



**Hamilton County
Budget Workshop**
County Budget Requests
May 16, 2017

FY 2018 Budget Key Dates

- Budget Workshops:
 - Department of Education (May 9, 2017)
 - **County Budget Requests (May 16, 2017)**
 - Overall County Budget (June 6, 2017)
- Budget Hearings: May 31, 2017
 - Elected Officials and Supported Agencies
- Budget presented to Commission: June 7, 2017
- Commission Vote: **xxxx xx, 2017**

FY 2018 Budget Requests

Key Points

- Presentation summarizes budget requests for:
 - County General Fund
 - Debt Service Fund
 - Sheriff Special Revenue Fund
 - Narcotics Fund
 - Sexual Offenders Fund
 - Hotel Motel Fund
 - Department of Education

FY 2018 Budget Requests

Key Points

- Department of Education
 - Budget request presented to you on May 9, 2017
 - HCDE request, including priority requests, would require property tax increase of **26.7 cents**
- County General Fund
 - Presentation covers requests from departments and supported agencies
 - Would require property tax increase to fully fund all County General Fund requests

FY 2018 Budget Requests

ALL BUDGETED FUNDS

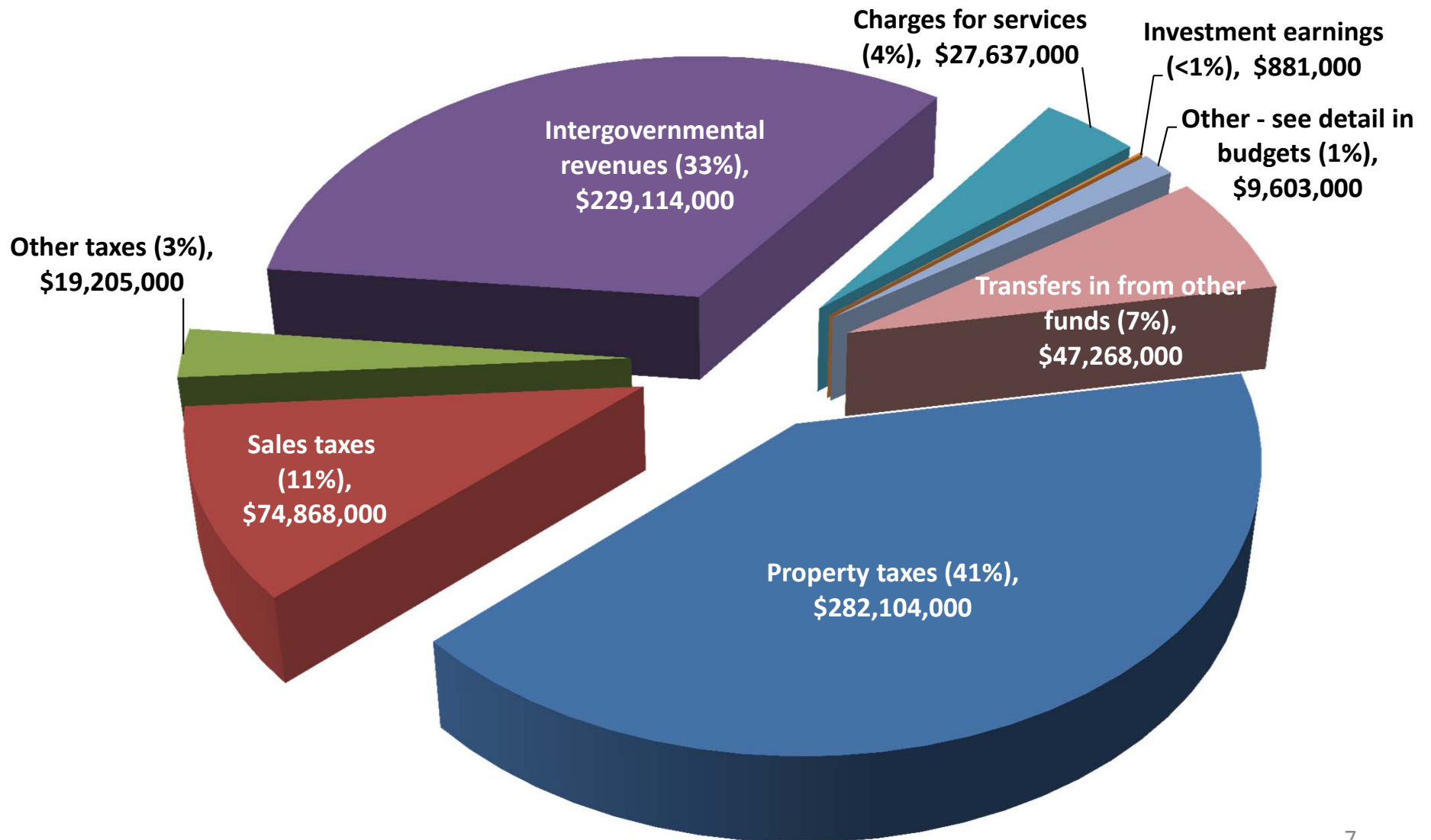
Total Expenditure Requests:	\$732,242,000
<i>Inc. over FY 2017 Budget:</i>	<i>\$52,631,000 (7.7%)</i>

FY 2018 Budget Requests

	FY 2018 Request	FY 2017 Budget
General Fund	\$ 239,084,550	\$ 218,802,556
Debt Service Fund	34,336,149	34,826,744
Sheriff Special Revenue Fund	481,486	465,637
Hotel Motel Fund	8,200,000	7,800,000
Department of Education (incl. priorities)	450,139,549	417,716,269
	\$ 732,241,734	\$ 679,611,206

