



Hamilton County
Budget Workshop
County Budget Requests
May 7, 2019

FY 2020 Budget Key Dates

- Budget Workshops:
 - **County Budget Requests (May 7, 2019)**
 - Department of Education (May 14, 2019)
 - Overall County Budget (June 4, 2019)
- Budget Hearings: May 15, 2019
 - Elected Officials and Supported Agencies
- Budget presented to Commission: June 5, 2019
- Commission Vote: **June 26, 2019**

FY 2020 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
 - Budget request will be presented to Commission on May 14, 2019

FY 2020 Budget – Priorities

1. Public Safety

- Additional EMS paramedics and EMTs
- Additional SROs and law enforcement officers
- Additional funding for volunteer fire departments
- Efforts to control the rate and cost of incarceration

2. Infrastructure improvements

- Roads & streets

3. Employee compensation

4. Maintain triple A bond rating

FY 2020 Budget Requests

(excluding HCDE)

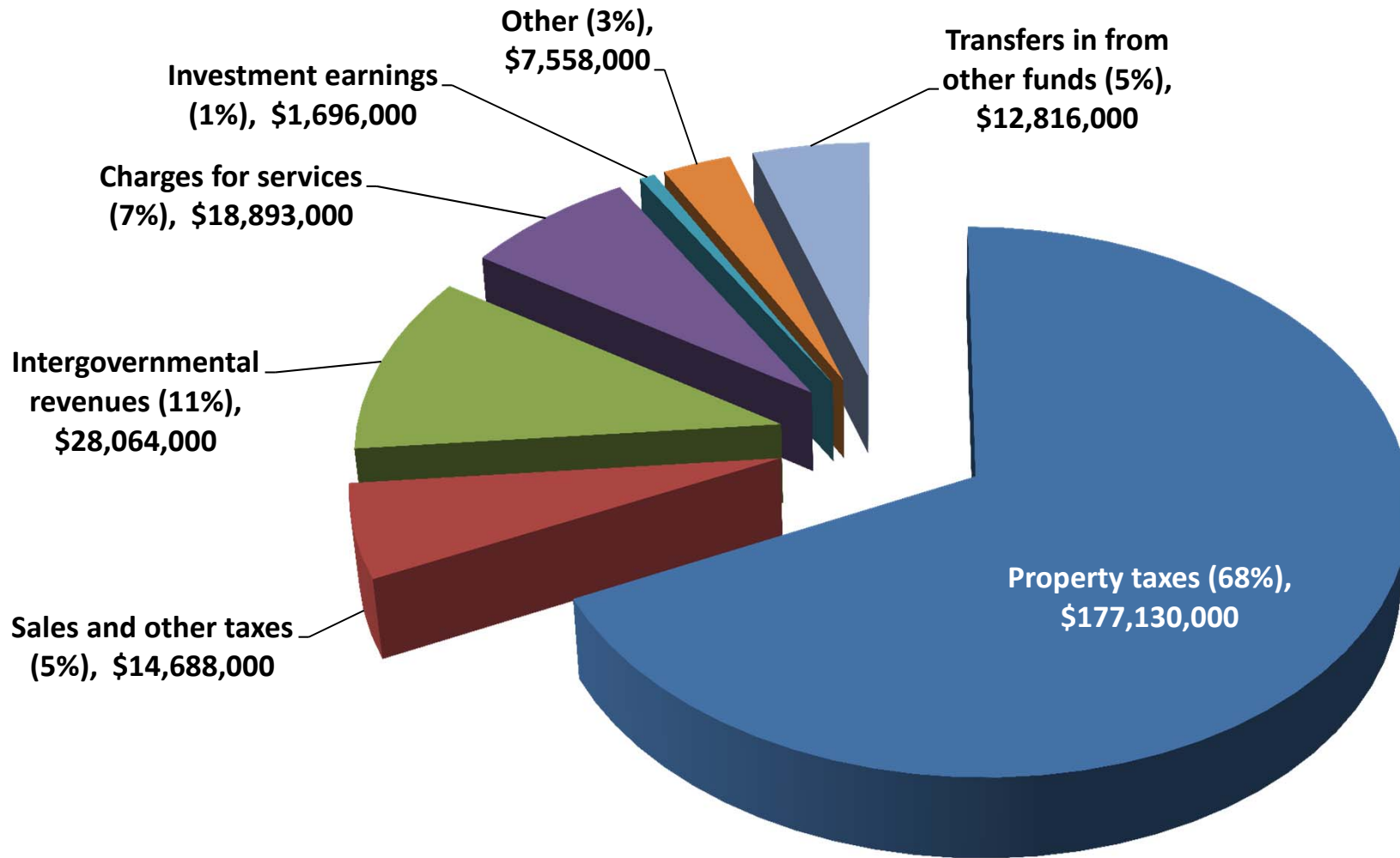
	FY 2020 Requests	FY 2019 Budget
General Fund	\$276,065,000	\$ 252,810,705
Debt Service Fund	48,671,000	51,994,024
Sheriff Special Revenue Fund	481,000	481,486
Hotel Motel Fund	8,438,000	8,388,000
Subtotal, excl. HCDE	333,655,000	313,674,215
Department of Education	not available	440,256,738
		<u>\$ 753,930,953</u>

