



Hamilton County
Budget Workshop
County Budget Requests
May 15, 2018

FY 2019 Budget Key Dates

- Budget Workshops:
 - Department of Education (May 8, 2018)
 - **County Budget Requests (May 15, 2018)**
 - Overall County Budget (June 5, 2018)
- Budget Hearings: May 30, 2018
 - Elected Officials and Supported Agencies
- Budget presented to Commission: June 6, 2018
- Commission Vote: **June 27, 2018**

FY 2019 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 2019 Budget Requests

Key Points

- Department of Education
 - Budget request presented to you on May 8, 2018
 - HCDE request would NOT require property tax increase
- County General Fund
 - Presentation covers requests from departments and supported agencies

FY 2019 Budget – Priorities

1. Additional capital funding for school facilities
 - \$125 million in new school construction, including two new schools
 - \$100 million from general government
 - \$25 million from HCDE
2. Enhance public safety
 - Additional SROs
 - New ambulance station(s)
 - Additional funding for volunteer fire departments
 - Control the cost of incarceration
 - Pretrial detention services
 - Mental health services
3. Infrastructure improvements
 - Roads & streets
 - Building maintenance
4. Maintain triple A bond rating from three major rating agencies
5. Maintain a healthy self-insurance fund balance
 - 2018 national trend for medical care cost increase is 9%
 - County’s trend for FY18 is currently flat (less than 1%)

FY 2019 Budget Requests

ALL BUDGETED FUNDS

Total Expenditure Requests:	\$765,542,000
<i>Inc. over FY 2018 Budget:</i>	<i>\$49,043,000 (6.8%)</i>

NOTE: For purposes of this presentation, FY 2018 Budget represents the Original Budget as adopted June 21, 2017, plus the Amendment to the Original Budget adopted September 6, 2017 via Resolution 917-12.

FY 2019 Budget Requests

	FY 2019 Requests	FY 2018 Budget (as amended)
General Fund	\$ 264,422,000	\$ 246,710,948
Debt Service Fund	51,994,000	34,336,149
Sheriff Special Revenue Fund	481,000	481,486
Hotel Motel Fund	8,388,000	8,200,000
Department of Education	440,257,000	426,770,340
	\$ 765,542,000	\$ 716,498,923

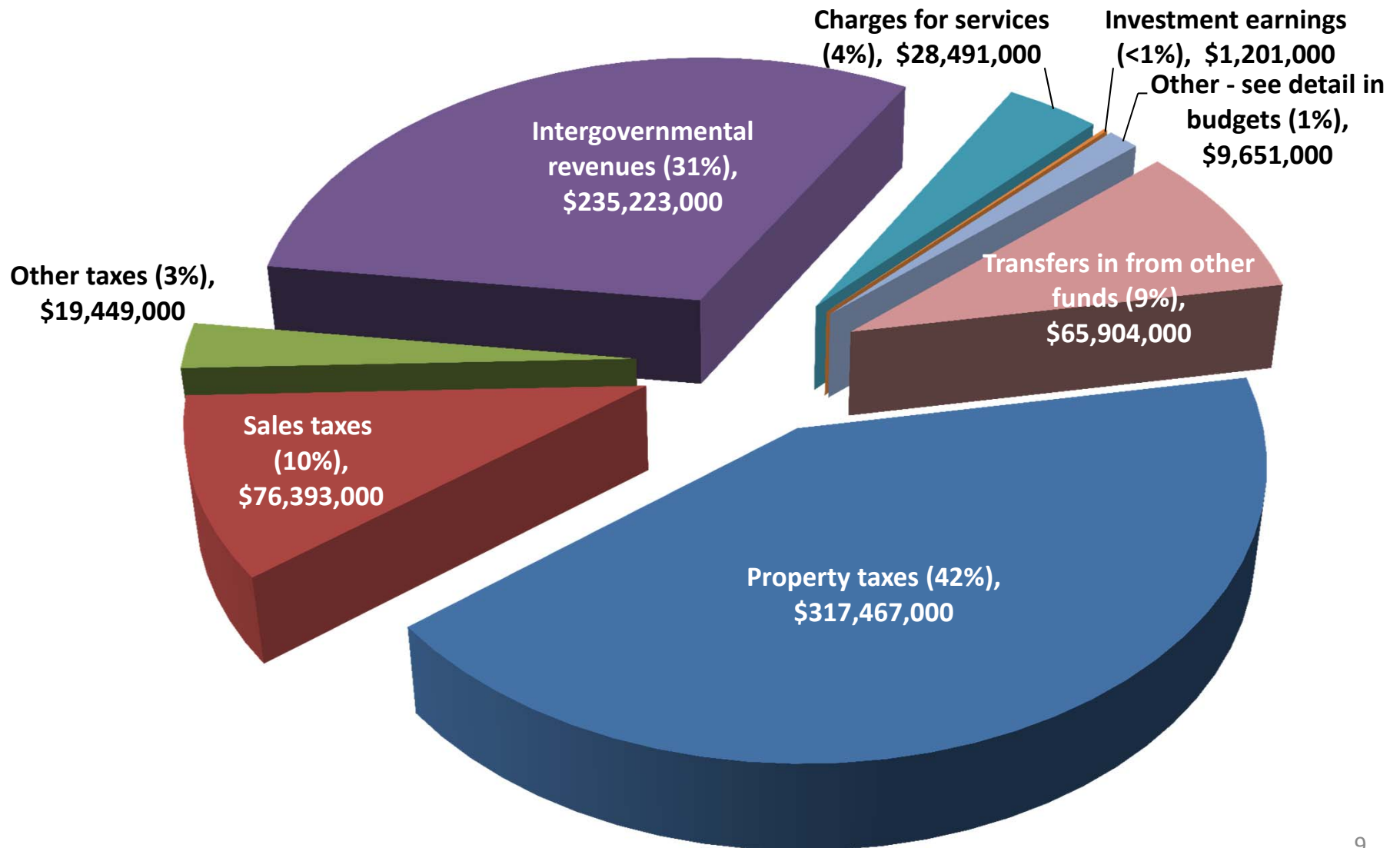
Other Budgeted Funds

Department of Education

	FY 2019 Requests	FY 2018 Budget (as amended)
General Purpose School Fund	\$ 385,407,677	\$ 373,667,242
Federal Projects	27,282,021	26,109,427
Food Service Fund	21,351,629	20,954,014
Self Funded Projects	6,215,411	6,039,657
	\$ 440,256,738	\$ 426,770,340