Revenues by Source

All Budgeted Funds

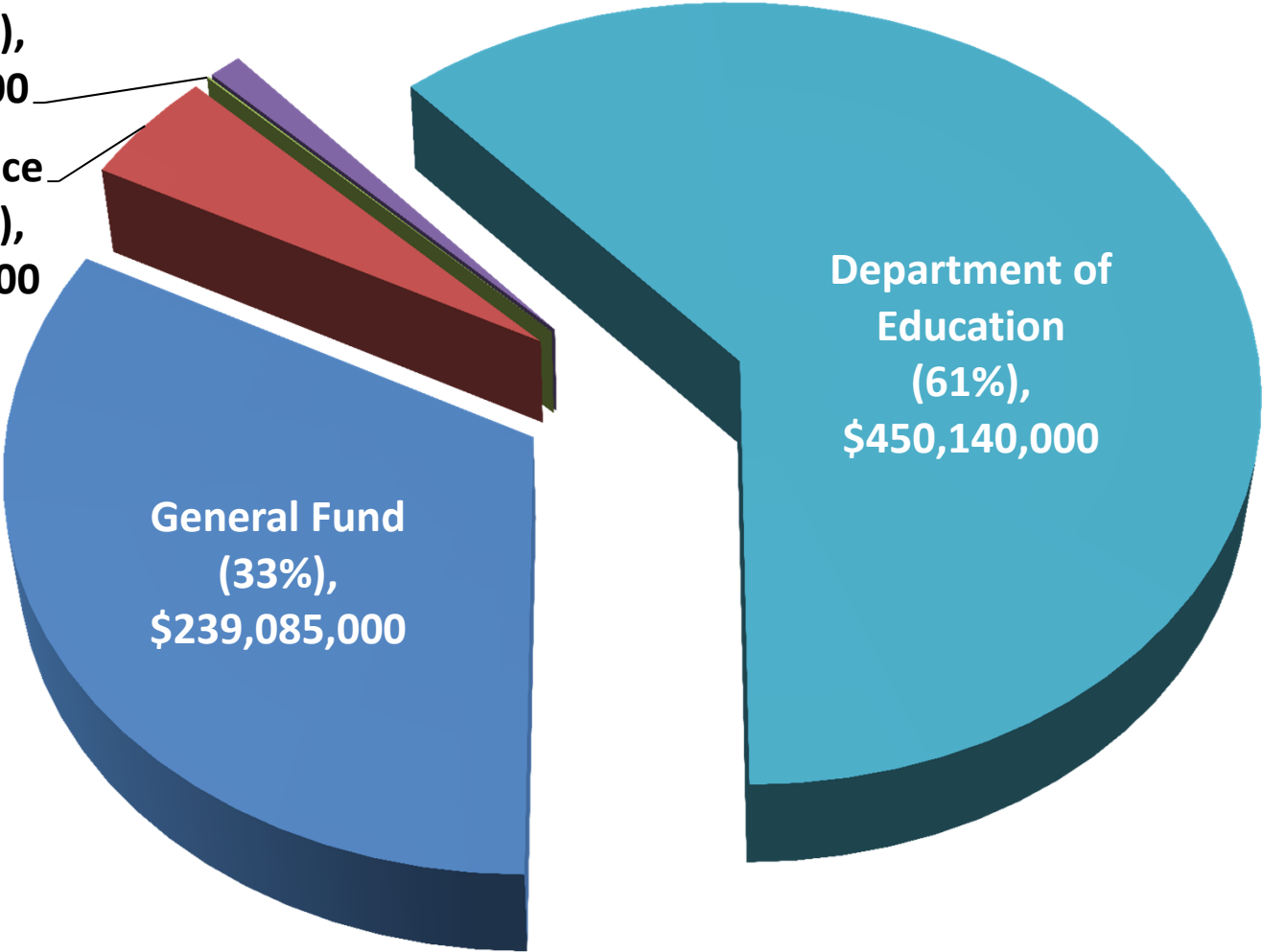


Expenditure Requests by Fund

All Budgeted Funds

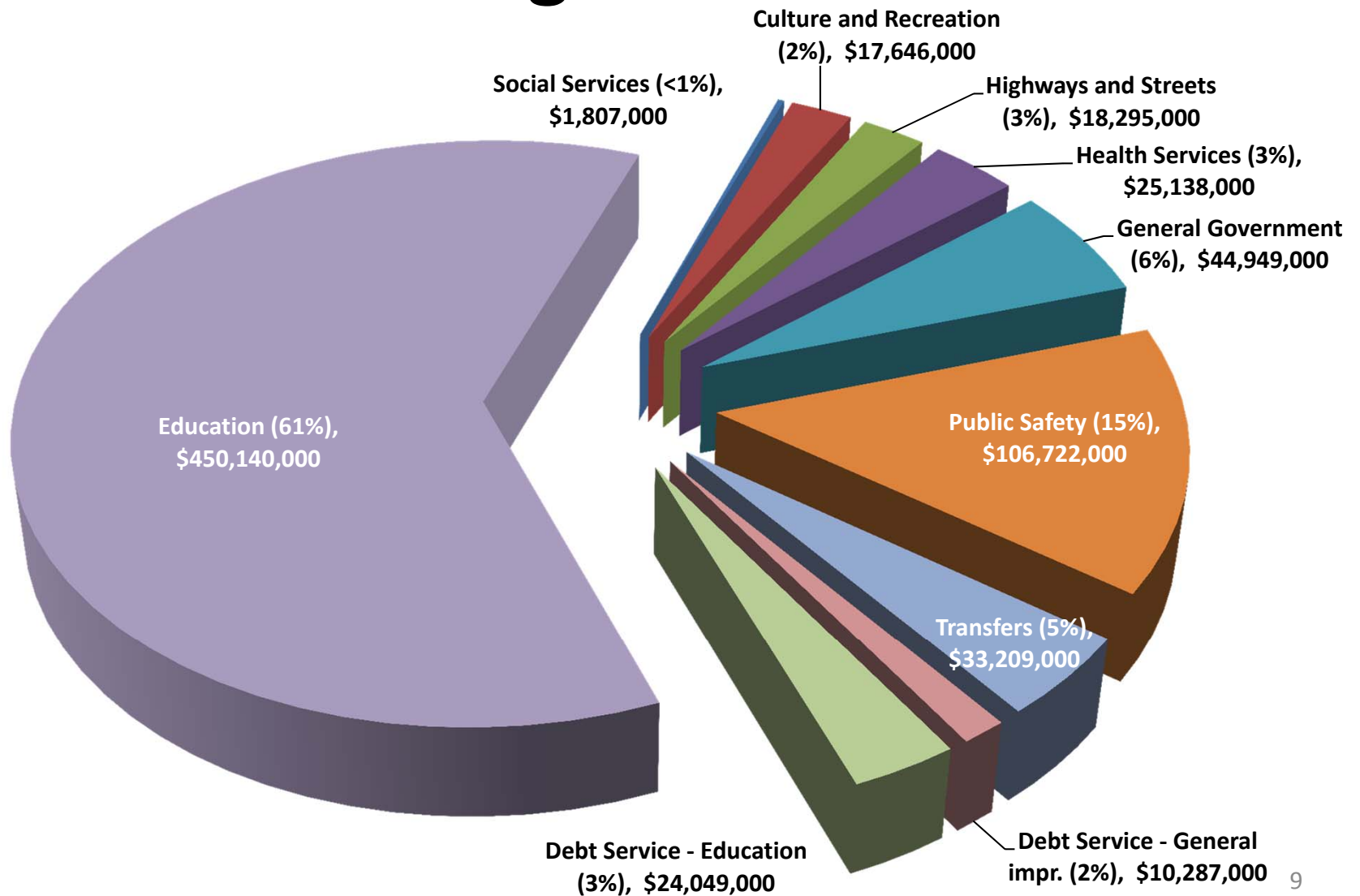
Hotel-Motel
Fund (1%),
\$8,200,000

Debt Service
Fund (5%),
\$34,336,000



Expenditure Requests by Function

All Budgeted Funds

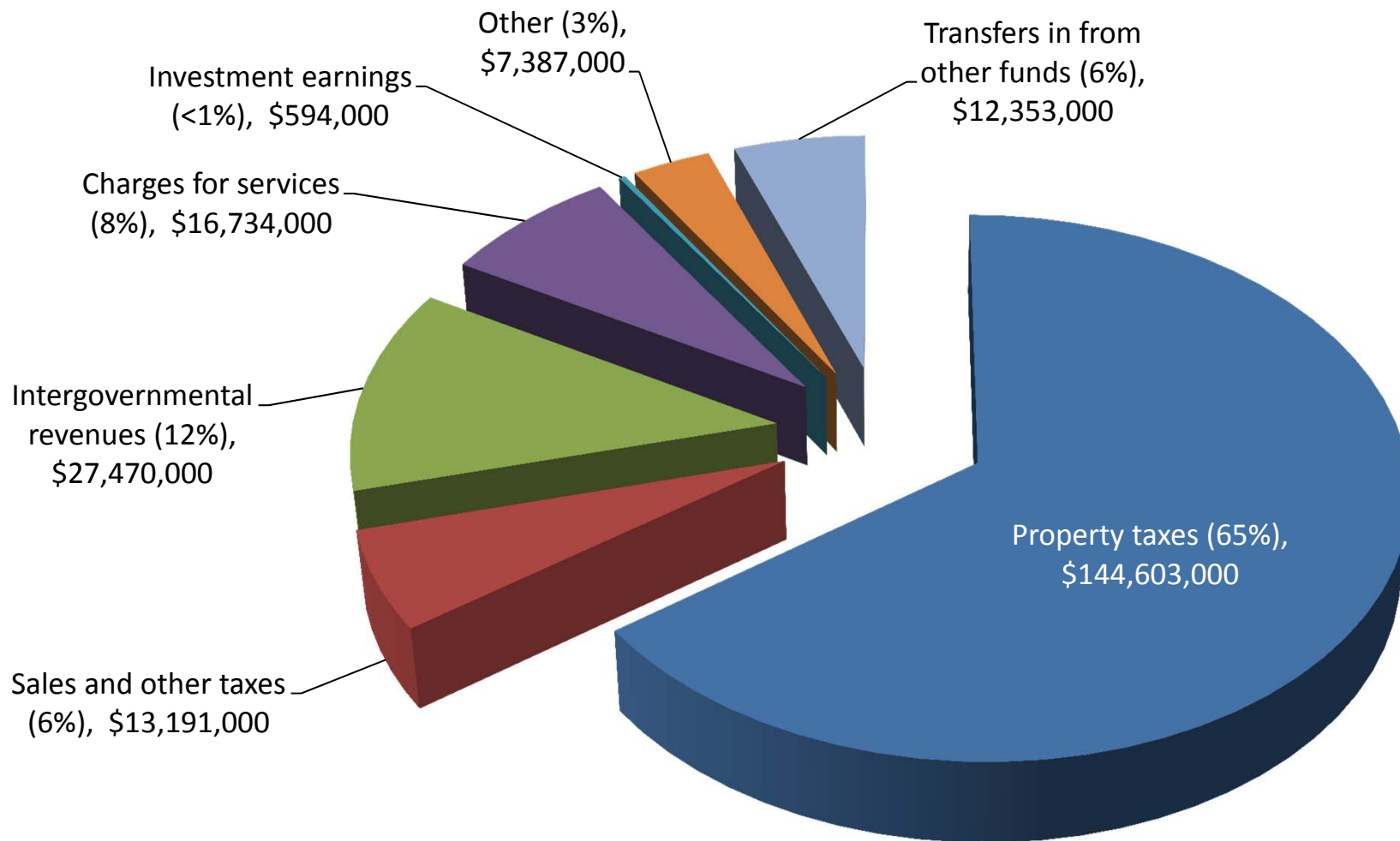