FY 2020 Budget Requests

General Fund

Total Projected Revenue:	<u>\$260,845,000</u>
<i>Increase over FY 2019:</i>	<u>\$8,034,000</u> (3.2%)
Total Expenditure Requests:	<u>\$276,065,000</u>
<i>Increase over FY 2019:</i>	<u>\$23,254,000</u> (9.2%)

General Fund Revenues by Source



General Fund Revenues

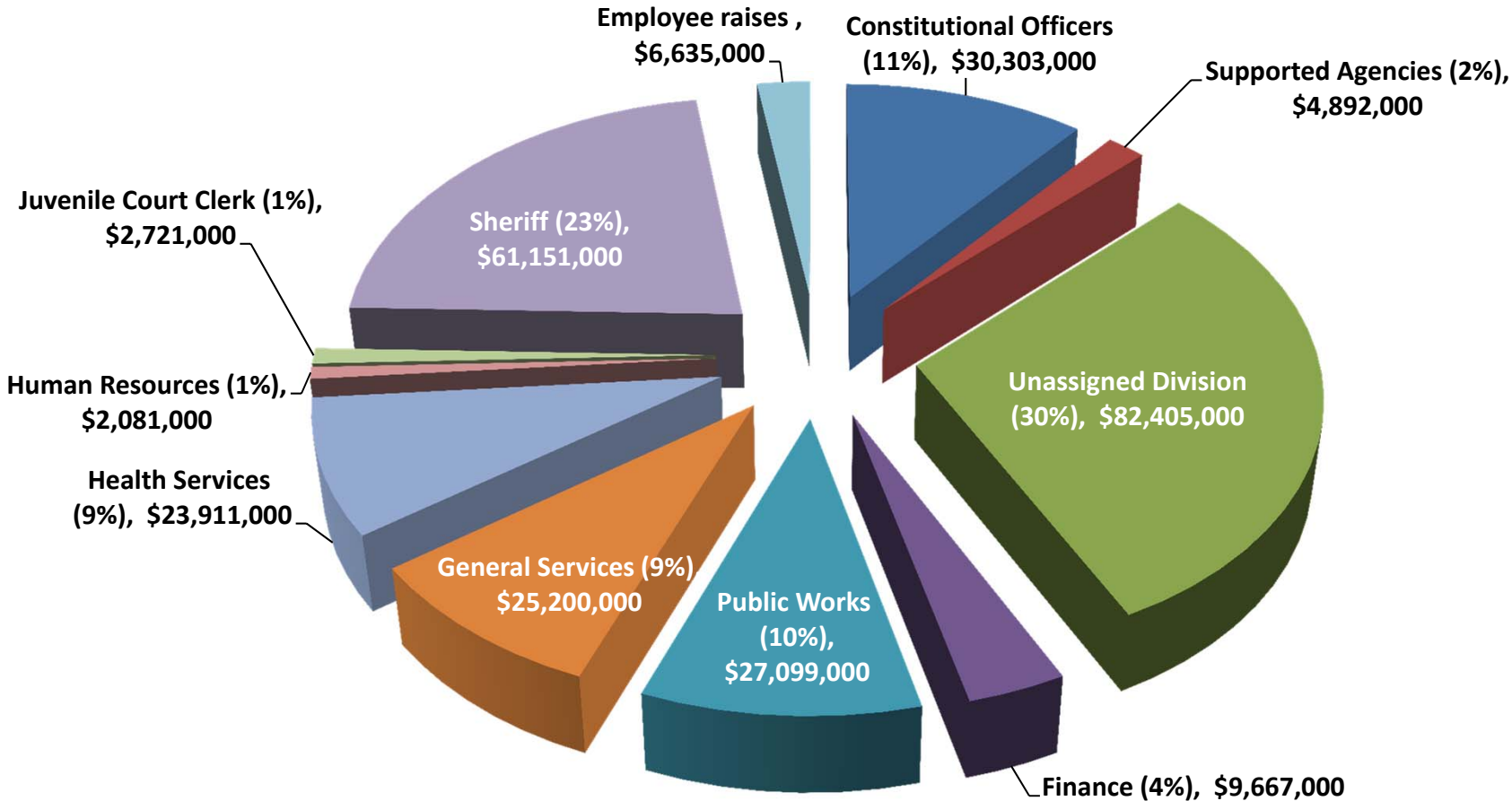
(\$260,845,000)

