



Hamilton County
Budget Workshop
County Budget Requests

May 12, 2020

FY 2021 Budget

Key Dates

- Budget Workshops:
 - Department of Education (May 5, 2020)
 - **County Budget Requests (May 12, 2020)**
 - Overall County Budget (May 26, 2020)
- Budget Hearings: May 13, 2020
 - Elected Officials and Supported Agencies
- Budget presented to Commission: May 27, 2020
- Commission Vote: **June 24, 2020**

FY 2021 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 was presented to Commission on May 5, 2020

FY 2021 Budget Challenges

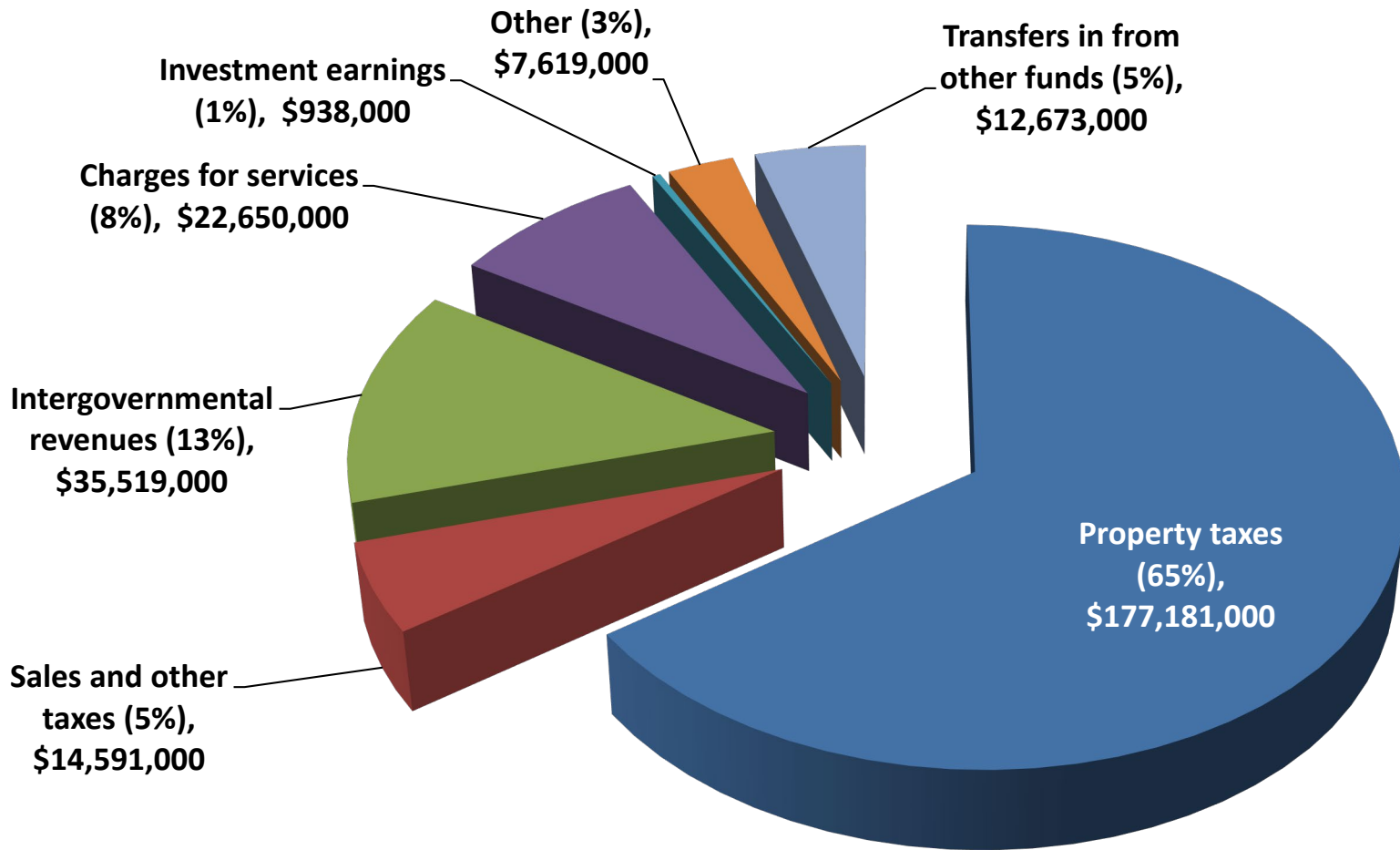
1. COVID-19 and its effect on operations
 - Property taxes, sales taxes and other revenues
 - Additional expenditures
2. Maintenance of Effort requirements
 - Department of Education (*TCA 49-2-203; 49-3-314*)
 - Highway Department (*67-3-901*)
 - Election Commission (*TCA 2-12-209*)
3. Emergency Medical Services
4. Employee Compensation