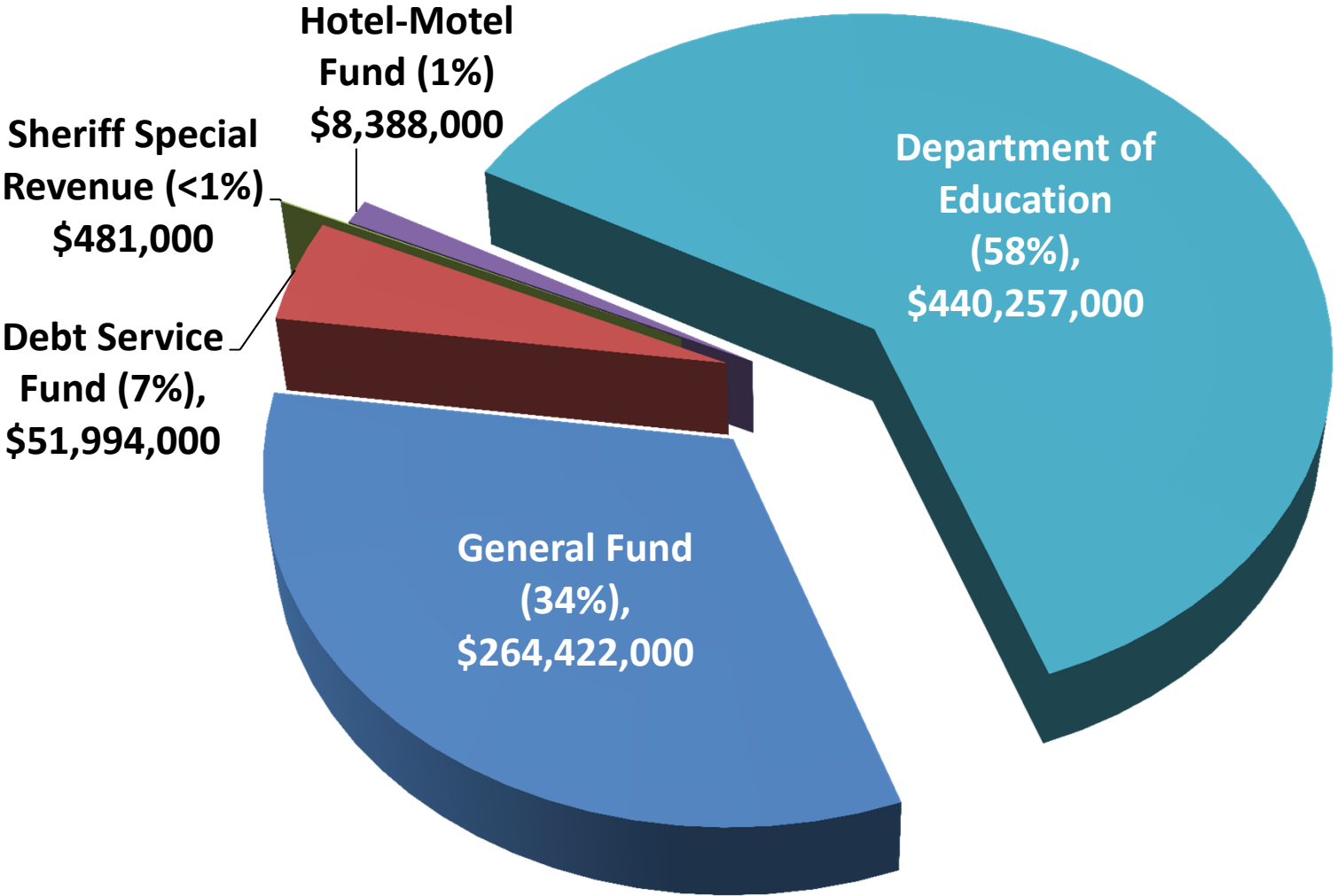
Revenues by Source

All Budgeted Funds



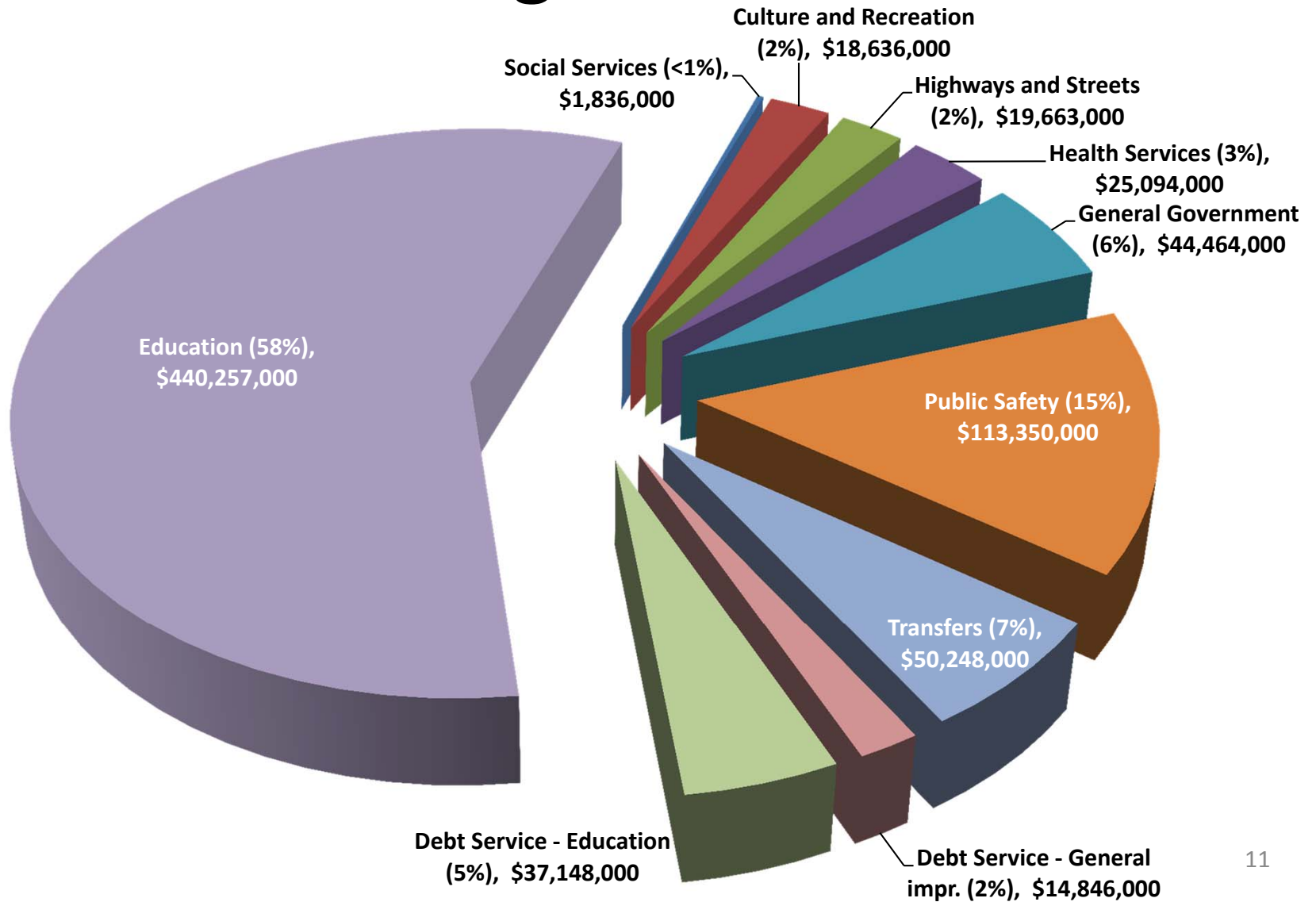
Expenditure Requests by Fund

All Budgeted Funds



Expenditure Requests by Function

All Budgeted Funds

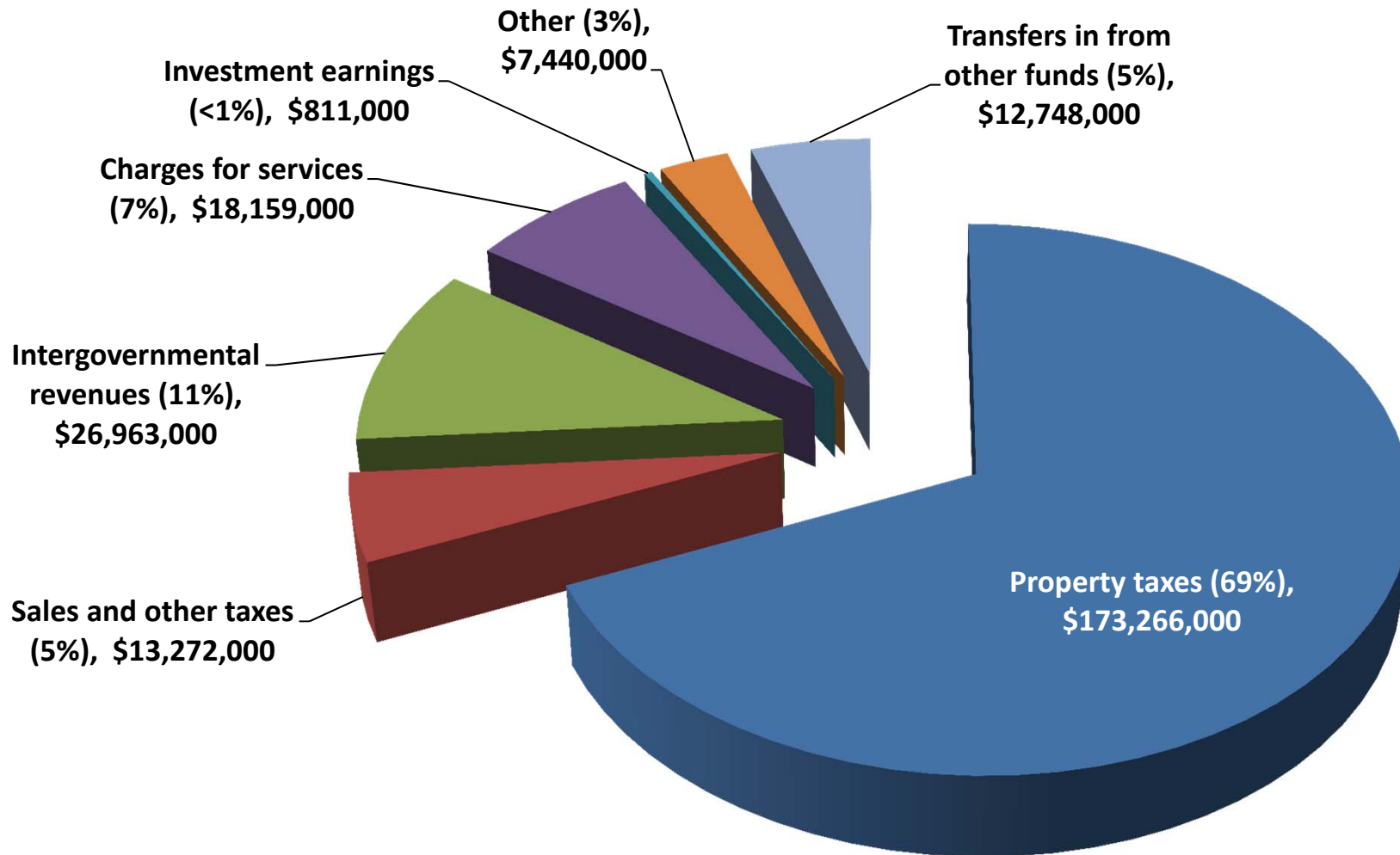


FY 2019 Budget Requests

General Fund

Total Projected Revenue:	<u>\$252,659,000</u>
<i>Increase over FY 2018:</i>	<u>\$5,448,000</u> (2.2%)
Total Expenditure Requests:	<u>\$264,422,000</u>
<i>Increase over FY 2018:</i>	<u>\$17,711,000</u> (7.2%)

