER	TYPE OF BUSINESS	# OF EMPLOYEES
CEDAR FAIR L.P./MAGNUM	ENTERTAINMENT	5,000
VENTRA	AUTOMOTIVE	1,935
FIRELANDS REGIONAL MEDICAL CENTER	HEALTHCARE	1,804
KALAHARI RESORT	ENTERTAINMENT	1,138
ERIE COUNTY	GOVERNMENT	855
INTERNATIONAL AUTOMOTIVE COMPONENTS	AUTOMOTIVE	684
OHIO VETERANS HOME	HEALTHCARE	666
SANDUSKY CITY SCHOOL DISTRICT	EDUCATION	480
FREUDENBERG—NOK	PACKAGING FACILITY	260
JBT CORPORATION	FOOD EQUIPMENT	216
TOTAL		<u>13,038</u>
TOTAL EMPLOYMENT WITHIN ERIE COUNTY		<u>34,296</u>

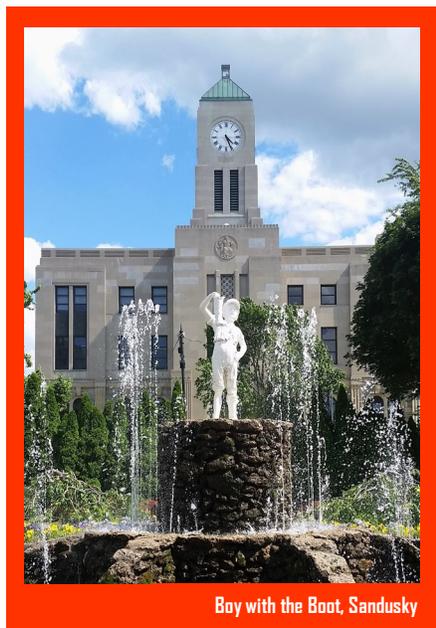
The top 10 employers for Erie County employed just over 38% of the County’s workforce in 2016.

The majority of these employees work in the City of Sandusky or Perkins Township.

Erie County Demographics and Statistics

2016 TOP TAXPAYERS

TAXPAYER	TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE
OHIO EDISON	42,012,320	2.03%
CEDAR POINT PARK LLC	39,071,760	1.90%
AMERICAN TRANSMISSIONS	36,122,660	1.77%
NORFOLK & WESTERN RAILWAY	12,897,610	0.63%
LMN DEVELOPMENT	10,900,390	0.53%
COLUMBIA GAS OF OHIO, INC	8,825,980	0.43%
SANDUSKY MALL COMPANY	6,789,430	0.33%
GWR SANDUSKY PROPERTY	6,300,000	0.31%
FIRELANDS REGIONAL MEDICAL CENTER	5,133,270	0.25%
SHAKER VILLAGE RENTAL COMMUNITIES LTD	5,086,200	0.25%
TOTAL	\$173,139,620	8.42%
TOTAL COUNTY ASSESSED VALUATION	\$2,055,857,000	



County's Financial Position

The County's financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). This report contains information related to the County's governmental and business-type activities. Please refer to the County's 2016 CAFR for more detailed information.

Assets provide financial benefits to the County. **Current and Other Assets** are mainly comprised of cash, investments and demand deposits (whether held in the pool managed by the County Treasurer or in outside bank accounts), property taxes receivable, sales tax receivable and monies due from other governments. **Capital assets** are land, buildings and improvements, roads, bridges, water/sewer lines, equipment and construction in progress, and are shown net of accumulated depreciation.

Liabilities place a financial burden on the County. **Current and Other Liabilities** include monies due to other governments, deferred revenues, accounts payable, compensated absences and accrued wages payable. **Long-term liabilities** represent bonds, notes and loans that are being repaid over a period of years as well as payments under capital leases.

Deferred Inflows/Outflows of Resources are inflows and outflows of resources related to pension liabilities resulting from the County's employer contributions to OPERS. Any part of pension expense or income not recognized in the County's financial statements in the year they occur will be recorded as **deferred inflows** or **outflows**, amortized applicably.