FY 2021 Budget Requests

(including HCDE)

	FY 2021 Requests	FY 2020 Budget
General Fund	\$ 299,369,000	\$ 261,000,000
Debt Service Fund	46,706,000	48,671,000
Sheriff Special Revenue Fund	484,000	484,000
Hotel Motel Fund	4,550,000	8,846,000
Subtotal, excl. HCDE	351,109,000	319,001,000
Department of Education	476,610,000	475,187,000
	\$ 827,719,000	\$ 794,188,000

General Fund Revenues by Source



General Fund Revenues by Source

	FY 2021 Requests	FY 2020 Budget
Property taxes	\$ 177,181,000	\$ 177,129,700
Sales and other taxes	14,591,000	14,941,000
Intergovernmental revenues	35,519,000	28,335,869
Charges for services	22,650,000	18,666,170
Investment earnings	938,000	1,696,000
Other	7,619,000	7,558,338
Transfers in from other funds	12,673,000	12,672,769
	<u>\$ 271,171,000</u>	<u>\$ 260,999,846</u>

General Fund Revenues

(\$271,171,000)

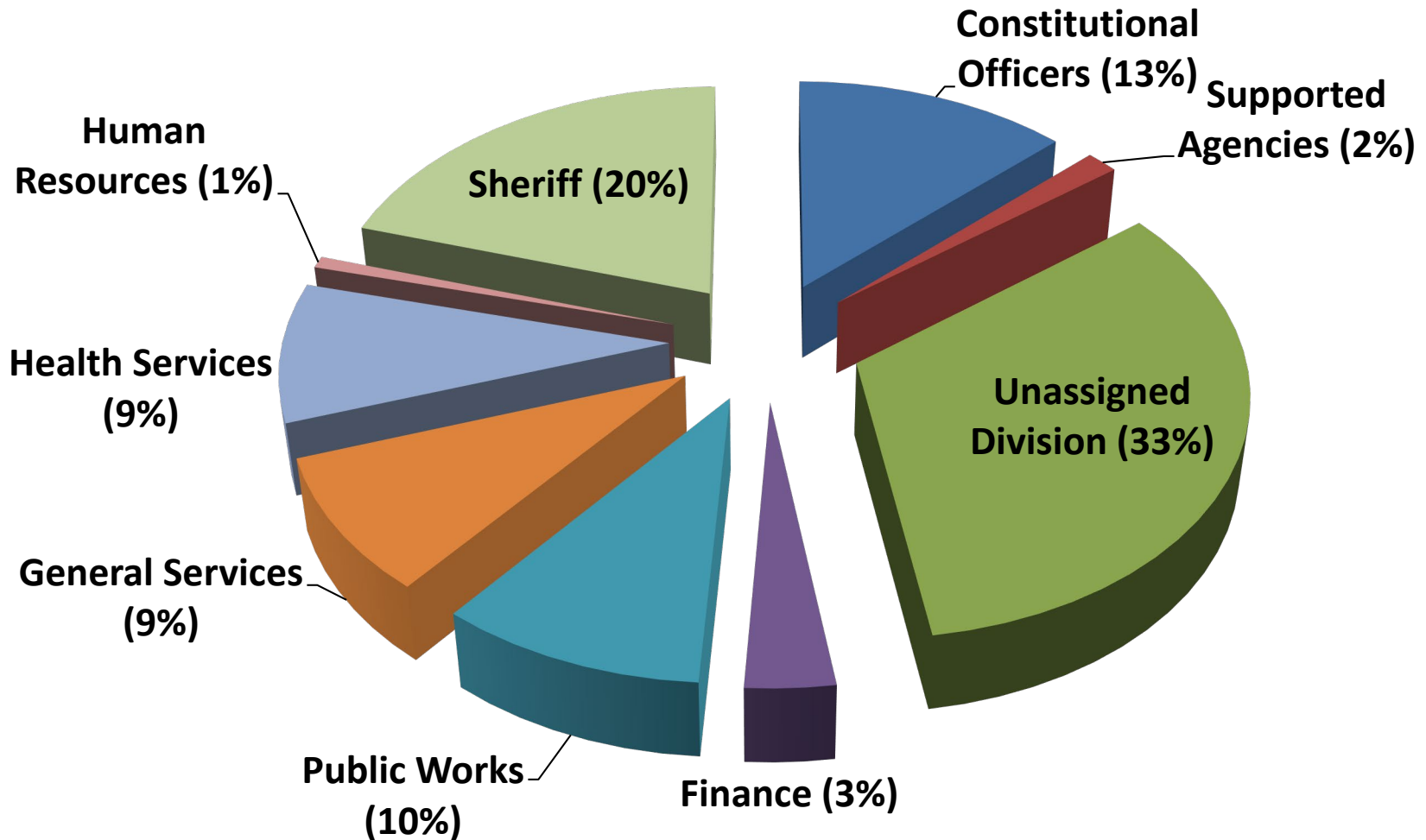
- Increase over FY 2020 of \$10.2 million (3.9%)
- + \$4.4 million for accounting change
 - Circuit Court Clerk - \$2.1 million
 - Criminal Court Clerk - \$2.3 million
- + \$3.3 million – State local support grant
- + \$3.0 million – Federal/State for coronavirus pandemic
- + \$0.9 million - State road reimbursement
- - \$1.1 million – State gas tax
- - \$0.3 million – all other revenues