FY 2018 Budget Requests

General Fund

Total Projected Revenue:	<u>\$222,332,000</u>
<i>Increase over FY 2017:</i>	<u>\$3,529,000</u> (1.6%)
Total Expenditure Requests:	<u>\$239,085,000</u>
<i>Increase over FY 2017:</i>	<u>\$20,282,000</u> (9.3%)

General Fund Revenues by Source

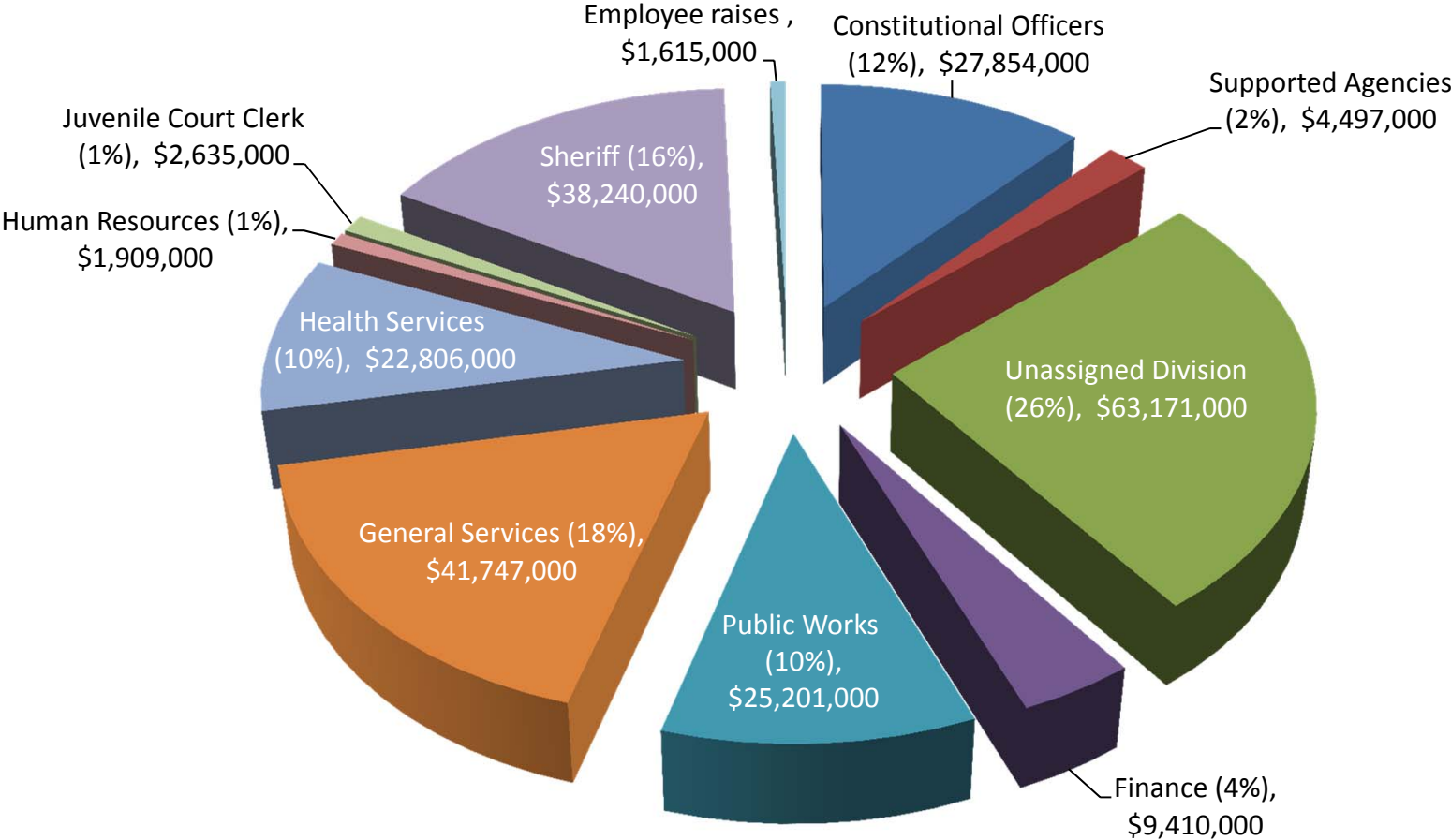


General Fund Revenues

(\$222,332,000)