General Fund Revenues by Source



General Fund Revenues

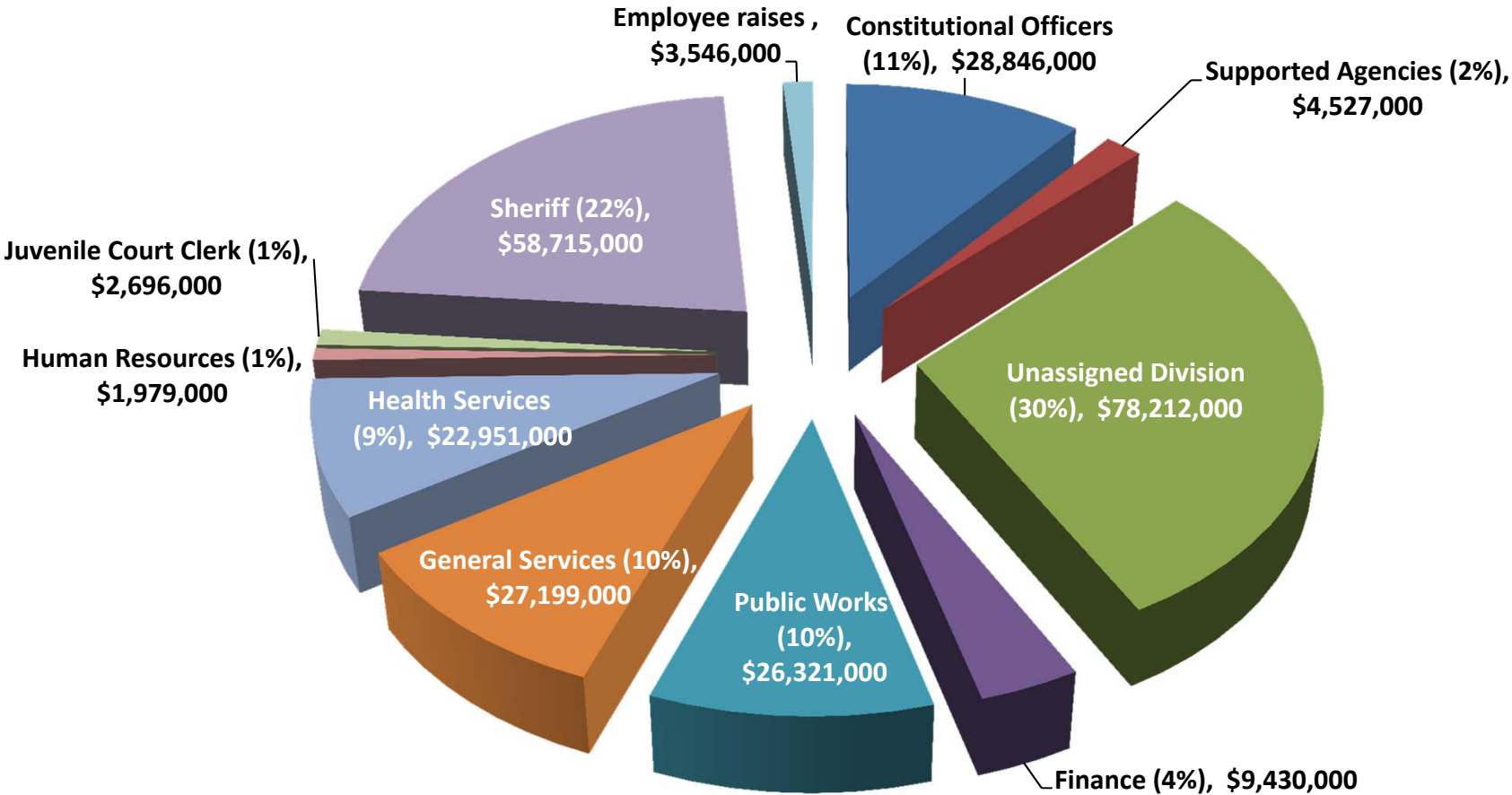
(\$252,659,000)

- Growth over FY 2018 of \$5.4 million (2.2%)
- \$3.7 million of this amount is growth in property taxes (2.2%)
- \$311,000 increase in State Gas Tax revenues

General Fund Expenditure Requests by Division

	FY 2019 Requests	FY 2018 Budget
Constitutional Officers	\$ 28,846,000	\$ 27,551,880
Supported Agencies	4,527,000	4,450,909
Unassigned	78,212,000	75,000,835
Finance	9,430,000	9,258,930
Public Works	26,321,000	24,714,000
General Services	27,199,000	42,861,981
Health Services	22,951,000	23,008,542
Human Resources	1,979,000	1,923,791
Juvenile Court Clerk	2,696,000	2,658,123
Sheriff	58,715,000	35,281,957
Employee Raises	3,546,000	n/a
	\$ 264,422,000	\$ 246,710,948

General Fund Expenditure Requests by Division (\$264,422,000 – 7.2% increase)



General Fund Expenditure Requests

Constitutional Officers (11%)

- Total Expenditures: **\$28,846,000**
 - Increase over FY 2018: \$1,294,000 (4.7%)
- Major Increases/Decreases
 - Assessor of Property + \$ 56,000
 - County Clerk + \$116,000
 - District Attorney General + \$142,000
 - Election Commission + \$293,000
 - Judicial Magistrates + \$ 61,000
 - Juvenile Court – Youth & Alcohol - \$ 81,000
 - Medical Examiner + \$ 86,000
 - Mental Health Court + \$ 50,000
 - Trustee + \$486,000

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

General Fund Expenditure Requests Supported Agencies (2%)

- Total Expenditures: **\$4,527,000**
 - Increase over FY 2018: \$76,000 (1.7%)
- Primary increases
 - Agriculture \$56,000
 - 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 (30%)

- Total Expenditure Requests: **\$78,212,000**
 - Increase over FY 2018: \$3,211,000 (4.3%)
- Major increases and decreases:
 - Capital Outlay + \$ 8,425,000
 - Debt Service Appropriation + \$ 9,264,000
 - Employee Benefits (health ins.) - \$ 1,694,000
 - Trustee Commission + \$ 591,000
 - County Commission (travel allowance) + \$ 111,000
 - WWTA (revenue supported) + \$ 488,000
 - Transfer to Capital Projects Fund - \$14,000,000