General Fund Expenditure Requests by Division

	FY 2021 Requests	FY 2020 Budget
Constitutional Officers	\$ 38,832,000	\$ 30,402,977
Supported Agencies	4,565,000	4,536,666
Unassigned	99,216,000	77,510,456
Finance	9,931,000	9,818,850
Public Works	29,479,000	25,905,033
General Services	26,855,000	24,383,629
Health Services	27,667,000	24,521,653
Human Resources	2,298,000	2,075,646
Juvenile Court Clerk	-	2,779,593
Sheriff	60,526,000	59,065,347
	<u>\$ 299,369,000</u>	<u>\$ 260,999,850</u>

General Fund Expenditure Requests by Division

(\$299,369,000 – 14.7% increase)



General Fund Expenditure Requests

Constitutional Officers (13%)

- Total Expenditure Requests: **\$38,832,000**
 - Increase over FY 2020: \$8,429,000 (27.7%)
- Major increases:
 - Accounting change:
 - Circuit Court Clerk \$ 2,172,000
 - Criminal Court Clerk 2,835,000
 - Juvenile Court Clerk 2,780,000
 - Assessor of Property 184,000
 - Election Commission 614,000

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

General Fund Expenditure Requests Supported Agencies (2%)

- Total Expenditure Requests: **\$4,765,000**
 - Increase over FY 2020: \$28,000 (0.6%)
- Major increases:
 - No major increases requested

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 (33%)

- Total Expenditure Requests: **\$99,216,000**
 - Increase over FY 2020: \$21,706,000 (28.0%)
- Major increases/decreases
 - Capital Outlay +\$22,013,000
 - Emergency Management + \$ 213,000
 - Debt Service Appropriation - \$ 1,879,000
 - Volunteer Services + \$ 996,000

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 (3%)

- Total Expenditure requests: **\$9,931,000**
 - Increase from FY 2020: \$113,000 (1.1%)
- Major increases:
 - Procurement and Fleet Management \$ 73,000

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: **\$29,479,000**
 - Increase over FY 2020: \$3,574,000 (13.8%)
- Major increases:
 - Custodial/Security Services \$ 793,000
 - Facilities Maintenance \$ 150,000
 - Highway Department \$ 2,229,000
 - Utilities \$ 451,000

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: **\$26,855,000**
 - Increase from FY 2020: \$2,471,000 (10.1%)
- Major increases:
 - Emergency Medical Services: \$1,678,000
 - Parks & Recreation \$ 402,000
 - Grounds Maintenance \$ 290,000

Includes Emergency Medical Services, Corrections,
Parks & Recreation

General Fund Expenditure Requests

Health Services Division (9%)

- Total Expenditure Requests: **\$27,667,000**
 - Increase over FY 2020: \$3,146,000 (12.8%)
- Major increases:
 - Coronavirus \$ 3,398,000

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: **\$2,298,000**
 - Increase over FY 2020: \$222,000 (10.7%)
- Major increases:
 - Benefits \$ 95,000
 - Risk Management \$ 71,000
 - Veterans Assistance Program \$ 57,000

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 (0%)

- N/A – Juvenile Court Clerk division was reclassified to Constitutional Officers