Net Position represents the difference between assets and liabilities. **Investment in capital assets, net of related debt**, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used or the acquisition, construction or improvement of those assets. Net position is reported as **restricted** when there are limitations imposed on their use either through the enabling legislation adopted by the County, or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. **Unrestricted net position** may be used to meet the County's ongoing obligations to citizens, employees and creditors.



Vermilion Lighthouse

For more information on the County's assets and liabilities, please refer to the Statement of Net Position, found on page 17 in our Comprehensive Annual Financial Report.

County's Financial Position

NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current & Other Assets	69,091,039	62,366,134	26,512,333	20,318,909	95,603,372	82,685,043
Capital Assets, Net	<u>80,729,006</u>	<u>62,673,954</u>	<u>117,460,384</u>	<u>113,931,933</u>	<u>198,189,390</u>	<u>176,605,887</u>
Total Assets	149,820,045	125,040,088	143,972,717	134,250,842	293,792,762	259,290,930
Deferred Outflows of Resources						
Deferred Charge on Refunding	-	-	932,733	1,051,215	932,733	1,051,215
Pension	<u>12,491,045</u>	<u>3,845,387</u>	<u>2,789,187</u>	<u>902,003</u>	<u>15,280,232</u>	<u>4,747,390</u>
Total Deferred Outflows of Resources	12,491,045	3,845,387	3,721,920	1,953,218	16,212,965	5,798,605
Liabilities						
Current & Other Liabilities	4,745,826	2,474,901	6,214,345	1,898,973	10,960,171	4,373,874
Long-Term Liabilities						
Pension	31,706,623	21,459,206	7,079,928	5,033,641	38,786,551	26,492,847
Other Amounts	<u>34,434,604</u>	<u>18,435,489</u>	<u>77,212,591</u>	<u>77,413,259</u>	<u>111,647,195</u>	<u>95,848,748</u>
Total Liabilities	70,887,053	42,369,596	90,506,864	84,345,873	161,393,917	126,715,469
Deferred Inflows of Resources						
Pension	612,631	376,996	136,799	88,431	749,430	465,427
Other Amounts	<u>12,821,991</u>	<u>11,957,350</u>	-	-	<u>12,821,991</u>	<u>11,957,350</u>
Total Deferred Inflows of Resources	13,434,622	12,334,346	136,799	88,431	13,571,421	12,422,777
Net Position						
Invested in capital assets, <i>net of related debt</i>	50,995,753	51,210,684	48,149,645	59,583,790	99,145,398	110,794,474
Restricted	28,463,241	24,148,338	-	-	28,463,241	24,148,338
Unrestricted	<u>(1,469,579)</u>	<u>(1,177,489)</u>	<u>8,901,329</u>	<u>(7,814,034)</u>	<u>7,431,750</u>	<u>(8,991,523)</u>
Total Net Position	<u>77,989,415</u>	<u>74,181,533</u>	<u>57,050,974</u>	<u>51,769,756</u>	<u>135,040,389</u>	<u>125,951,289</u>

Cash in governmental activities increased \$6.2 million from 2015, partially due to the issuance of notes and contributions funding the new Sports Force Park that have not yet been disbursed. The increases in the governmental activities' contracts payable, capital assets and outstanding debt are also attributable to the activity related to the Sports Park complex. The 40% decrease in internal balances is primarily caused by a \$1.7 million reduction in internal borrowing replaced with only \$0.8 million in new internal borrowing by the water and sewer funds.

Business-type activities had an increase in net position of \$5.3 million over 2015. The \$4.3 million increase in cash and investments is primarily in the sewer funds from capital grants and debt proceeds that have not yet been spent on the Bay View sewer project. The \$6.8 million in non-depreciable capital assets also reflects the construction in progress on the Bay View sewer project, while the \$3.3 million decrease in depreciable capital assets is primarily caused by current year depreciation exceeding additions.

Governmental Revenues

The dollars presented here are reported as governmental activities in the 2016 CAFR’s government-wide statement of activities. Revenues are typically recorded when the underlying event occurs, regardless of when the money will be received. Major sources of revenue for the County include sales tax, property tax, grants, charges for services and interest earned. Grants are further broken down between operating grants and capital grants. Operating grants are provided to the County to help run day-to-day operations. Capital grants are provided to the County for use in acquiring capital assets, such as purchase of land or equipment, as well as the purchase or construction of buildings.