- Growth over FY 2019 of \$8.0 million (3.2%)
- \$3.9 million of this amount is growth in property taxes (2.2%)
- \$1.2 million from growth in sales taxes
- \$824,000 increase in interest income

General Fund Expenditure Requests by Division

	FY 2020 Requests	FY 2019 Budget
Constitutional Officers	\$ 30,303,000	\$ 29,097,480
Supported Agencies	4,892,000	4,499,647
Unassigned	82,405,000	73,150,917
Finance	9,667,000	9,549,777
Public Works	27,099,000	26,080,622
General Services	25,200,000	26,622,685
Health Services	23,911,000	23,534,374
Human Resources	2,081,000	2,004,575
Juvenile Court Clerk	2,721,000	2,761,983
Sheriff	61,151,000	55,508,645
Employee Raises	6,635,000	n/a
	\$ 276,065,000	\$ 252,810,705

General Fund Expenditure Requests by Division (\$276,065,000 – 9.2% increase)



General Fund Expenditure Requests

Constitutional Officers (11%)

- Total Expenditure Requests: **\$30,303,000**
 - Increase over FY 2019: \$1,205,000 (4.1%)
- Major increases:
 - Criminal Court Clerk appropriation \$350,000
 - District Attorney General \$145,000
 - Drug Court - Sessions \$125,000
 - General Sessions Court \$120,000
 - Mental Health Court \$472,000
 - Mental Health Court – VOCA grant \$175,000

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

General Fund Expenditure Requests Supported Agencies (2%)

- Total Expenditure Requests: **\$4,892,000**
 - Increase over FY 2019: \$392,000 (8.7%)
- Major increases:
 - ArtsBuild \$150,000
 - CARTA \$100,000
 - Enterprise Center \$100,000

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: **\$82,405,000**
 - Increase over FY 2019: \$9,254,000 (12.7%)
- Major increases / **decreases:**
 - Capital Outlay + \$ 6,003,000
 - Emergency Management and Volunteer Services (reclass from Gen. Serv.) + \$ 4,245,000
 - Debt Service Appropriation - \$ 3,392,000
 - Volunteer Services (increase over FY 2019) + \$ 1,474,000
 - WWTA (revenue supported) + \$ 300,000

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: **\$9,667,000**
 - Increase from FY 2019: \$118,000 (1.2%)
- Major increases:
 - Financial Management \$ 77,000

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

General Fund Expenditure Requests

Public Works Division (10%)

- Total Expenditure Requests: **\$27,099,000**
 - Increase over FY 2019: \$1,019,000 (3.9%)
- Major increases:
 - Custodial/Security Services + \$198,000
 - Facilities Maintenance + \$231,000
 - Highway Department + \$743,000
 - Utilities - \$257,000

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 (9%)

- Total Expenditure Requests: **\$25,200,000**
 - Decrease from FY 2019: - \$1,423,000 (-5.3%)
- Major increases/decreases:
 - Emergency Mgmt. (reclass to Unassigned) - \$ 3,423,000
 - Volunteer services (reclass to Unassigned) - \$ 581,000
 - Emergency Medical Services: + \$2,496,000
 - Parks & Recreation + \$ 173,000

Includes Emergency Medical Services, Corrections,
Parks & Recreation

General Fund Expenditure Requests

Health Services Division (9%)

- Total Expenditure Requests: **\$23,911,000**
 - Increase from FY 2019: \$376,000 (1.6%)
- Major increases/**decreases**:
 - Health Administration + \$ 149,000
 - Federal Homeless Project + \$ 194,000
 - Tobacco Special Needs Funding - \$ 155,000

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: **\$2,081,000**
 - Increase over FY 2019: \$76,000 (3.8%)
- Major increases:
 - Benefits \$ 61,000

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 Expenditure Requests: **\$2,721,000**
 - Decrease from FY 2019: - \$41,000 (1.5%)
- Major increases/**decreases**:
 - Administrative Division - \$ 45,000