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

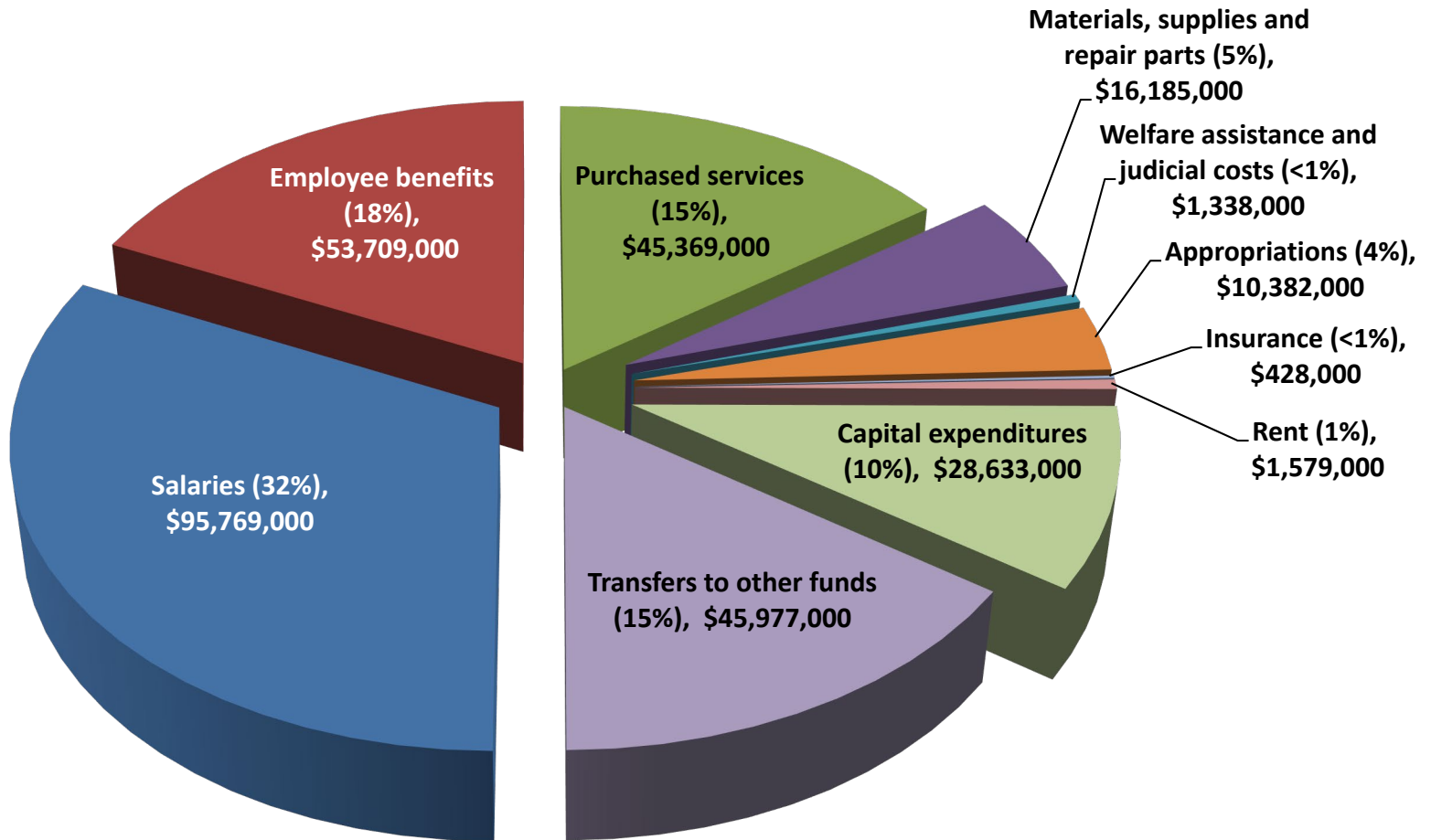
General Fund Expenditure Requests

Sheriff Division (20%)

- Total Expenditure Requests: **\$60,526,000**
 - Increase over FY 2020: \$1,461,000 (2.5%)
- Major increases/decreases:
 - Patrol and SROs +\$ 450,000
 - Jail and Silverdale - \$ 36,000
 - Fugitive +\$ 338,000
 - Information Systems +\$ 905,000
 - 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
 - 50% of General Fund budget requests
 - Budget request includes:
 - » No employee raises
 - » 19 additional employees
 - » EMS – pay adjs. for EMT's and Paramedics
 - » No increase in health insurance costs
 - » No increase in pension costs

Employee Salaries

(32.1% of Budget Requests)

- Full-Time County employees:
 - 1,853 in FY 2020 budget
 - 1,872 in FY 2021 requests (increase of **19**)
- Average salary of a County full-time employee:
\$47,885
- Median salary of a County full-time employee:
\$42,120

Employee Salaries

11-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)
– FY 2020	2.5% (with floor of \$1,250)

Employee Health Benefits

(10.3% of Budget Requests)