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: **\$9,430,000**
 - Increase from FY 2018: \$171,000 (1.8%)
- Major reasons for increase:
 - Financial Management (1 new position) \$ 80,000
 - GIS \$ 75,000

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: **\$26,321,000**
 - Increase over FY 2018: \$1,607,000 (6.5%)
- Major reasons for increase:
 - Facilities Maintenance + \$778,000
 - Highway Department + \$801,000
 - Sequoyah Transfer Station (closed 7/17) - \$300,000

Responsible for maintaining the County's infrastructure, including Highway, Engineering and Facilities Maintenance, Real Property, Security, Custodial, Recycling, Building Inspection, and Utilities

General Fund Expenditure Requests

General Services Division (10%)

- Total Expenditure Requests: **\$27,199,000**
 - Decrease from FY 2018: - \$15,663,000 (-37%)
- Major changes:
 - Corrections (reclass to Sheriff) - \$17,730,000
 - Pre-Trial Diversion Program + \$ 289,000
 - Community Corrections + \$ 187,000
 - Emergency Medical Services: + \$ 1,622,000
 - Volunteer services appropriations: + \$ 50,000

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

General Fund Expenditure Requests

Health Services Division (9%)

- Total Expenditure Requests: **\$22,951,000**
 - Decrease from FY 2018: - \$58,000 (0.3%)
- Major increases/decreases:
 - Health Administration + \$53,000
 - Family Planning - \$98,000
 - Family Health Center - Pediatric - \$31,000

NOTE: Includes overall request of 2 additional full-time employees.

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: **\$1,979,000**
 - Increase over FY 2018: \$55,000 (2.9%)
- Major increases:
 - Risk Management \$ 77,000

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: **\$2,696,000**
 - Increase from FY 2018: \$38,000 (1.4%)
- Major reason for increase:
 - Child Support Division \$52,000

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

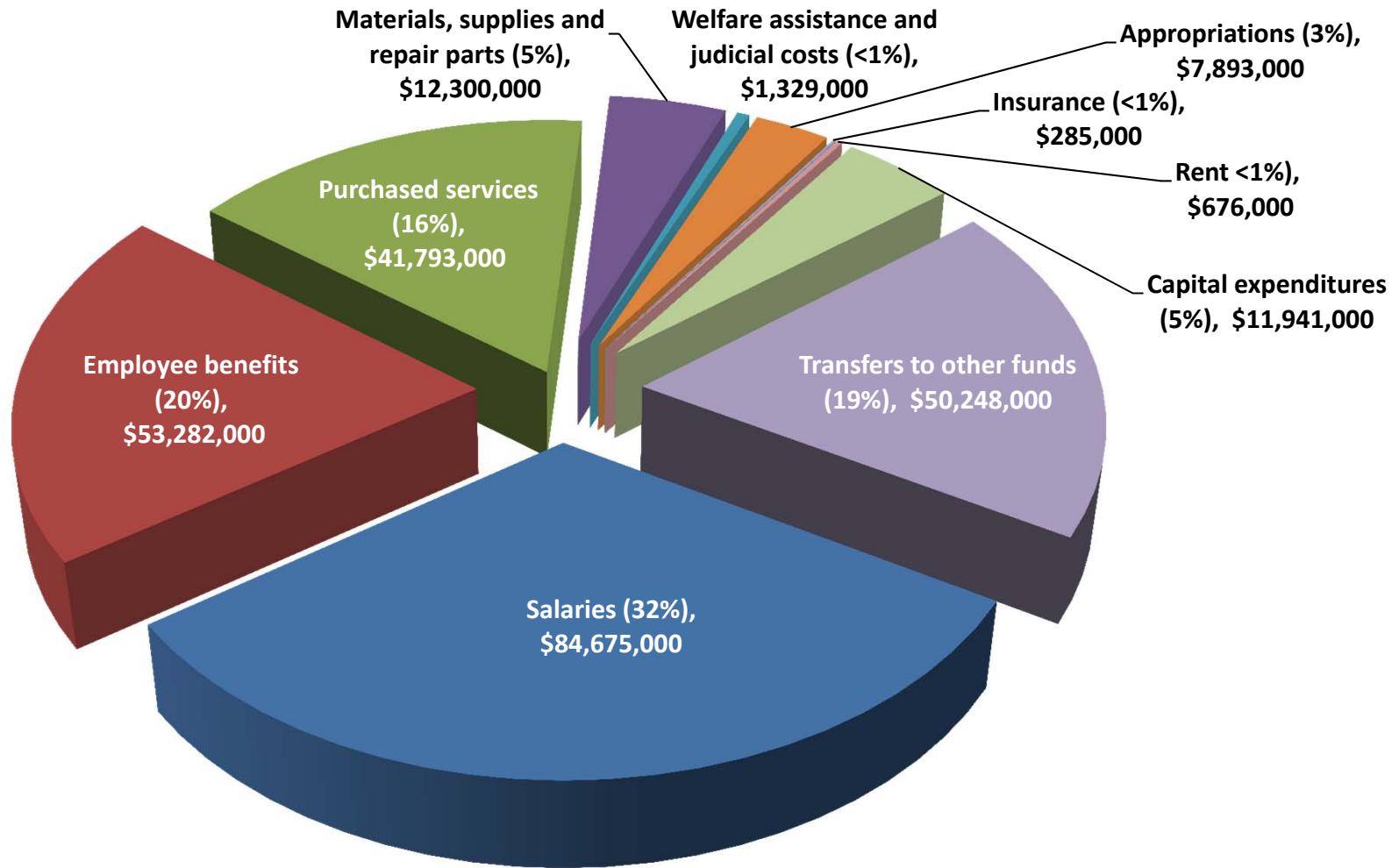
General Fund Expenditure Requests

Sheriff Division (22%)

- Total Expenditure Requests: **\$58,715,000**
 - Increase over FY 2018: \$23,433,000 (66.4%)
- Major increases:
 - Corrections (transfer of Silverdale operations) \$17,730,000
 - Silverdale CoreCivic (growth over FY 2018) \$ 1,177,000
 - Jail \$ 2,669,000
 - Patrol and SROs \$ 695,000
 - Courts \$ 400,000
 - Criminal Investigations \$ 351,000