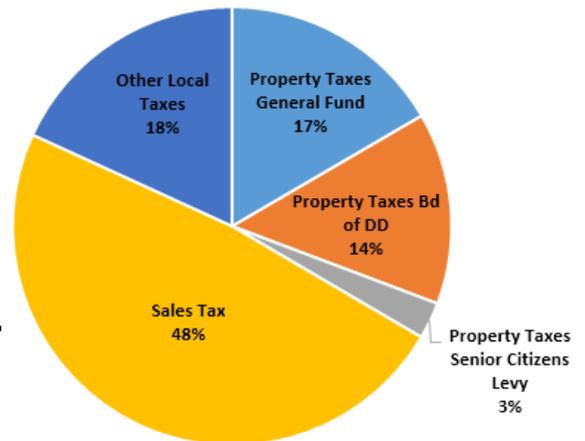
<u>Governmental Revenues</u>	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Taxes	33,173,897	25,134,189	31.99%
Operating Grants	19,498,247	20,299,151	-3.95%
Charges for Services	9,590,754	10,520,655	-8.84%
Investment Earnings	514,266	304,382	68.95%
Capital Grants & Contributions	2,504,731	512,701	388.54%
Unrestricted Grants & Other Revenue	<u>6,529,050</u>	<u>6,223,561</u>	<u>4.91%</u>
	<u>71,810,945</u>	<u>62,994,639</u>	<u>14.00%</u>

Operating grants and contributions accounted for over half of the total program revenues and consist primarily of State funding. After a robust 12% increase experienced in 2015, the County was unable to maintain that level of funding and faced a 4% decrease in 2016. Reduced State funded local government funds and children services program accounted for over half of this decrease.

Property and sales tax revenue accounted for 82% of total general revenues in 2016. The Board of Developmental Disabilities levy was replaced in 2016, resulting in the effective tax rate reverting back to the full authorized tax rate of 3.0. Other local taxes accounted for the approximately \$6 million increase in property and other local taxes and was the primary factor in the increase in tax revenue. The increase is predominantly the result of accounting for the Visitor and Convention Bureau’s lodging excise as governmental activity in 2016. The \$2 million increase in capital grants and contributions represents Cedar Point’s contribution to the County to fund the Sports Force Park complex.

<u>Tax Revenue</u>	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Property Taxes—General Fund	5,505,011	4,088,791	34.64%
Property Taxes—Board of DD	4,690,109	4,449,710	5.40%
Property Taxes—Senior Citizen Levy	900,966	887,248	1.55%
Sales Taxes	<u>6,023,199</u>	-	-
Other Local Taxes	<u>33,173,897</u>	<u>25,134,189</u>	<u>8.02%</u>

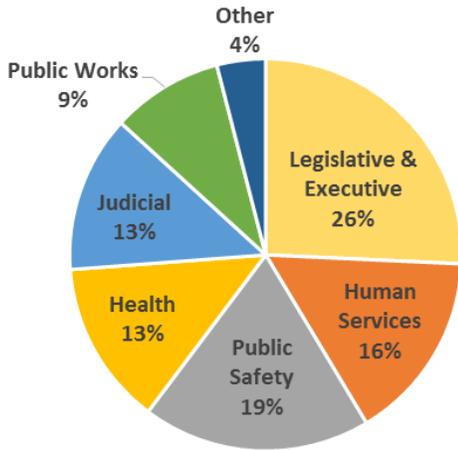
TAX REVENUE



Governmental Expenses

The expenses shown below are those of the County’s governmental activities. Expenses are recorded when the liability is incurred.