- Total FY 2021 requests: **\$30,790,000**
- Health costs include:
 - Medical and prescription drug claims
 - Employee Clinic
 - Employee Pharmacy
 - Medical costs for retirees (up to age 65)
 - Stop loss coverage (claims > \$275,000/year)
 - Administrative fees paid to CIGNA

Employee Health Benefits

Items of Note for FY 2021 Budget

- Claims experience for FY 2020 is in line with budget
- No changes are proposed to Health Insurance coverage
- No increase in FY 2021 premiums

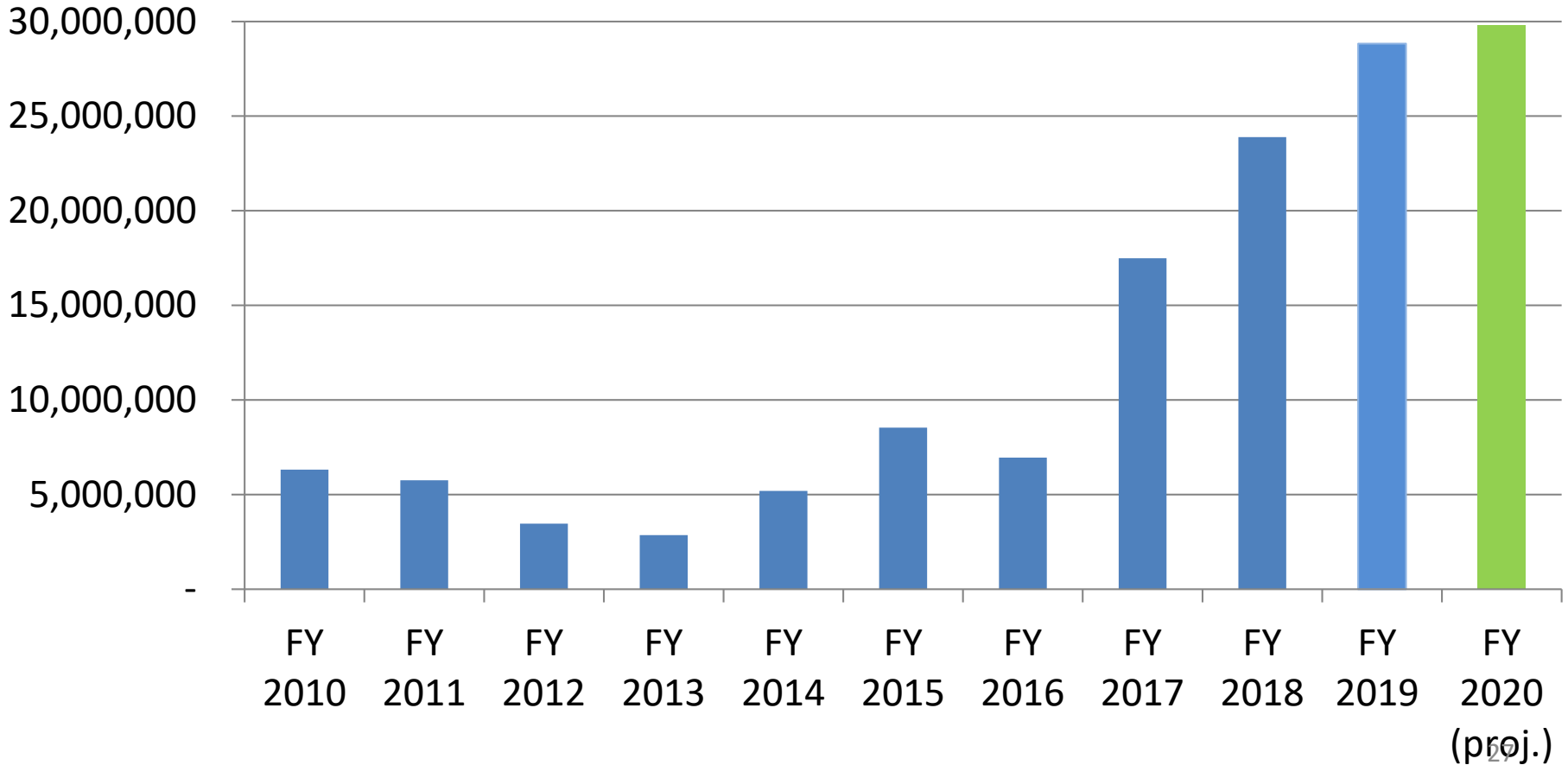
Employee Health Benefits

Self-Insurance Fund

FY 2010 – 2019 (actual); FY 2020 (projected)

Fund Balance

(Target balance - \$20-\$30 million)