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
 - 52% of General Fund budget requests
 - Budget request includes:
 - » Employee raises of 3% (with floor of \$1,500) – cost of \$3,546,000
 - » No increase in health insurance costs
 - » No increase in pension costs

Employee Salaries

(32.0% of Budget Requests)

- Full-Time County employees:
 - 1,770 in FY 2018 budget
 - 1,877 in FY 2019 requests (increase of 107)
- Average salary of a County full-time employee:
\$43,358
- Median salary of a County full-time employee:
\$38,171

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)
– FY 2018	1.5% (with floor of \$750)

Employee Salaries

Projected Cost of Salary Increases

- 3.0%, across the Board \$2,775,000
- 3.0% (or min. raise of \$1,500) \$3,546,000

Employee Health Benefits

(11.8% of Budget Requests)

- Total FY 2019 requests: **\$31,224,000**
- 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 2019 Budget

- Claims experience is in line with budget
- No changes to Health Insurance Coverage
- No increase in FY 2019 premiums

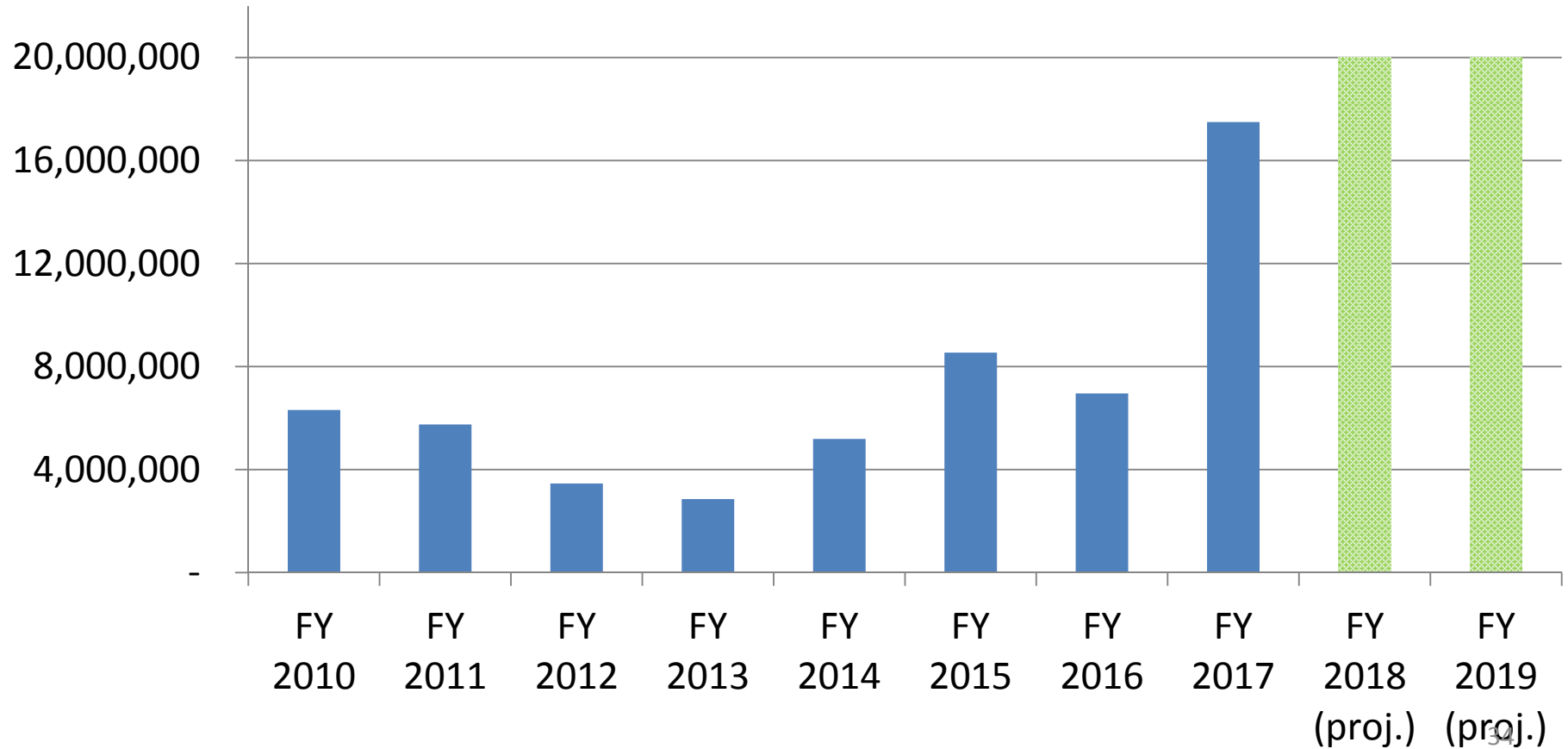
Employee Health Benefits

Self-Insurance Fund

FY 2010 – 2017 (actual); FY 2018 - 2019 (projected)

Fund Balance

(Target balance - \$15-\$20 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 2019 request - **\$10,063,000**
- Rate remains at **14.67%** of covered payroll

TCRS Hybrid Plan

- Total FY 2019 request - **\$1,779,000**
- Rate fixed at **9%** of covered payroll

TCRS Bridge Plan

- Total FY 2019 request – **\$241,000**
- Cost is **3.5%** of covered payroll

General Fund

Other Significant Operating Costs

Housing of Corrections Inmates

- Direct cost in FY 2019 budget (13.0%):
 - Jail \$16,392,000
 - Silverdale Correctional Facility \$18,097,000
 - Total \$34,489,000
- Sheriff oversees both the Jail and Silverdale.
- Renewed contract with CoreCivic to house inmates at Silverdale in September 2017
 - Per-Diem rate will increase 9.2% in September 2018.

General Fund Capital Outlay Requests

- Capital Outlay requests: **\$11,940,000**
 - General services: **\$5,216,000**
 - Sheriff: **\$2,899,000**
 - Public Works: **\$1,965,000**
 - Finance: **\$1,063,000**
 - Health: **\$ 403,000**
- Examples:
 - Vehicle replacement
 - Computers
 - Repairs & maintenance to buildings
 - Office furniture and equipment, etc.