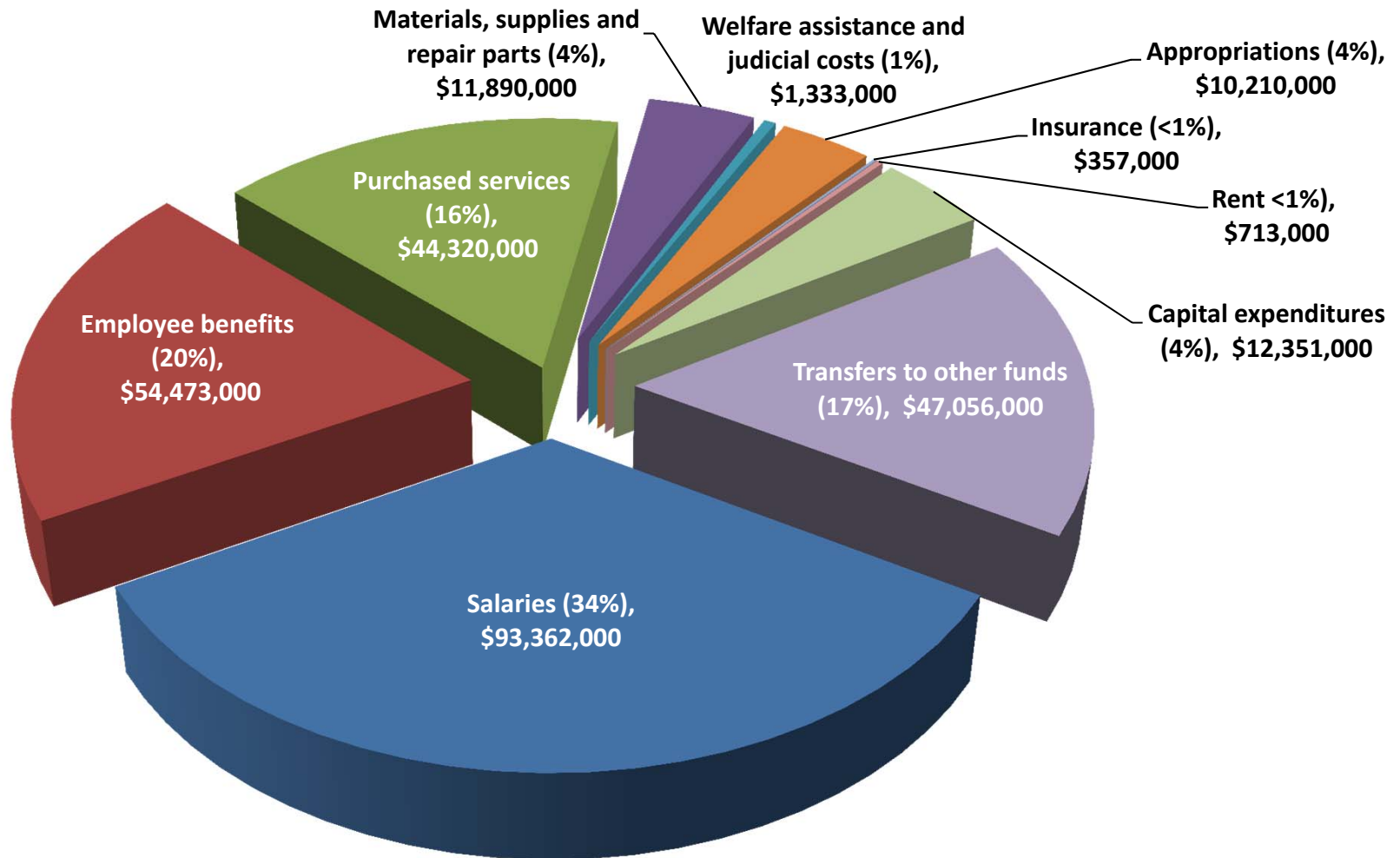
Comprised of the Juvenile Court Clerk and the IV-D Child Support departments

General Fund Expenditure Requests Sheriff Division (23%)

- Total Expenditure Requests: **\$61,151,000**
 - Increase over FY 2019: \$5,643,000 (10.2%)
- Major increases/**decreases**:
 - Administration (new employee Step Plan) + \$ 4,028,000
 - Jail and Silverdale - \$ 224,000
 - Patrol and SROs + \$ 720,000
 - Information Systems + \$ 429,000
 - Mental Health (FUSE) initiative + \$ 380,000

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:
 - » Updates to Current Pay Plan
 - » Employee raises
 - » Sheriff – extra funds for officers
 - » EMS – additional 37 employees
 - » No increase in health insurance costs
 - » Minor increase in pension costs

Employee Salaries

(34.0% of Budget Requests)

- Full-Time County employees:
 - 1,799 in FY 2019 budget
 - 1,871 in FY 2020 requests (increase of 72)
- Average salary of a County full-time employee:
\$45,122
- Median salary of a County full-time employee:
\$39,671

Employee Salaries

10-Year 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)
– FY 2019	3.0% (with floor of \$1,500)

Employee Salaries

Projected Cost of Salary Increases

- Adjust Pay Plan \$1.1 million
- 5.0% across-the-board \$5.0 million
- Sheriff – extra compensation \$500,000

Employee Health Benefits

(11.3% of Budget Requests)