- Projected to increase over FY 2017 by \$3.5 million (1.6%)
- \$3.0 million growth in property taxes (2.2%)
- \$1.0 million increase in State Gas Tax revenues

General Fund Expenditure Requests by Division (\$239,085,000 – 8.7% increase)



General Fund Expenditure Requests

Constitutional Officers (12%)

- Total Expenditures: **\$27,854,000**
 - Increase over FY 2017: \$766,000 (2.8%)
- Major Increases/Decreases
 - Assessor of Property - \$410,000
 - County Clerk + \$ 56,000
 - Drug Court + \$522,000
 - Election Commission + \$ 64,000
 - General Sessions Court + \$226,000
 - Judicial Magistrates + \$ 71,000
 - Public Defender + \$320,000

Includes multiple departments headed by an elected official and/or constitutional officer

General Fund Expenditure Requests Supported Agencies (2%)

- Total Expenditures: **\$4,497,000**
 - Increase over FY 2017: \$57,000 (1.3%)
- Primary increases
 - Agriculture: \$38,000
 - Planning Commission: \$15,000

Includes various outside agencies such as the Planning Commission, Erlanger, Humane Educational Society, and others that receive direct support from Hamilton County

General Fund Expenditure Requests Unassigned Departments (26%)

- Total Expenditure Requests: **\$63,171,000**
 - Increase over FY 2017: \$8,883,000 (16.4%)
- Major increases and decreases:
 - Increase in Capital Outlay + \$9,413,000
 - Decrease in Debt Service Appropriation - \$ 982,000
 - Social Services – Title XX (reclass from Health) + \$ 338,000
 - Open Data Portal + \$ 125,000
 - Increase in County Attorney (1 new position) + \$ 122,000

Includes departments and cost centers such as Capital Outlay, Debt Service Appropriation, Commission Office, Mayor 's Office, etc. whose function is not specific to that of the other major divisions

General Fund Expenditure Requests Finance Division (4%)

- Total Expenditure requests: **\$9,410,000**
 - Increase from FY 2017: \$174,000 (1.9%)
- Major reasons for increase:
 - Purchasing (1 new position – Fleet Mgr.) \$ 128,000

Encompasses the fiduciary aspects of the County, including Accounting, Payroll, Payables, Ambulance Billing, Purchasing, IT, GIS, Financial Management, Telecommunications, and Records Management

General Fund Expenditure Requests

Public Works Division (10%)

- Total Expenditure Requests: **\$25,201,000**
 - Increase over FY 2017: \$2,256,000 (9.8%)
- Major reasons for increase:
 - Security Services Department \$ 226,000
 - Engineering Department \$ 135,000
 - Highway Department (from State Gas Tax) \$ 874,000
 - Facilities Maintenance \$ 660,000
 - Utilities \$ 238,000

Responsible for maintaining the County's infrastructure including highway, engineering, major capital projects, real property, security, custodial services, maintenance, and building utilities

General Fund Expenditure Requests

General Services Division (18%)

- Total Expenditure Requests: **\$41,747,000**
 - Increase over FY 2017: \$2,131,000 (5.4%)
- Major changes:
 - Ross's Landing Park & Plaza: \$ 142,000
 - Corrections - CoreCivic: \$ 722,000
 - Emergency Medical Services: \$1,262,000
 - Volunteer fire department appropriations: \$ 44,000

Includes Emergency Services & Homeland Security, Volunteer Services, EMS, Corrections, Parks & Recreation

General Fund Expenditure Requests

Health Services Division (10%)

- Total Expenditure Requests: **\$22,806,000**
 - Decrease from FY 2017: - \$442,000 (1.9%)
- Major increases/decreases:
 - Social Services Title XX (transfer to Dev.) - \$338,000
 - OVW – Justice for Families grant - \$125,000
 - Community Services - \$ 71,000
 - State TB Clinic (1 add'l position) + \$ 72,000
 - Family Planning + \$ 65,000
 - STD Clinic – Viral Hepatitis (1 add'l position) + \$ 67,000

Core functions deal with the community's health assessment, education, service delivery, prevention, compliance, policy development, regulation, etc.

General Fund Expenditure Requests

Human Resources Division (1%)

- Total Expenditure Requests: **\$1,909,000**
 - Increase over FY 2017: \$73,000 (4.0%)
- Major increases:
 - Benefits \$ 70,000

Responsible for the County's human resources, medical insurance and other employee benefits, risk management, wellness and fitness programs, mailroom, etc.

General Fund Expenditure Requests Juvenile Court Clerk (1%)

- Total Expenditures: **\$2,635,000**
 - Decrease from FY 2017: \$1,000 (0.0%)