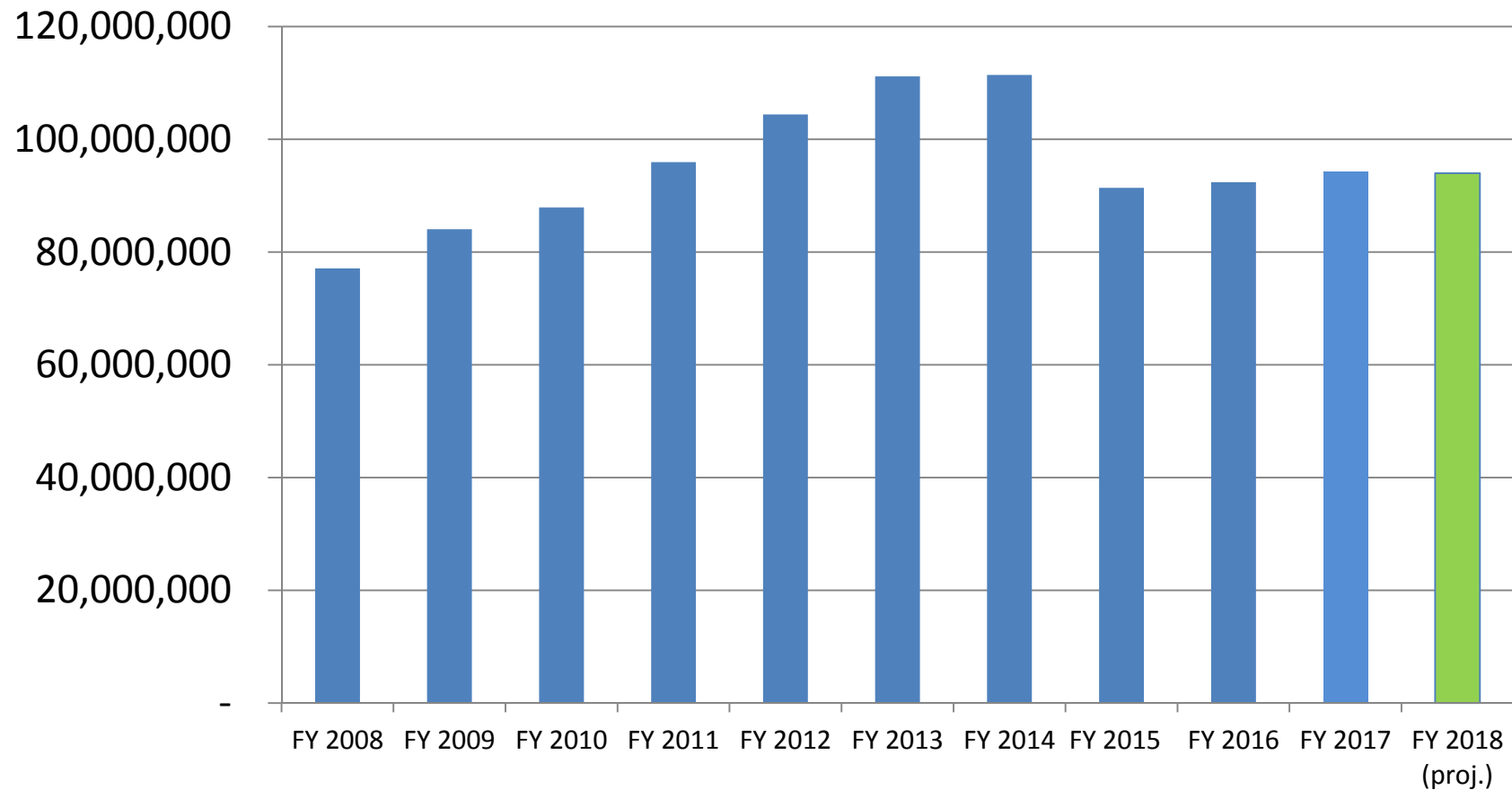
General Fund Capital Outlay Requests

- 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

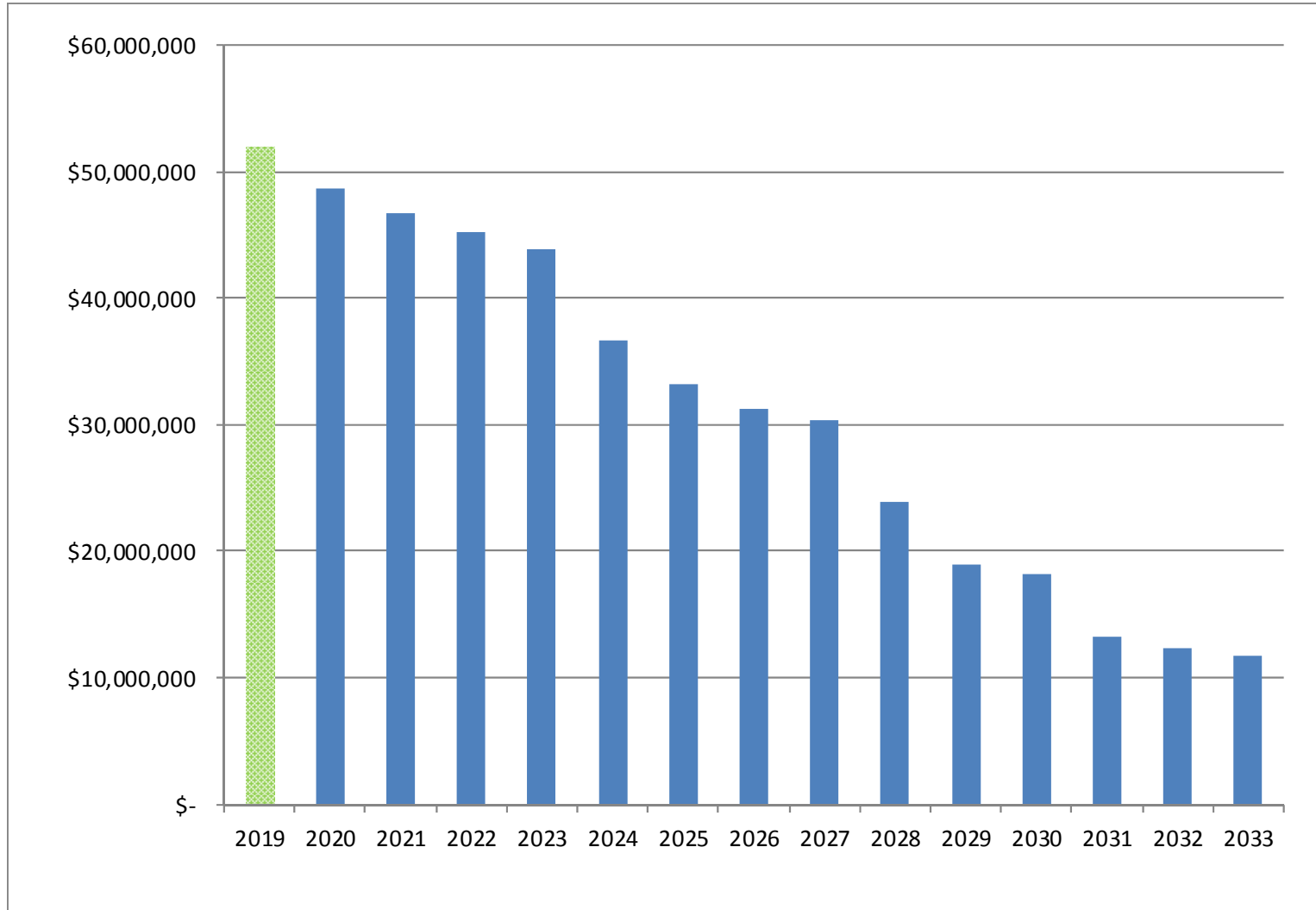
Changes in Total Fund Balance

FY 2008 – 2017 (Actual), 2018 (Projected)

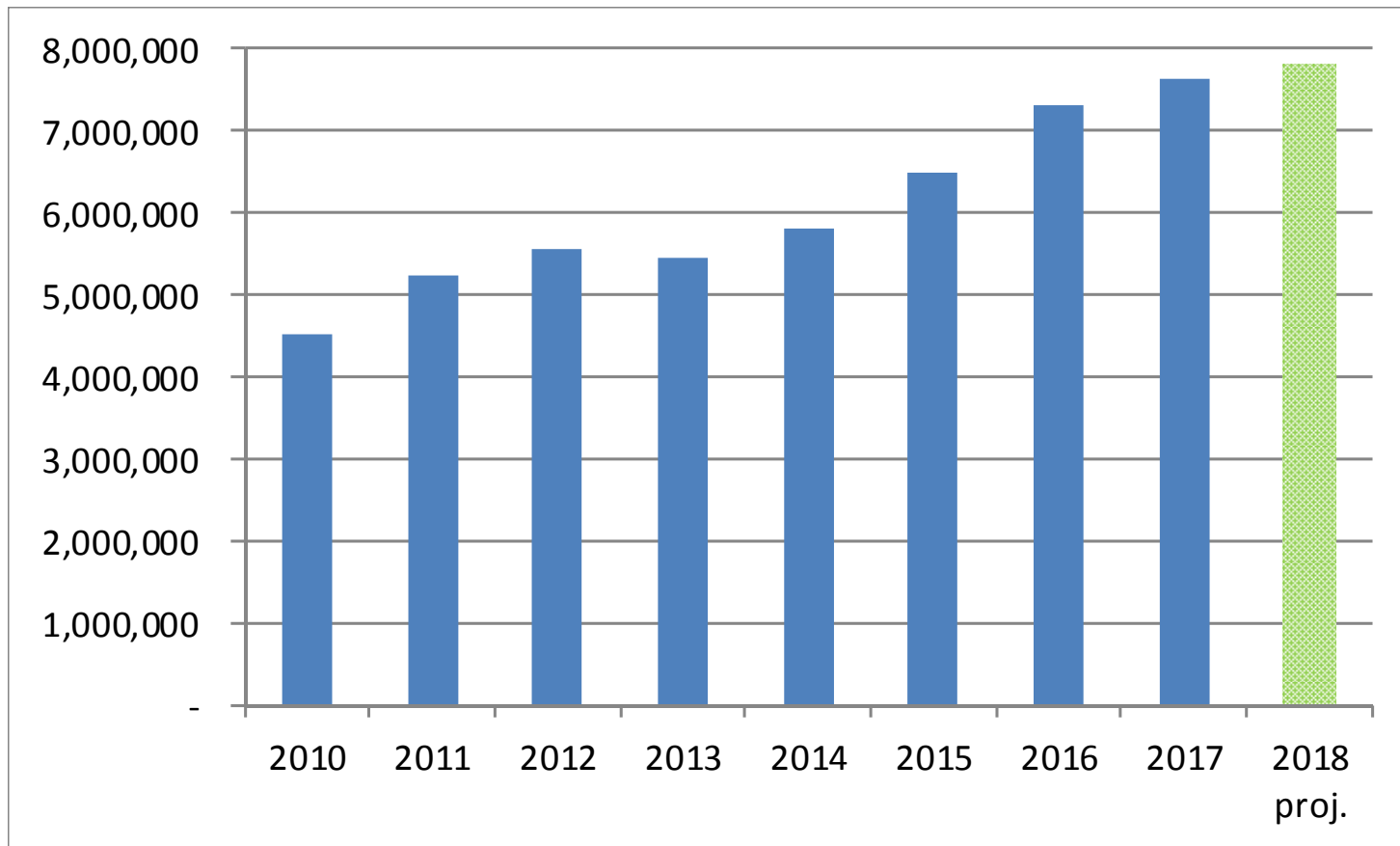


Debt Service Fund

Scheduled Debt Service Payments



Other Budgeted Funds Hotel Motel Fund History of Collections



FY 2019 Budget – Priorities

1. Additional capital funding for school facilities
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 - \$100 million from general government
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 - Additional SROs
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 - 2018 national trend for medical care cost increase is 9%
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Hamilton County Budget Workshop

QUESTIONS

Hamilton County Budget Workshop



NEXT STEP

Commission Budget Hearings

May 30, 2018