Employee Pension Benefits

(4.3% 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 2021 request - \$9,852,000
- Rate remains at 14.7% of covered payroll

TCRS Hybrid Plan

- Total FY 2021 request - \$2,680,000
- Rate fixed at 9% of covered payroll

TCRS Bridge Plan

- Total FY 2021 request – \$279,000
- Rate remains at 3.5% of covered payroll (legacy)
- Rate remains at 0.84% of covered payroll (hybrid)

General Fund

Other Significant Operating Costs

Housing of Corrections Inmates

- Direct cost in FY 2021 budget (11.1%):
 - Downtown Jail \$ 8,890,000
 - Silverdale Jail 18,743,000
 - Jail Support Services 5,135,000
 - Total \$32,768,000
- Cost is projected to decrease \$36,000 from PY.
- Renewed contract with CoreCivic to house inmates at Silverdale in September 2017
 - Per-Diem rate will increase ~2% in September 2020.

General Fund

Capital Outlay Requests

- Capital Outlay requests: **\$29,533,000**
 - Emergency Management: **\$12,875,000**
 - EMS: **\$ 4,875,000**
 - Sheriff: **\$ 2,258,000**
 - Highway: **\$ 1,800,000**
 - Parks & Recreation: **\$ 1,210,000**
- Examples:
 - Vehicle replacement
 - Computers
 - Repairs & maintenance to buildings
 - Office furniture and equipment, etc.