Comprised of the Juvenile Court Clerk and the IV-D Child Support departments

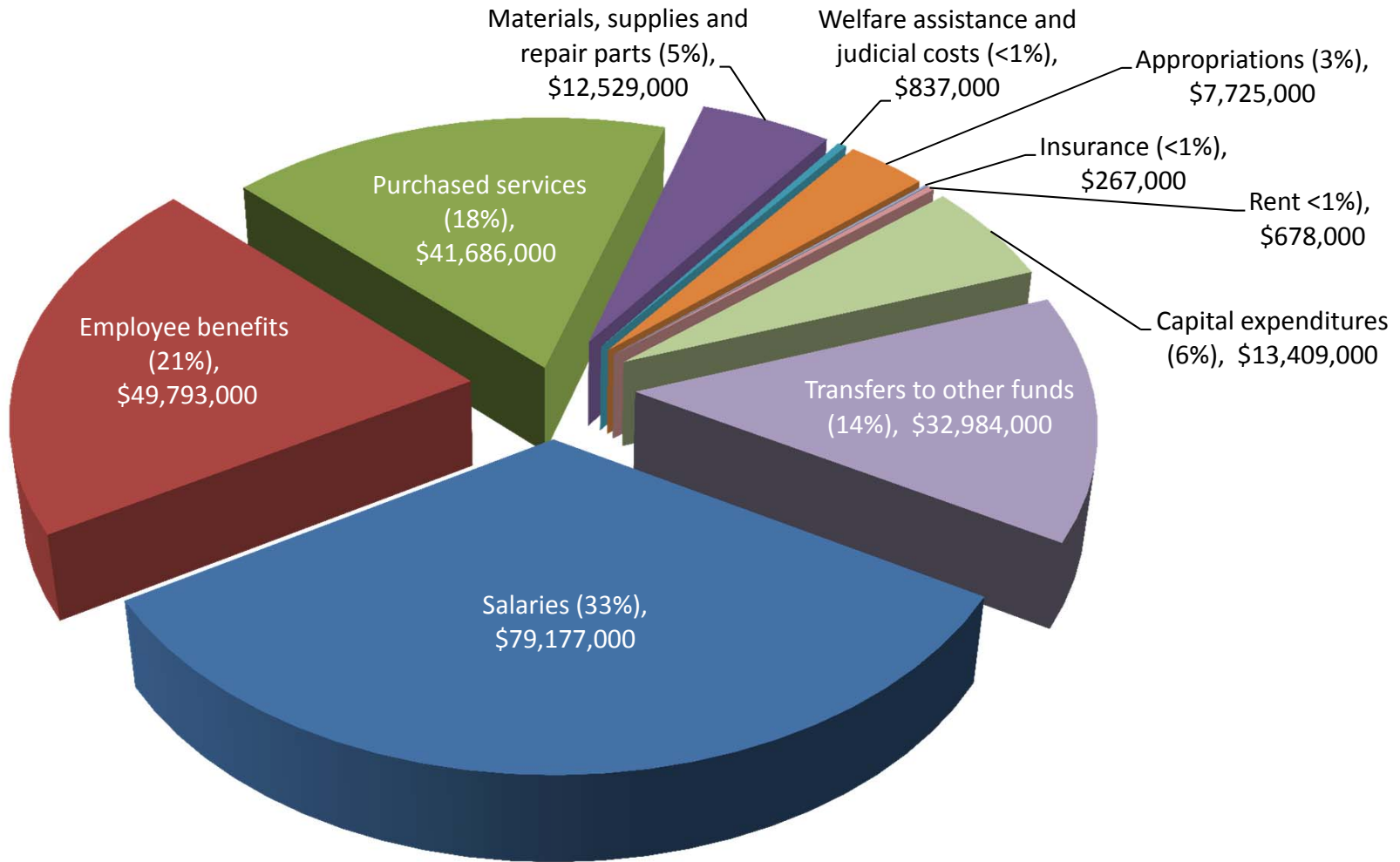
General Fund Expenditure Requests

Sheriff Division (16%)

- Total Expenditure Requests: **\$38,240,000**
 - Increase over FY 2017: \$4,769,000 (14.3%)
- Major increases:
 - Jail \$2,334,000
 - Patrol \$ 725,000
 - School Resource Officers \$ 612,000
 - Information Systems \$ 336,000
 - Fugitive \$ 303,000
 - Civil Process \$ 174,000
 - Administration \$ 170,000

An accumulation of several departments whose primary function is law enforcement

General Fund Expenditure Requests by Type



General Fund

Significant Operating Costs

- Salaries and Employee Benefits
 - 54% of General Fund budget requests
 - Budget request includes:
 - » Employee raises of 1.5% (with floor of \$750) – cost of \$1,615,000
 - » No increase in health insurance costs
 - » Small increase in pension costs (TCRS rate increased from 14.33% to 14.67%)

Employee Salaries

(33.0% of Budget Requests)

- Full-Time County employees:
 - 1,736 in FY 2017 budget
 - 1,816 in FY 2018 requests (increase of 80)
- Average salary of a County full-time employee:
\$42,857
- Median salary of a County full-time employee:
\$38,202

Employee Salaries

Recent History of Employee Salary Increases

– FY 2010	-0-%
– FY 2011	-0-%
– FY 2012	-0-%
– FY 2013	3.0%
– FY 2014	-0-%
– FY 2015	2.5%
– FY 2016	1.5% (with floor of \$750)
– FY 2017	2.5% (with floor of \$1,250)

Employee Salaries

Projected Cost of Salary Increases

- 1.5%, across the Board \$1,350,000
- 1.5%, with floor of \$750 \$1,615,000

Employee Health Benefits

(12.7% of Budget Requests)

- Total FY 2018 request: **\$30,056,000**
- Health costs include:
 - Medical and prescription drug claims
 - Employee Clinic
 - Employee Pharmacy
 - Stop loss coverage (insurance covering individual claims > \$275,000/year)
 - Administrative fees paid to CIGNA

Employee Health Benefits

Items of Note for FY 2018 Budget

- Claims experience is in line with budget
- No changes to Health Insurance Coverage
- No increase in FY 2018 premiums
 - Costs charged to General Fund increased 20.9% in FY 2017