GOVERNMENTAL EXPENSES



<u>Governmental Expenses</u>	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Legislative & Executive	17,421,519	11,891,925	46.50%
Human Services	10,615,895	10,689,399	-0.69%
Public Safety	12,756,289	11,542,810	10.51%
Health	9,175,263	8,827,678	3.94%
Judicial	8,774,055	8,248,581	6.37%
Public Works	6,237,715	9,373,872	-33.46%
Other	<u>2,722,956</u>	<u>2,621,098</u>	<u>3.89%</u>
	<u>67,703,692</u>	<u>63,195,363</u>	<u>7.13%</u>

Governmental activities expenses increased over 7% from 2015. The most notable increase was the legislative and executive expenses. This is due to the accounting of the Visitor and Convention Bureau’s lodging excise tax as governmental activity in 2016 coupled with an increase in the bed tax intended to finance the debt service payments for the Sports Force Park complex. This large increase was only partially offset with a significant decrease in public works expenses resulting from the infrastructure improvements related to the Kroger Company TIF project in 2015.

Legislative and Executive expenses are incurred by most elected officials offices, including Commissioners, Auditor, Treasurer, Prosecutor, Recorder, as well as Facilities, Information Technology, Human Resources and Finance.

Human Services expenses are those incurred by the County’s Job and Family Services Department. Services provided include adoption assistance, child care subsidies, emergency assistance payments, unemployment, food stamps and job training programs.

Public Safety expenses are those incurred by the Sheriff’s department to ensure the safety of persons and property.

Health expenses are those incurred primarily by the County’s Board of Developmental Disabilities to provide services to developmentally disabled citizens of Erie County.

Judicial expenses are incurred by the County’s Courts, which include the Common Pleas Court, Probate Court, Juvenile Court and County Municipal Court.

Public Works expenses are incurred by the Engineer's department for maintenance of Erie County’s roads, bridges and ditches.

Other expenses represent economic development and assistance costs (CDBG programs) as well as interest charges and other miscellaneous expenses.

Business-Type Activities

The dollars presented here are reported as business type activities in the 2016 CAFR's government-wide statement of activities. Revenues typically are recorded when the underlying event occurs, regardless of when the money will be received. The major source of revenue for business type activities is charges for services, where fees are collected from customers for a service that is being provided. The County continues to deal with delinquent customers, which can positively or negatively affect collections for the year.

<u>Business-Type Activities Revenue</u>	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Charges for Services			
Sewer	7,933,920	7,342,389	8.06%
Water	8,838,286	8,068,575	9.54%
Landfill	6,542,044	6,426,696	1.79%
Care Facility	8,332,305	8,119,478	2.62%
Capital Grants & Contributions	<u>3,715,845</u>	<u>130,318</u>	<u>2,751.37%</u>
	<u>35,362,400</u>	<u>30,087,456</u>	<u>17.53%</u>

In 2016, charges for services of \$31.6 million accounted for 88% of the business-type revenues. The overall increase in charges for services resulted mainly from increased water and sewer rates along with increased consumption. Capital grants and contributions increase \$3.6 million from a USDA grant restricted for the Bay View sewer project.



Huron Boat Basin Marina



Thomas Edison Statue, Milan

Below are the expenses incurred for the Sewer, Water, Landfill and Care Facility departments.

<u>Business-Type Activities Expenses</u>	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Sewer	9,495,001	7,677,194	23.68%
Water	8,105,896	8,226,075	-1.46%
Landfill	5,168,342	1,761,966	193.33%
Care Facility	<u>8,174,906</u>	<u>7,962,978</u>	<u>2.66%</u>
	<u>30,944,145</u>	<u>25,628,213</u>	<u>20.74%</u>

The Landfill's closure/post-closure costs are driven by the total estimated capacity. In 2015, the County increased the landfill's capacity through increasing densities and other efficiency increases, which resulted in a negative expense of \$2.6 million. With all other factors remaining constant and accounting for only current year usage, the closure and post-closure costs for 2016 were \$800,000, resulting in the total increase of \$3.4 million over 2015.

Long Term Debt

At December 31, 2016, the County had a total of \$24,301,490 in general obligation bonds, \$23,003,196 in revenue bonds, \$498,510 in special assessment bonds, \$49,654,051 in OWDA loans and \$4,561 in OPWC loans. Moody’s Rating Service has assigned Erie County bond ratings an “AA2” rating, indicating that our bonds are a safe, reliable investment. This is due to the County’s below-average debt burden, strong general fund reserves and overall sound financial management. The following table summarizes the outstanding long-term obligations at year-end.