- Total FY 2020 requests: **\$30,724,000**
- Health costs include:
 - Medical and prescription drug claims
 - Employee Clinic
 - Employee Pharmacy
 - Medical costs for retirees (up to age 65)
 - Stop loss coverage (insurance covering individual claims > \$275,000/year)
 - Administrative fees paid to CIGNA

Employee Health Benefits

Items of Note for FY 2020 Budget

- Claims experience for FY 2019 is in line with budget
- No changes are proposed to Health Insurance coverage
- No increase in FY 2020 premiums

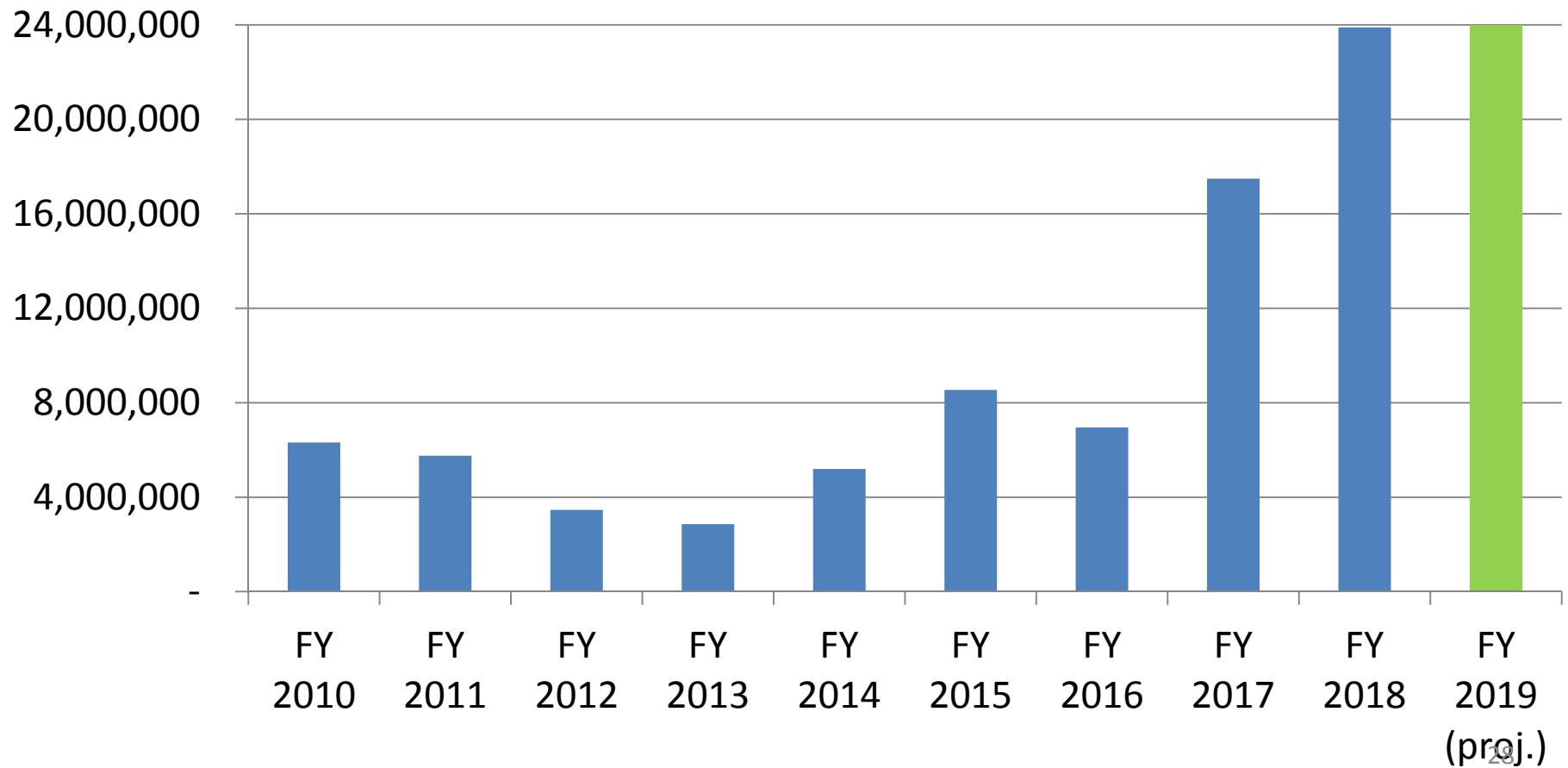
Employee Health Benefits

Self-Insurance Fund

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

Fund Balance

(Target balance - \$18-\$24 million)



Employee Pension Benefits

(4.7% 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 2020 request - \$10,409,000
- Rate increases from 14.67% to 14.7% of covered payroll

TCRS Hybrid Plan

- Total FY 2020 request - \$2,113,000
- Rate fixed at 9% of covered payroll

TCRS Bridge Plan

- Total FY 2020 request – \$248,000
- Cost is 3.5% of covered payroll

General Fund

Other Significant Operating Costs

Housing of Corrections Inmates

- Direct cost in FY 2020 budget (13.0%):
 - Downtown Jail \$ 8,669,000
 - Silverdale Jail 18,721,000
 - Jail Support Services 5,295,000
 - Total \$32,685,000
- Cost is projected to **decrease \$224,000** from PY
- Renewed contract with CoreCivic to house inmates at Silverdale in September 2017
 - Per-Diem rate will increase ~2% in September 2019.