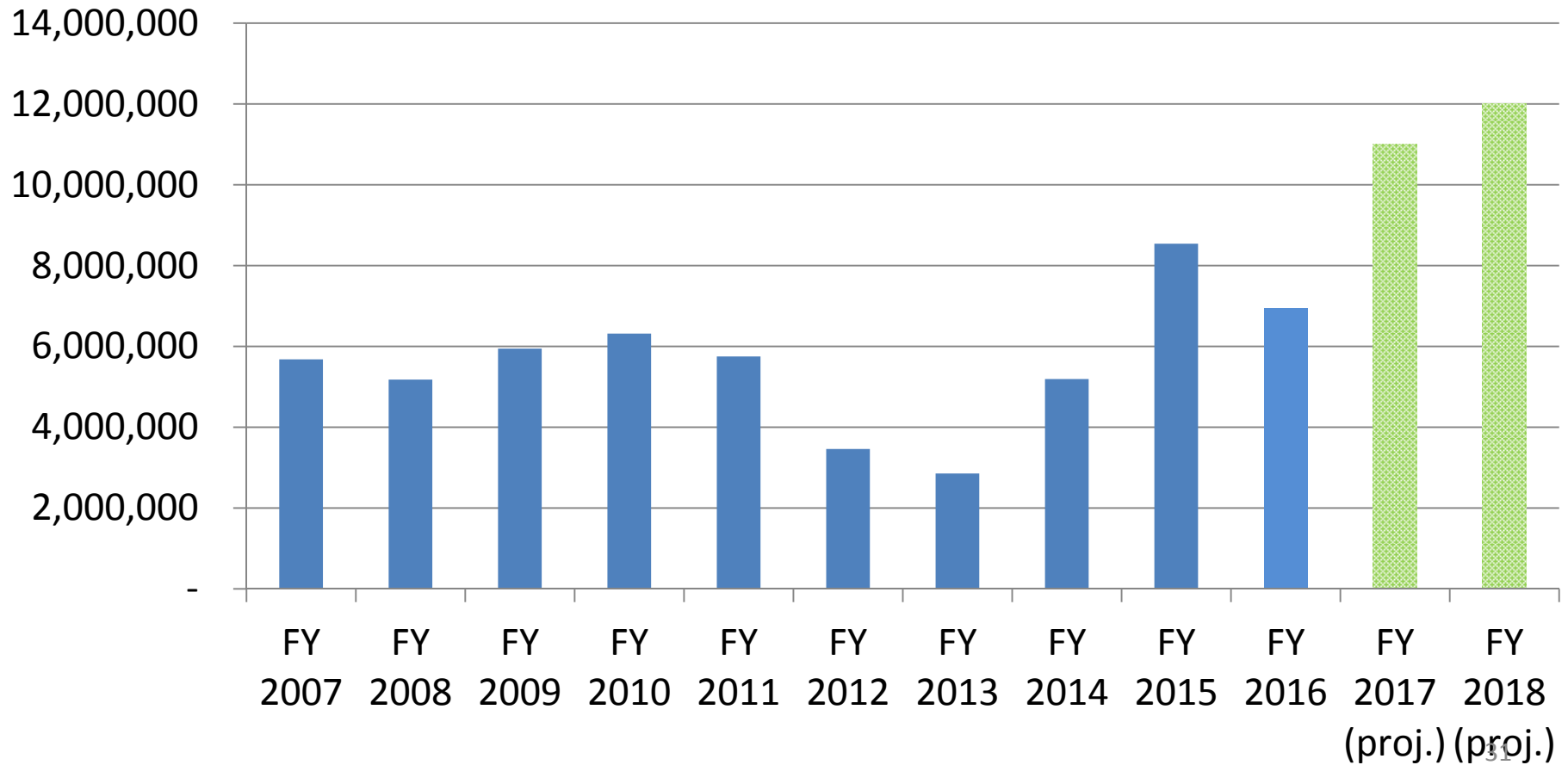
Employee Health Benefits

Self-Insurance Fund

FY 2007 – 2016 (actual); FY 2017 - 2018 (projected)

Fund Balance

(Target balance - \$10 million)



Employee Pension Benefits

(5.0% of Budget Requests)

3 Types of Pension Benefits

1. TCRS Legacy Plan

- Covers employees hired prior to October 1, 2015

2. TCRS Hybrid Plan

- Covers employees hired October 1, 2015 and after

3. TCRS Bridge Plan

- Covers certain POST certified Sheriff employees for enhanced pension benefits

Employee Pension Benefits

TCRS Legacy Plan

- Total FY 2018 request - **\$10,469,000**
- Rate increase from 14.33% to **14.67%** of covered payroll (2.4%)

TCRS Hybrid Plan

- Total FY 2018 request - **\$1,225,000**
- Rate fixed at **9%** of covered payroll

TCRS Bridge Plan

- Total FY 2018 request – **\$246,000**
- Cost is **3.5%** of covered payroll

General Fund

Other Significant Operating Costs

Housing of Corrections Inmates

- Direct cost in FY 2018 budget (12.5%):
 - Sheriff Jail \$14,781,000
 - Silverdale Correctional Facility \$14,920,000
 - Total \$29,701,000
- Continue to have over-crowding issues at the Jail
- Contract with CoreCivic to house inmates at Silverdale has been extended through Aug. 2017
 - The County has contracted with CCA/CoreCivic since 1984 – 33 years.

General Fund Capital Outlay Requests

- Capital Outlay requests: **\$13,409,000**
 - General services: **\$5,152,000**
 - Sheriff: **\$3,416,000**
 - Public Works: **\$1,735,000**
 - Finance (including IT): **\$1,381,000**
 - Health: **\$ 466,000**
- Examples:
 - Vehicle replacement
 - Computers
 - Repairs & maintenance to buildings
 - Office furniture and equipment, etc.

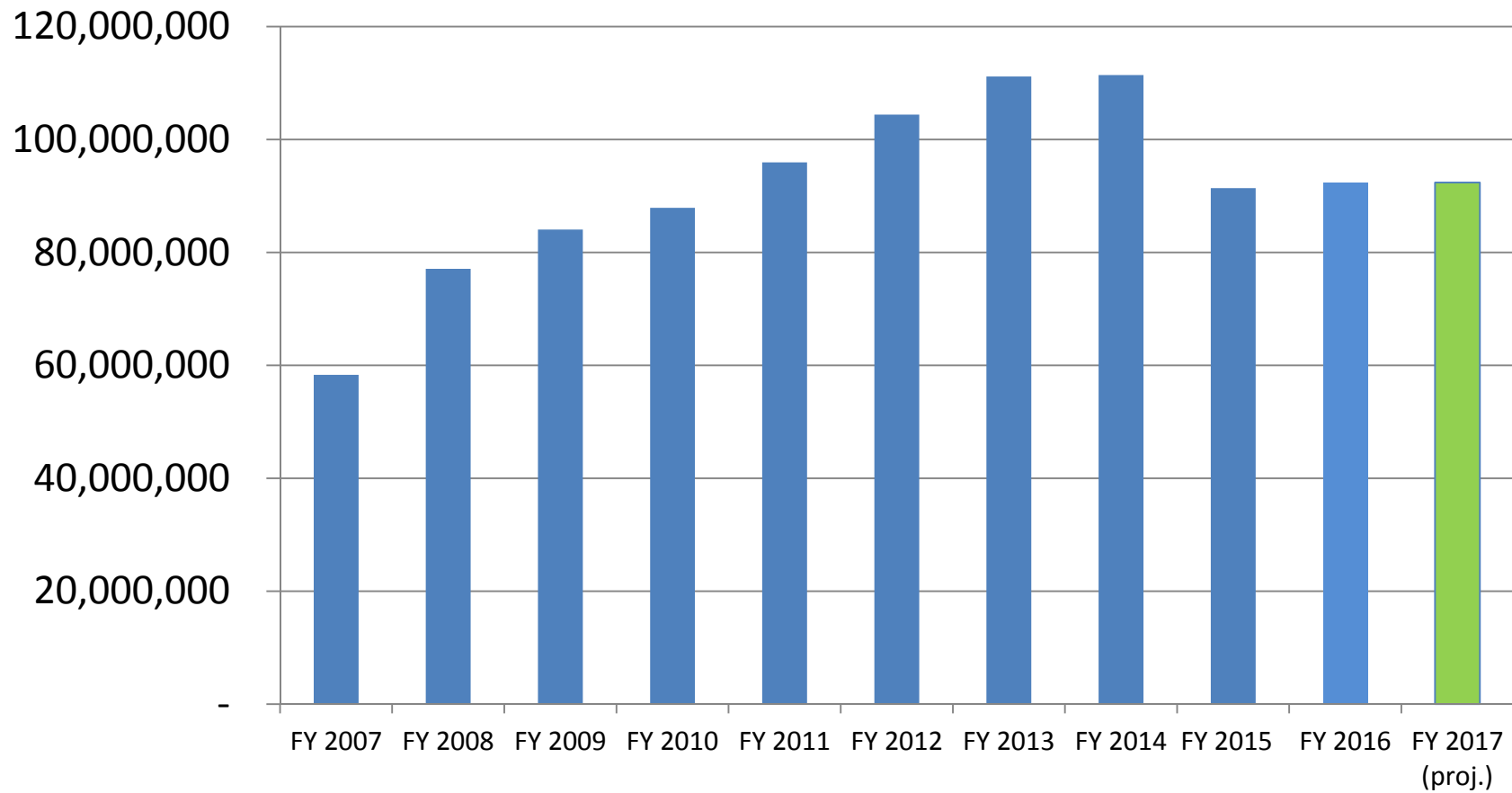
General Fund Capital Outlay Requests

- Major capital items are not included in the annual Capital Outlay budget – such as:
 - New schools and/or additions/renovations to schools
 - Construction of new buildings (VFDs)
 - Significant building renovations (Jail, Courthouse, etc.)
 - Significant highway improvement projects
- All such major capital expenditures are recommended by the Mayor and spent upon approval of the County Commission.