LONG-TERM OBLIGATIONS, TREND ANALYSIS

Includes Business-Type Activities (water, sewer & landfill debt) & Governmental (all other debt)

	2016	2015	2014	2013
General Obligation Bonds	24,301,490	28,421,216	32,017,374	35,948,674
Special Assessment Bonds	498,510	624,480	797,485	959,200
OWDA Loans	49,654,051	51,370,044	53,521,036	56,092,700
OPWC Loans	4,561	10,968	31,630	62,625
Revenue Bonds	23,003,196	2,800,000	-	-
Capital Lease Obligation	16,104	94,383	170,957	215,856
Landfill Closure & Post Closure Liability	8,647,611	7,886,838	10,534,752	9,956,355
Net Pension Liability	38,786,551	26,492,847	-	-
Claims Payable	1,553,627	1,533,896	-	-
Unamortized Bond Premiums*	415,278	-	-	-
Compensated Absences	<u>3,552,767</u>	<u>3,106,923</u>	<u>2,905,954</u>	<u>2,968,271</u>
	<u>150,433,746</u>	<u>122,341,595</u>	<u>99,979,188</u>	<u>106,203,681</u>

*Unamortized Bond Premiums previously included in bond totals

General Obligation Bonds	Special Assessment Bonds	OWDA & OPWC Loans	Revenue Bonds	Capital Lease Obligation	Landfill Closure & Post Closure Liability
These bonds are long-term debt instruments which are repaid from the County’s general revenue resources.	These bonds are issued to pay for improvements benefitting property owners, and those owners pay the County over a period of 20 years for the debt.	These loans provide low-interest funding for infrastructure, primarily water and sewer.	The 2016 issued revenue bonds are funding the Sports Force Park and to finance the improvements of the Village of Bay View sanitary sewer collection and conveyance system.	These obligations are payments to be made to the vendors for leases entered into by the County.	This liability shows what amount is needed to perform all closure and post closure care as of 12/31/16.
Net Pension Liability	Unamortized Bond Premiums	Claims Payable	Compensated Absences		
The County pays obligations related to employee compensation from the fund benefiting from their service.	These premiums are deferred and amortized over the term of the bond. *These were previously included in the bond totals.	Insurance premiums are charged to the fund from which the employee is paid and claims are paid from the applicable internal service fund.	This liability is due to employees for services provided to the County, where leave was earned but not taken as of 12/31/16.		