General Fund

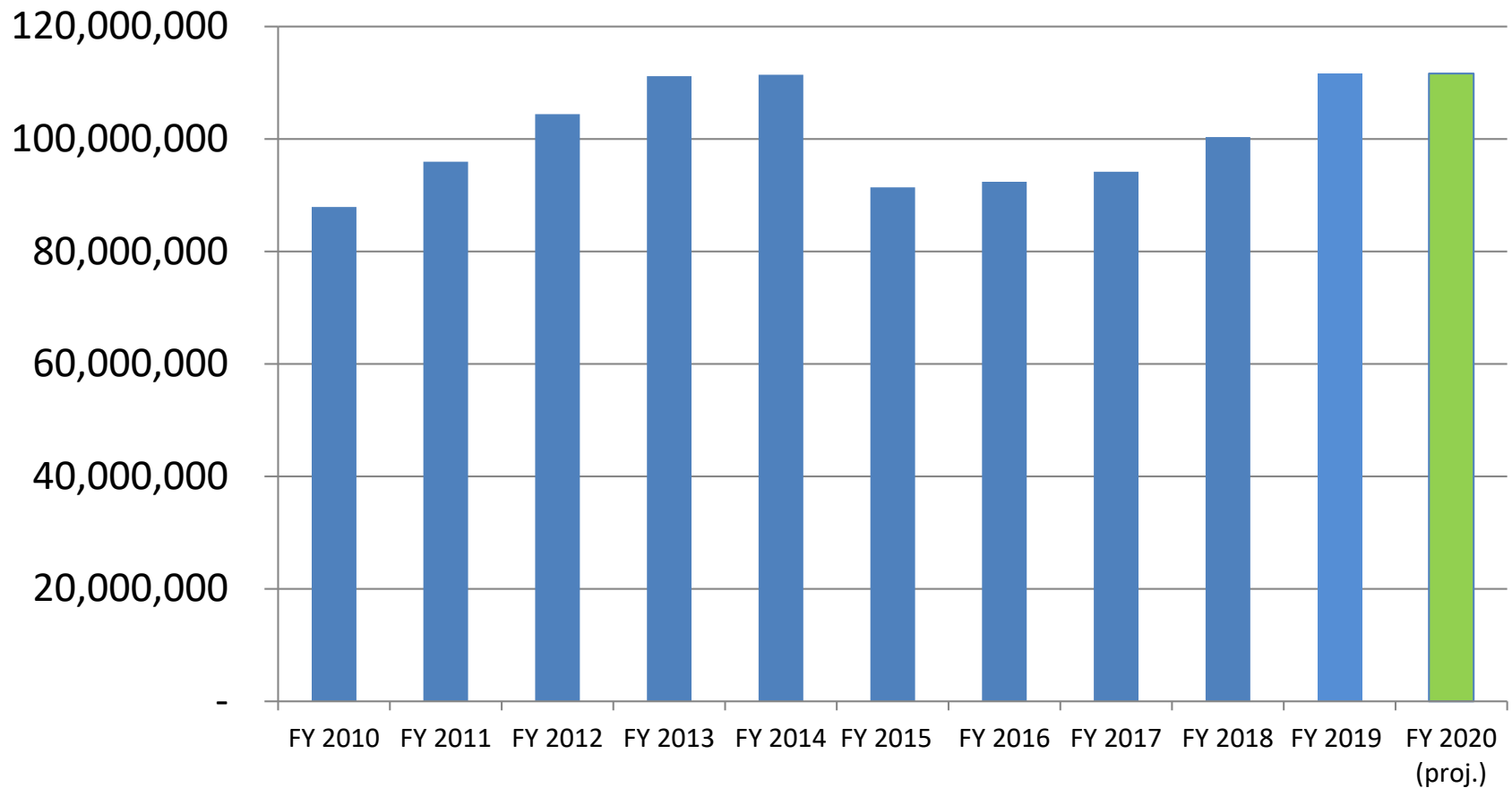
Capital Outlay Requests

- 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

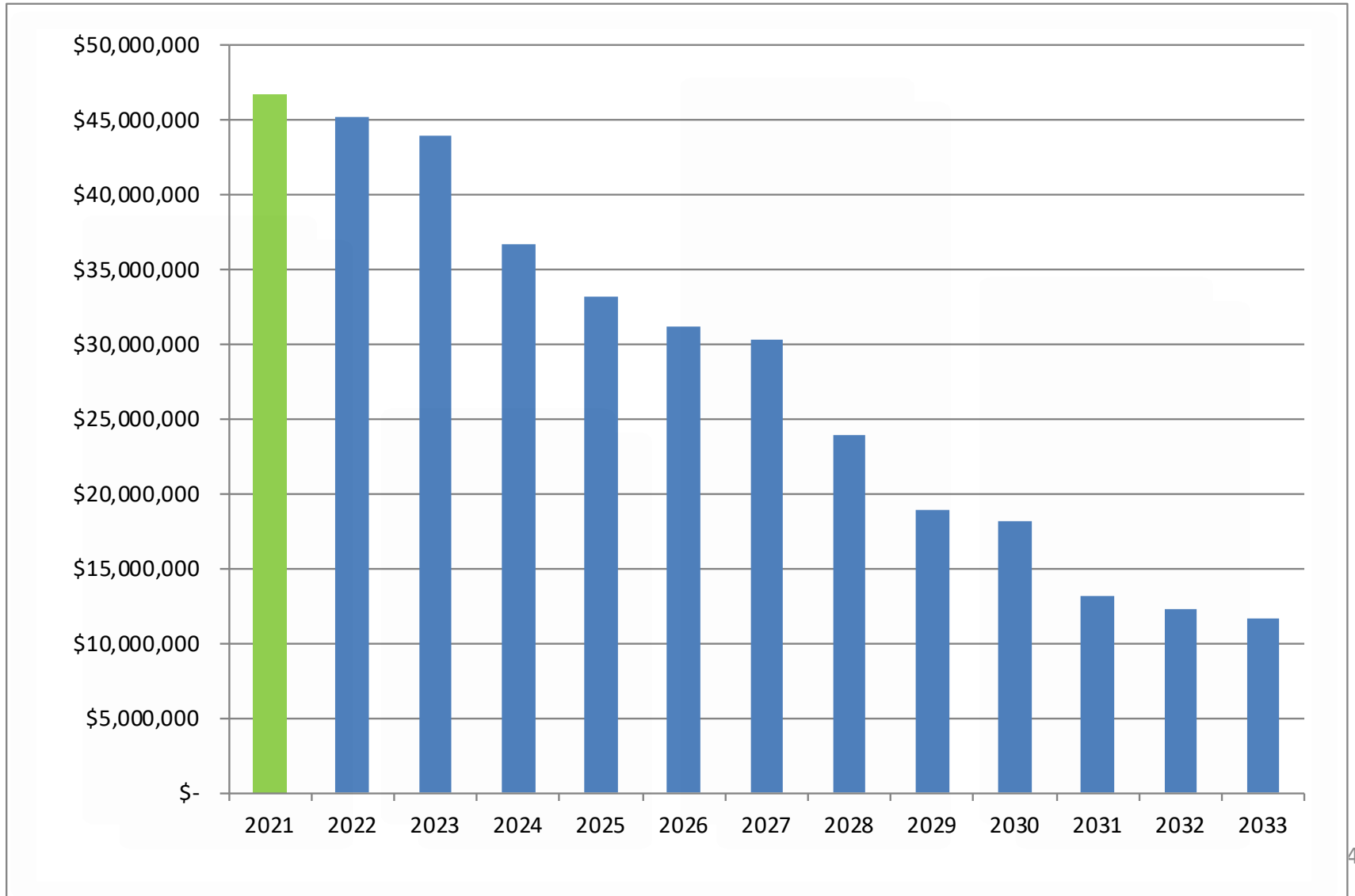
Changes in Total Fund Balance

FY 2010 – 2019 (Actual), 2020 (Projected)