General Fund

Changes in Total Fund Balance

Fiscal Years 2007 – 2017 (Projected)



General Fund

Summary of Budget Requests

	FY 2018	FY 2017
	Requests	Budget
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Revenues	\$ 222,332,000	\$218,802,556
Expenditures requests	239,085,000	218,802,556
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Budget shortfall	\$ (16,753,000)	\$ -
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Property tax increase needed to fund shortage	18.0¢	
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Other Budgeted Funds

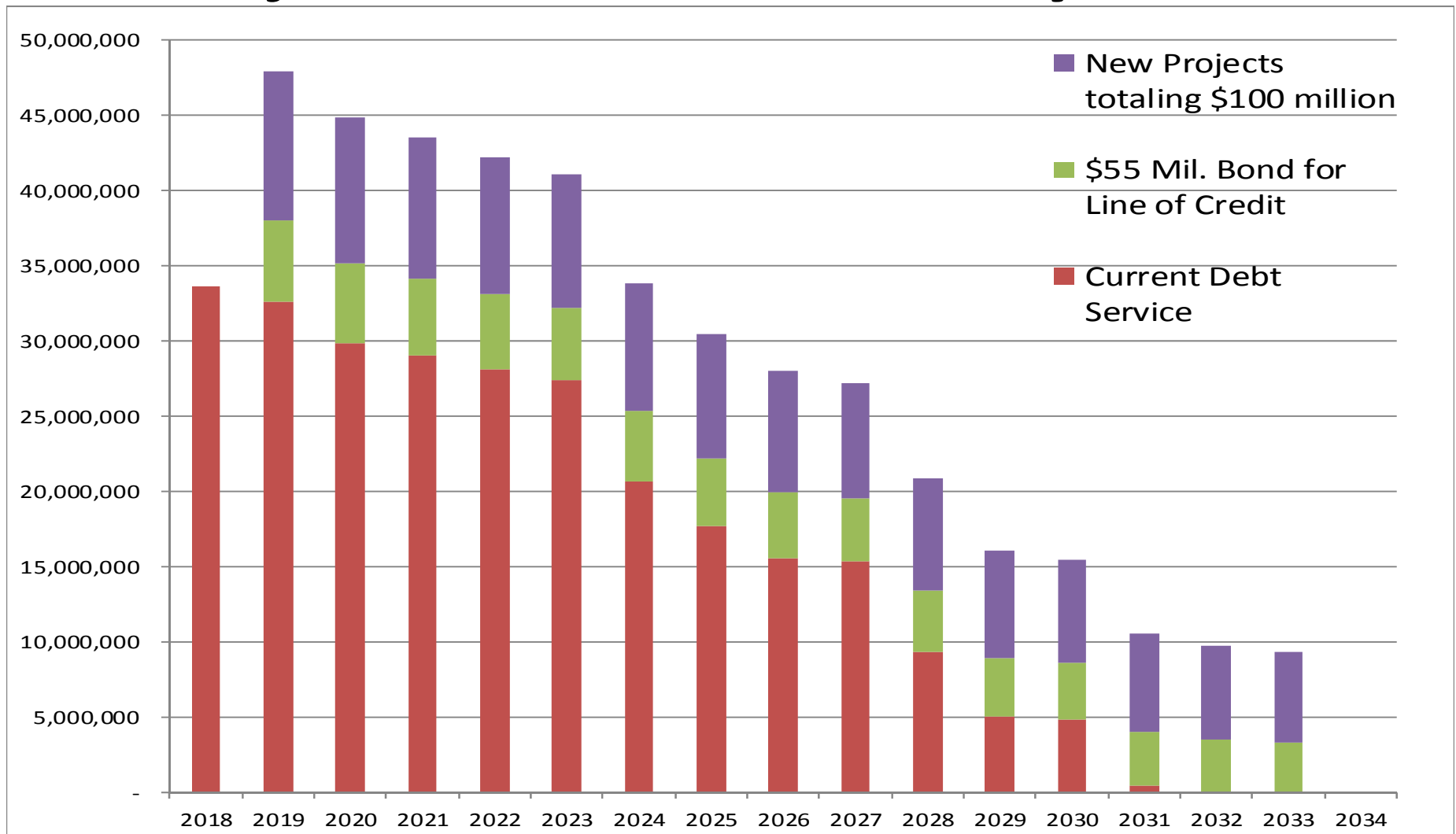
Debt Service Fund

- Debt Outstanding at June 2017:
 - General Obligation Bonds
 - General Improvement \$ 62,979,000
 - Schools 157,656,000
 - Total General Obligation Debt **\$220,635,000**
 - Line of Credit Debt outstanding **\$ 55,000,000**

- Debt Service scheduled payments:
 - FY 2018 bond payments \$33,600,000
 - FY 2019 bond payments \$32,527,000