General Fund Capital Outlay Requests

- Capital Outlay requests: **\$12,229,000**
 - General Services: **\$4,039,000**
 - Finance: **\$2,360,000**
 - Public Works: **\$2,133,000**
 - Sheriff: **\$1,920,000**
- Examples:
 - Vehicle replacement
 - Computers
 - Repairs & maintenance to buildings
 - Office furniture and equipment, etc.

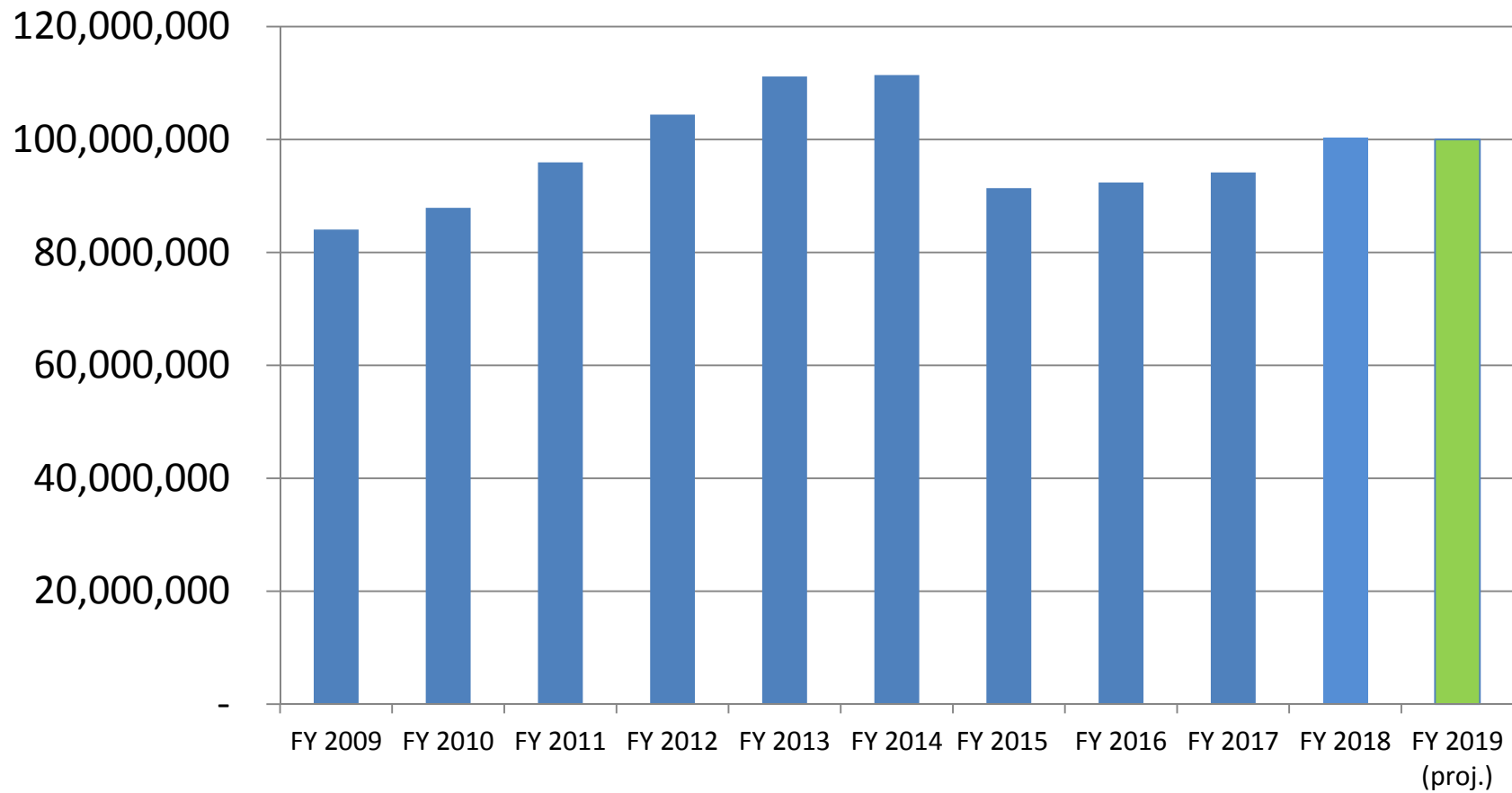
General Fund Capital Outlay Requests

- 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

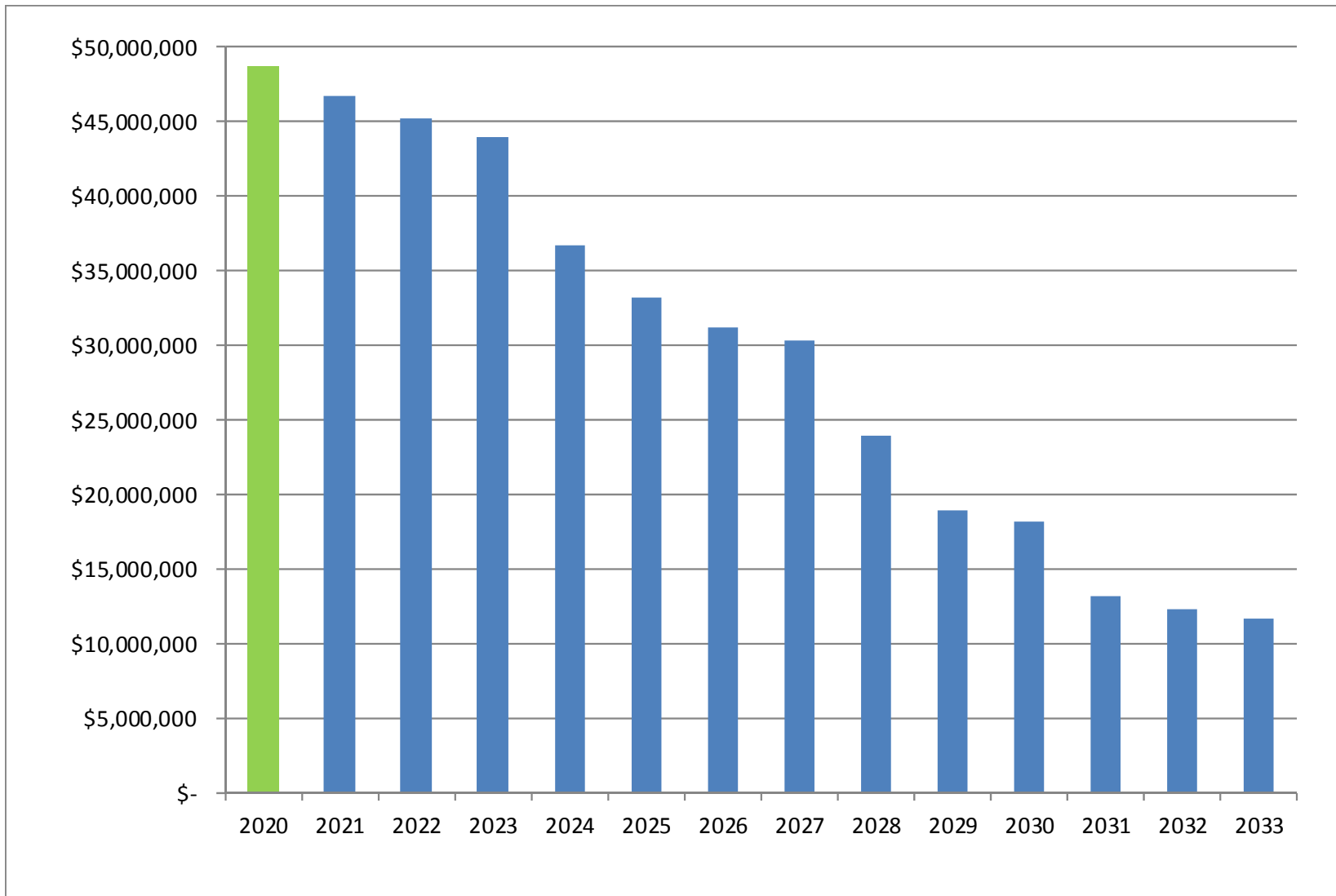
Changes in Total Fund Balance

FY 2009 – 2018 (Actual), 2019 (Projected)