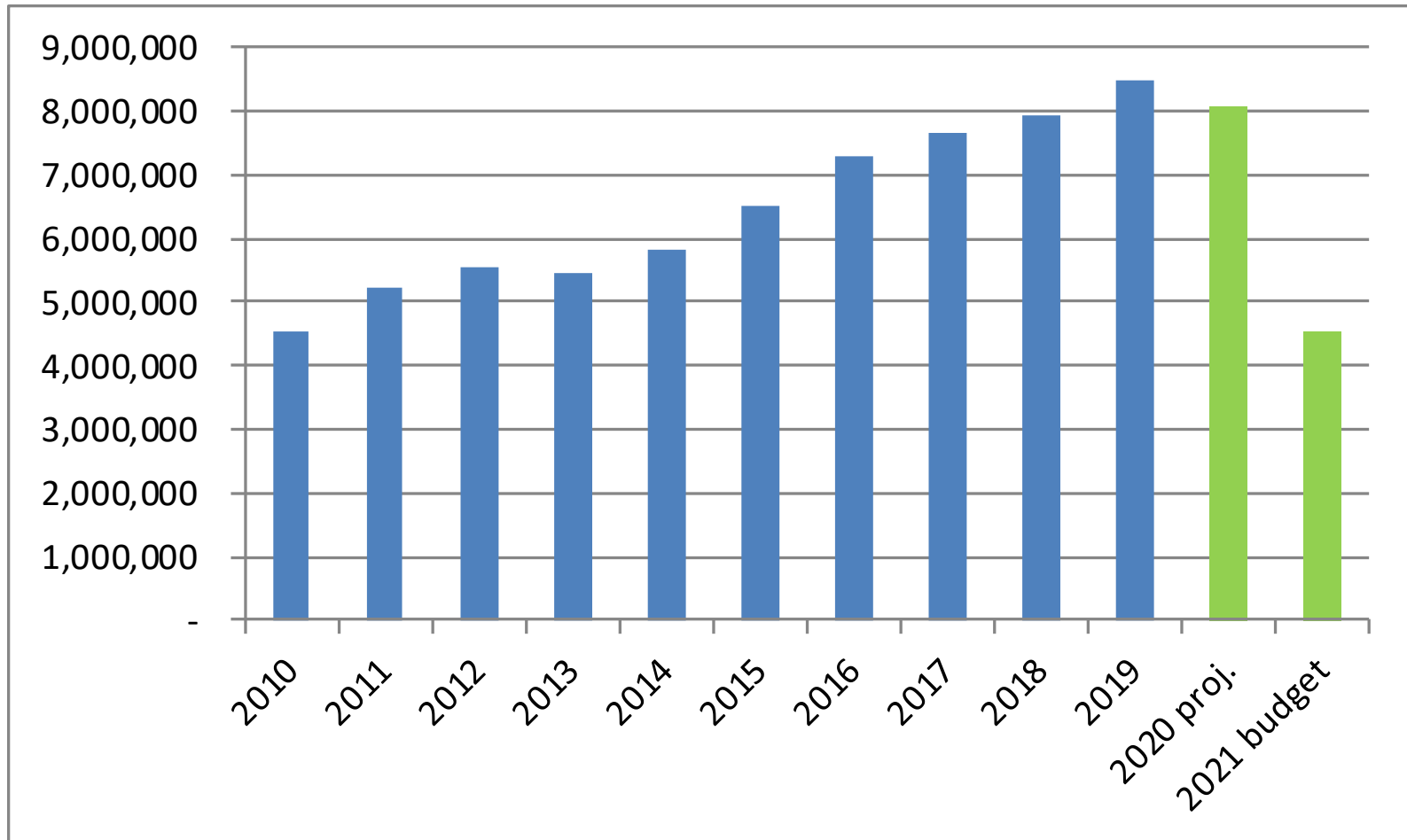


Debt Service Fund

Scheduled Debt Service Payments



Other Budgeted Funds Hotel Motel Fund History of Collections



FY 2021 Budget – Priorities

1. Maintain services within current fiscal constraints
 - Meet all Maintenance of Efforts requirements
 - We do not anticipate a request for an increase in property tax rates
2. Maintain sound financial position

Hamilton County Budget Workshop

QUESTIONS

Hamilton County Budget Workshop



NEXT STEP
Budget Workshop –
Overall Budget for FY 2021
May 26, 2020