Castalia Quarry Metropark

Property Taxes

TAX RATES FOR ERIE COUNTY—TAX YEAR 2016, PAYABLE IN CALENDAR YEAR 2017

TAX DISTRICTS	Tax District	State Taxing District	County Levies	School Levies	Library Levies	Vocational School Levies	Township Levies	City or Village Levies	Full Tax Rate	Residential Agricultural Effective Tax Rate	Commercial Industrial Effective Tax Rate
BERLIN TOWNSHIP											
Edison Schools	01-04	22-0010	9.10	68.24	1.80	3.95	5.30	n/a	88.39	51.9432	61.3786
Berlin Heights Village	06	22-0020	9.10	68.24	1.80	3.95	3.50	15.50	102.09	64.5443	73.3957
Huron Schools	05	22-0030	9.10	74.31	1.25	3.95	5.30	n/a	93.91	50.2816	63.3930
FLORENCE TOWNSHIP											
Firelands Schools	07-08	22-0040	9.10	51.83	0.00	2.45	7.10	n/a	70.48	48.2202	48.5204
Edison Schools	09	22-0050	9.10	68.24	1.80	3.95	7.10	n/a	90.19	53.7515	63.4331
Vermilion Schools	10	22-0060	9.10	68.33	1.625	3.95	7.10	n/a	90.105	52.0603	75.5206
Western Reserve Schools	11	22-0070	9.10	33.75	0.00	3.95	7.10	n/a	53.90	41.0241	43.8770
GROTON TOWNSHIP											
Bellevue Schools	26	22-0080	9.10	41.55	1.00	3.95	5.75	n/a	61.35	50.8651	56.0618
Bellevue City	61	22-0085	9.10	41.55	1.00	3.95	5.75	6.60	67.95	56.4796	62.5877
Margaretta Schools	27	22-0090	9.10	63.16	0.00	3.95	5.75	n/a	81.96	48.0325	67.8080
Monroeville Schools	28	22-0100	9.10	38.45	0.00	3.95	5.75	n/a	57.25	46.9997	47.6503
Perkins Schools	29	22-0110	9.10	60.90	1.50	3.95	5.75	n/a	81.20	46.5360	52.9725
HURON TOWNSHIP											
Huron Schools	39	22-0120	9.10	74.31	1.25	3.95	4.90	n/a	93.51	49.9616	63.1770
Huron City	42-49	22-0130	9.10	74.31	1.25	3.95	0.00	4.90	93.51	50.0848	63.4726
Edison Schools	40	22-0140	9.10	68.24	1.80	3.95	4.90	n/a	87.99	51.6232	61.1626
Perkins Schools	41	22-0150	9.10	60.90	1.50	3.95	4.90	n/a	80.35	45.9929	51.9341
MARGARETTA TOWNSHIP											
Margaretta Schools	33-37	22-0160	9.10	63.16	0.00	3.95	11.20	n/a	87.41	52.8836	72.3903
Bay View Village	30	22-0170	9.10	63.16	0.00	3.95	0.00	20.00	96.21	57.8367	78.8907
Castalia Village	31	22-0180	9.10	63.16	0.00	3.95	8.70	8.66	93.57	59.0597	78.2883
Perkins Schools	38	22-0190	9.10	60.90	1.50	3.95	11.20	n/a	86.65	51.3872	57.5548
MILAN TOWNSHIP											
Edison Schools	50	22-0200	9.10	68.24	1.80	3.95	6.55	n/a	89.64	52.8085	62.6194
Milan Village	53	22-0210	9.10	68.24	1.80	3.95	5.55	8.80	97.44	59.1993	69.4044
Huron Schools	51	22-0220	9.10	74.31	1.25	3.95	6.55	n/a	95.16	51.1469	64.6338
Perkins Schools	52	22-0230	9.10	60.90	1.50	3.95	6.55	n/a	82.00	47.1782	53.3909
OXFORD TOWNSHIP											
Edison Schools	23	22-0240	9.10	68.24	1.80	3.95	6.50	n/a	89.59	52.7518	62.9635
Monroeville Schools	24	22-0250	9.10	38.45	0.00	3.95	6.50	n/a	58.00	47.5852	48.4127
Perkins Schools	25	22-0260	9.10	60.90	1.50	3.95	6.50	n/a	81.95	47.1216	53.7349
PERKINS TOWNSHIP											
Perkins Schools	32	22-0270	9.10	60.90	1.50	3.95	16.25	n/a	91.70	57.5815	63.4644
VERMILION TOWNSHIP											
Vermilion Schools	12-16	22-0280	9.10	68.33	1.625	3.95	5.10	n/a	88.105	50.0918	73.0587
Vermilion City	18-22	22-0290	9.10	68.33	1.625	3.95	0.00	10.75	93.755	56.0864	79.4163
Edison Schools	17	22-0300	9.10	68.24	1.80	3.95	5.10	n/a	88.19	51.7830	60.9712
KELLEY'S ISLAND VILLAGE											
Kelley's Island Schools	54	22-0310	9.10	6.85	0.80	3.95	n/a	10.35	31.05	27.0227	27.0845
SANDUSKY CITY											
Sandusky Schools	55-60	22-0320	9.10	85.065	1.50	0.00	n/a	5.25	100.915	62.9034	73.5116
BELLEVUE CITY											
Bellevue Schools	62	22-0330	9.10	41.55	1.00	3.95	n/a	6.60	62.20	51.3408	56.9654