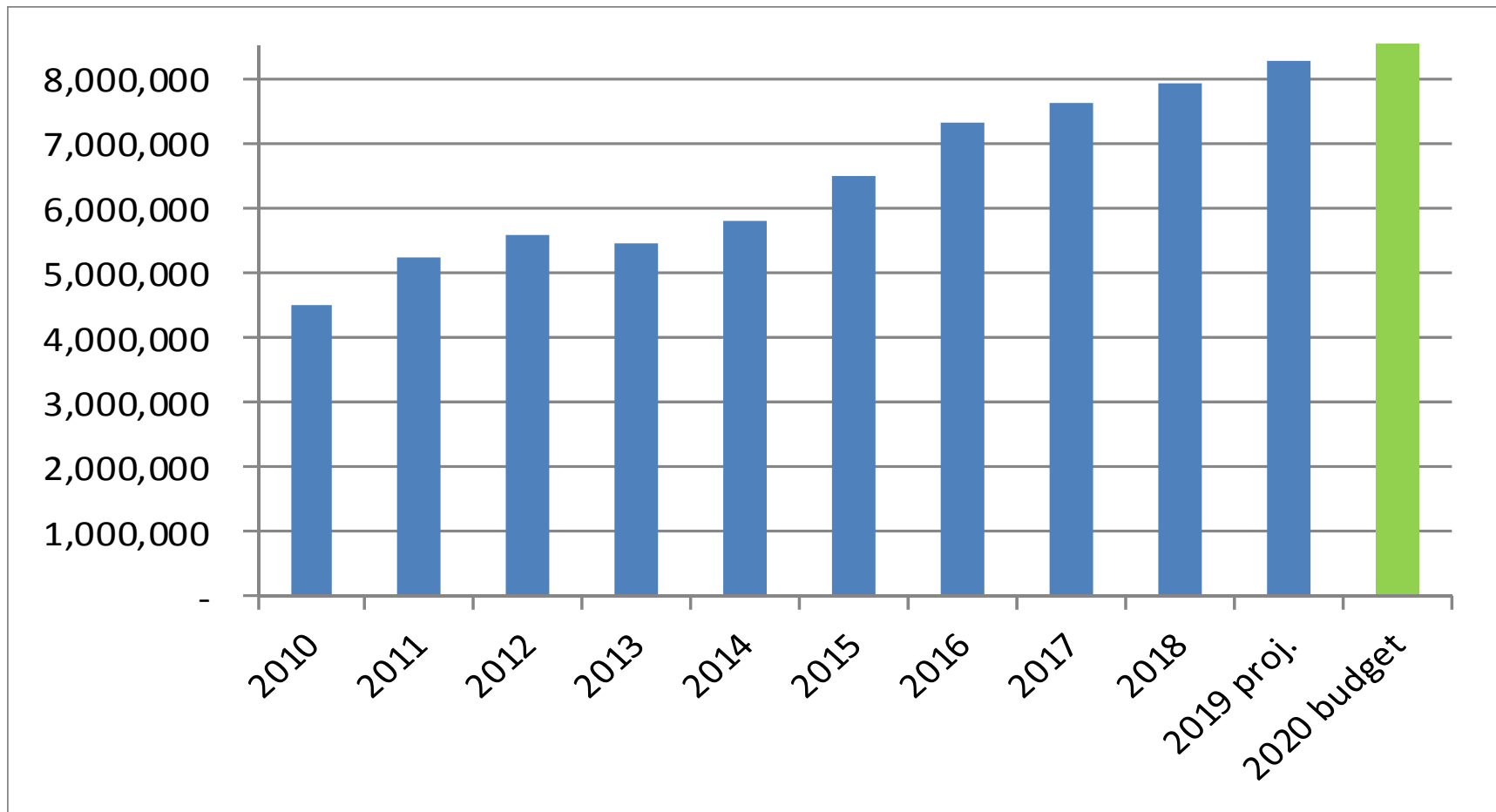


Debt Service Fund

Scheduled Debt Service Payments



Other Budgeted Funds Hotel Motel Fund History of Collections



FY 2020 Budget – Priorities

1. Enhance Public Education
2. Enhance public safety
 - Additional SROs
 - Improve compensation to Sheriff employees
 - Improve compensation to EMS
 - Additional funding for volunteer fire departments
 - Control the cost of incarceration
3. Infrastructure improvements
 - Roads & streets
4. Employee Compensation
 - Bring Pay Plan to market and make competitive
5. Maintain triple A bond rating

Hamilton County, TN

Property Tax Increases (last 30 years)

History of Recent Property Tax Increases

Budget Year	General Fund			Total
	Operations	Debt Service	HCDE operations	
1993	18.0¢	13.0¢	19.0¢	50.0¢
1997	13.0¢	14.0¢	14.0¢	41.0¢
2000	16.7¢	-	42.0¢	58.7¢
2006	7.0¢	3.0¢	16.0¢	26.0¢
2008	17.0¢	9.0¢	-	26.0¢
2018	2.5¢	23.3¢	1.0¢	26.8¢

Hamilton County Budget Workshop

QUESTIONS

Hamilton County Budget Workshop



NEXT STEP

Budget Workshop - HCDE

May 14, 2019