Debt Service Fund

Projected Debt Service Payments



Debt Service Fund

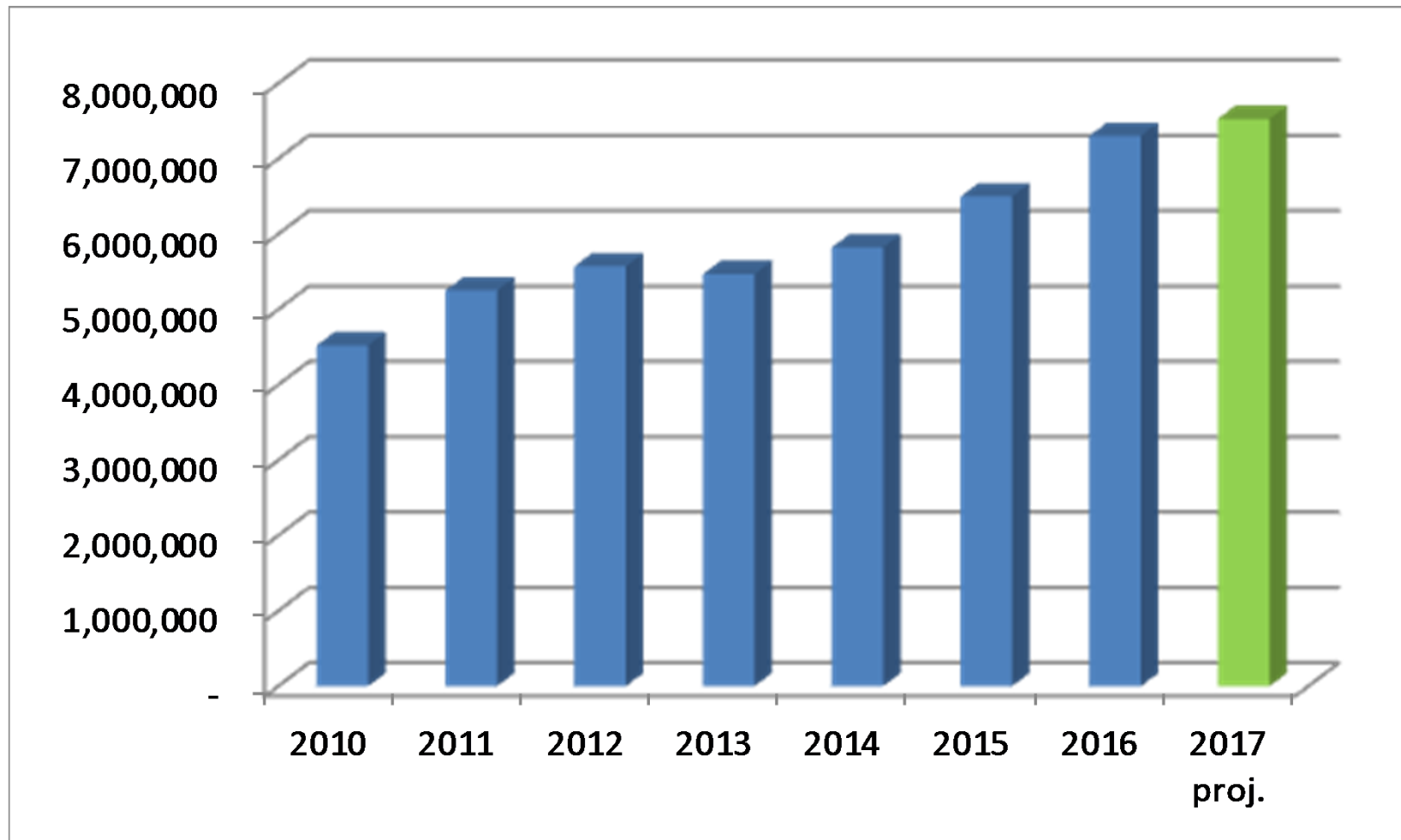
Revenue Needed to Finance \$155 Million in Bond Projects

Principal	\$ 9,128,000
Interest	5,957,000
Total	<u>\$ 15,085,000</u>

Property tax increase to fund \$155M bond issue	<u>16.2¢</u>
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*Includes revenues needed to pay off line of credit
plus \$100 million in new projects.*

Other Budgeted Funds Hotel Motel Fund History of Collections

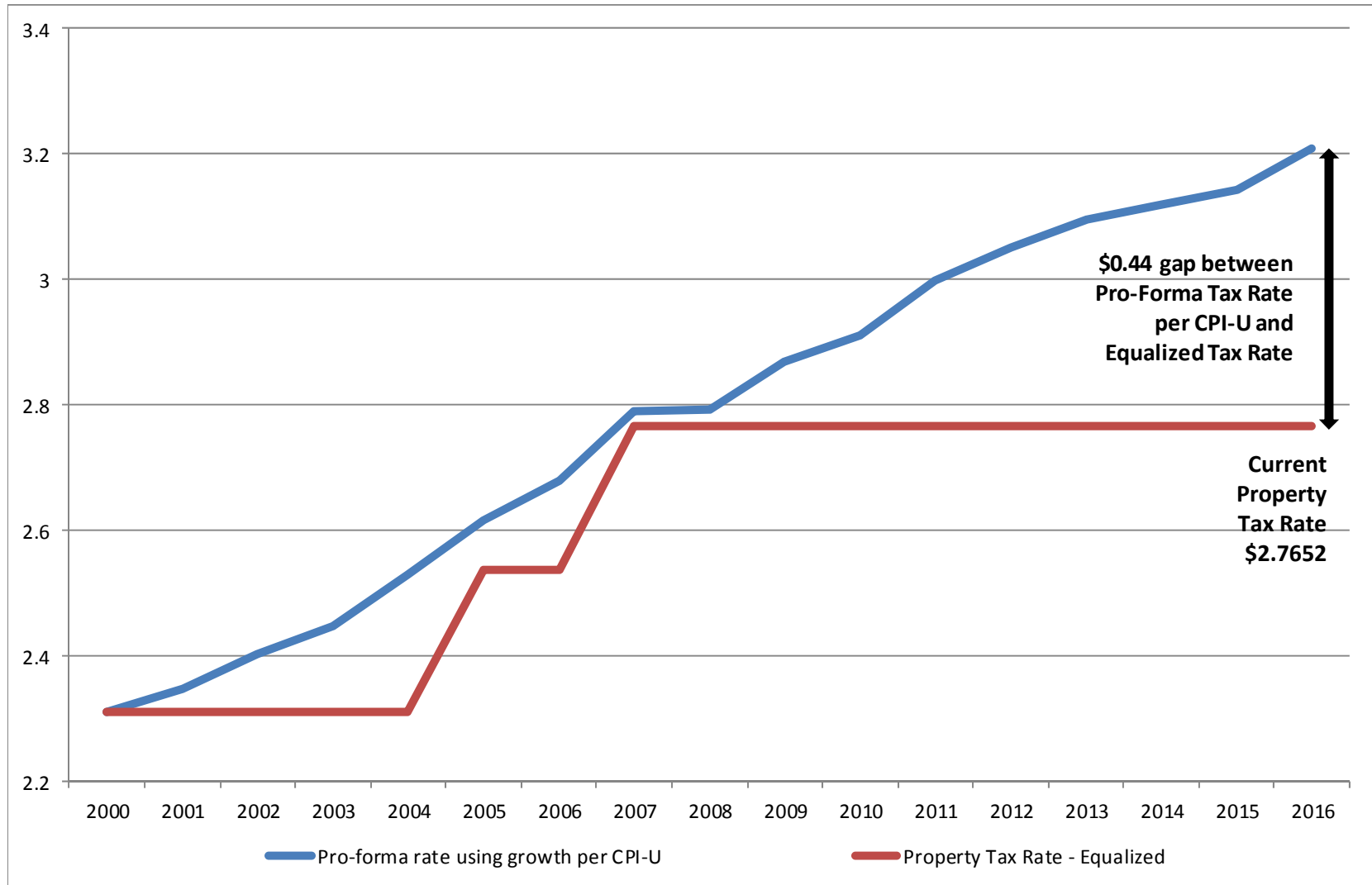


All Budgeted Funds

Revenue Needed to Meet Requests

	FY 2018 Budget Shortfalls	<i>Property Tax Increase Needed</i>
General Fund	\$ 16,753,000	18.0¢
Debt Service Fund	15,085,000	16.2¢
Sheriff Special Revenue Fund	-	-
Hotel Motel Fund	-	-
Department of Education	24,809,000	26.7¢
Budget shortfall	\$ 56,647,000	60.9¢

Historical Analysis of Property Tax Increases



Hamilton County Budget Workshop

QUESTIONS

Hamilton County Budget Workshop

NEXT STEP

Commission Budget Hearings

May 31, 2017