How to Calculate Your Tax Bill

PROPERTY TAX CALCULATION

Market Value x 35%	=	Assessed Value
Assessed Value x Full Total Tax Rate / 1,000	=	Gross Tax Per Year
Assessed Value x Effective Tax Rate / 1,000	=	Adjusted Tax
Gross Tax—Adjusted Tax	=	H.B. 920 Credit
Gross Tax—H.B. 920 Credit	=	Net Taxes
Net Taxes x Non-Business Credit Percent	=	Non-Business Credit
Net Taxes x Owner Occupancy Credit Percent	=	Owner Occupancy Credit
Net Taxes—Non-Business and Owner Occ.	=	Taxes Charged
Tax Charged / 2	=	Half Year Tax
Half Year Tax + Special Assessments, Penalties, etc.	=	Total Half Year Tax

EXAMPLE: If a taxpayer lives in Groton Township, in Perkins Local School District, Real Estate Taxes on a \$100,000 owner-occupied home with no special assessments would be:

\$100,000 x 35%	=	\$35,000.00	Assessed Value
\$35,000 x 81.20 / 1,000	=	\$2,842.00	Gross Tax Per Year
\$35,000 x 46.5360 / 1,000	=	\$1,628.76	Adjusted Tax
Gross Tax—Adjusted Tax	=	\$1,213.24	H.B. 920 Credit
Gross Tax—H.B. 920 Credit	=	\$1,628.76	Net Taxes
\$1,628.76 x 10%	=	\$162.88	Non-Business Credit
\$1,628.76 x 2.5%	=	\$40.72	Owner Occupancy Credit
\$1,628.76—\$162.88—\$40.72	=	\$1,425.16	Taxes Charged
\$1,425.16 / 2	=	\$712.58	Half Year Tax

The \$1,425.16 in Annual Taxes is distributed as follows:

Tax Recipient	Tax Rate	Taxes Paid
Perkins Schools	28.1718	862.76
EHOVE	2.7703	84.84
Groton Township	5.1388	157.37
Sandusky Library	1.4737	45.13
County General Fund	2.3000	70.44
Board of DD	3.0000	91.87
General Health District	0.9618	29.45
Mental Health Board	1.1526	35.30
Senior Citizens	0.4897	15.00
Erie Metroparks	<u>1.0774</u>	<u>33.00</u>
	46.5360	\$ 1,425.16

2016 Erie County Projects

SPORTS FORCE PARK



Construction on the 83-acre outdoor sports facility is near completion. The sports facility is a public-private venture to provide additional active and passive recreation facilities for residents; attract tournaments that will draw in sports teams and their families; and provide an additional draw for visitors to Erie County. The construction was funded through contributions from Cedar Point, The Sports Force and money from raising the County's bed tax. By the fifth year of operation, it is projected to bring in \$1.9 million in additional tax revenue and \$80 million of total economic impact.

The opening tournaments are scheduled for mid-March 2017.

BAY VIEW SANITATION SEWER PROJECT



Leaks from septic tank systems in Bay View that were affecting the Sandusky Bay water quality spurred the installation of the new Bay View Sanitation Sewer. Approximately 390 customers will be required to tap into the new sewer lines. The Erie County Regional Planning Commission obtained \$100,000 in grant monies to assist qualifying homeowners with the tap-in fees. The cost of the project thus far totals \$6.8 million with \$3.6 million coming from a USDA grant.

The completed project is set for mid-2017.

LABEL AID EXPANSION



Label Aid, Inc. is a family owned and operated manufacturing company specializing in Flexographic and Digital printing. Located in Huron.

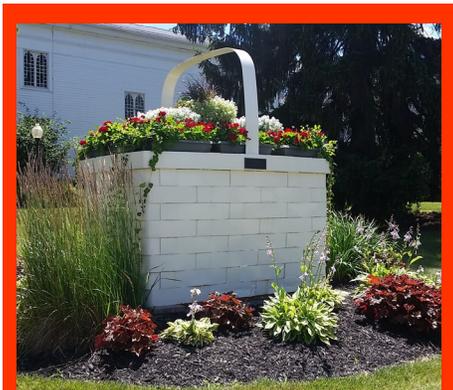
Label Aid entered into a \$2,372,000 TIF agreement with the City of Huron. The tax savings will be used towards improving and expanding the existing facilities and equipment, along with acquiring additional property.

The 2016 project began in Spring and was completed in late Fall.

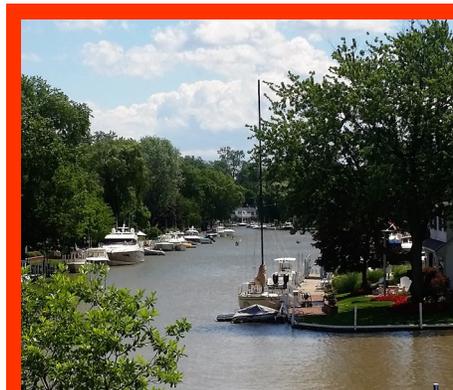
Erie County Photos



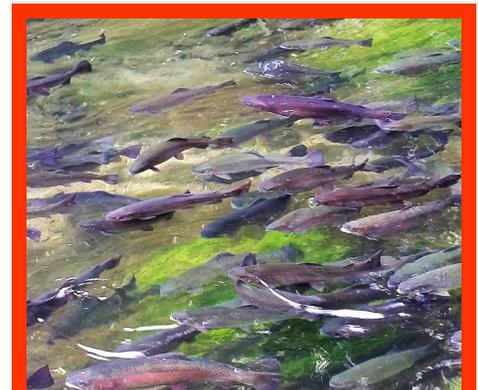
Sandusky Bay



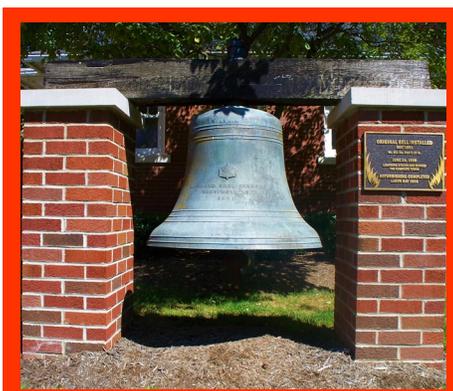
Berlin Heights



Vermilion



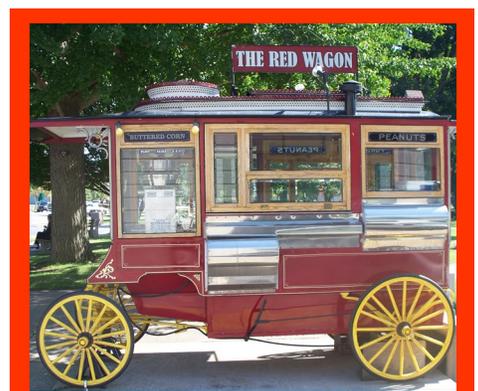
Castalia



Milan



Huron



Sandusky

2016

ERIE COUNTY ELECTED OFFICIALS

AUDITOR	RICHARD H. JEFFREY	419-627-7746
CLERK OF COURTS	LUVADA WILSON	419-627-7705
COMMISSIONER	THOMAS M. FERRELL, JR.	419-627-7672
COMMISSIONER	WILLIAM J. MONAGHAN	419-627-7672
COMMISSIONER	PATRICK J. SHENIGO	419-627-7672
CORONER	DR. BRIAN A. BAXTER	419-625-0654
ENGINEER	JOHN D. FARSCHMAN	419-627-7710
PROSECUTOR	KEVIN J. BAXTER	419-627-7697
RECORDER	BARBARA A. SESSLER	419-627-7686
SHERIFF	PAUL A. SIGSWORTH	419-627-7668
TREASURER	PAMELA FERRELL	419-627-7701
COMMON PLEAS JUDGE	ROGER E. BINETTE	419-627-7732
COMMON PLEAS JUDGE	TYGH M. TONE	419-627-7731
COUNTY COURT JUDGE	PAUL G. LUX	419-499-4689
JUVENILE COURT JUDGE	ROBERT C. DELAMATRE	419-627-7782
PROBATE COURT JUDGE	BEVERLY K. MCGOOKEY	419-627-7750