



Hamilton County
Budget Workshop
FY 2020 County Budget
June 4, 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

Key Points

- Budgeted Funds include:
 - General Fund
 - Debt Service Fund
 - Sheriff Special Revenue Fund
 - Narcotics Fund
 - Sexual Offenders Fund
 - Hotel Motel Fund
 - Department of Education

FY 2020 Budget Requests

Key Points

- 34 cent property tax increase for Education
 - 0 cent tax increase for General Government
 - 0 cent tax increase for Debt
- Budget focused on major priorities
 - Public Education
 - Public Safety

Effect of 34 Cent Tax Increase

Property Value	Tax per Year	Tax per Month
\$ 50,000	\$ 42.50	\$ 3.54
\$ 100,000	\$ 85.00	\$ 7.08
\$ 150,000	\$ 127.50	\$ 10.63
\$ 200,000	\$ 170.00	\$ 14.17
\$ 250,000	\$ 212.50	\$ 17.71
\$ 300,000	\$ 255.00	\$ 21.25
\$ 350,000	\$ 297.50	\$ 24.79
\$ 400,000	\$ 340.00	\$ 28.33

FY 2020 Budget – Priorities

- Public Education
 - Additional funding for school operations
- Public Safety
 - Additional EMS paramedics and EMTs
 - Additional SROs and law enforcement officers
 - Update Sheriff's pay plan to market
 - Volunteer fire departments
 - Control the rate and cost of incarceration
- Fiscally responsible budget
 - Maintain AAA bond rating

FY 2020 Budget

ALL BUDGETED FUNDS

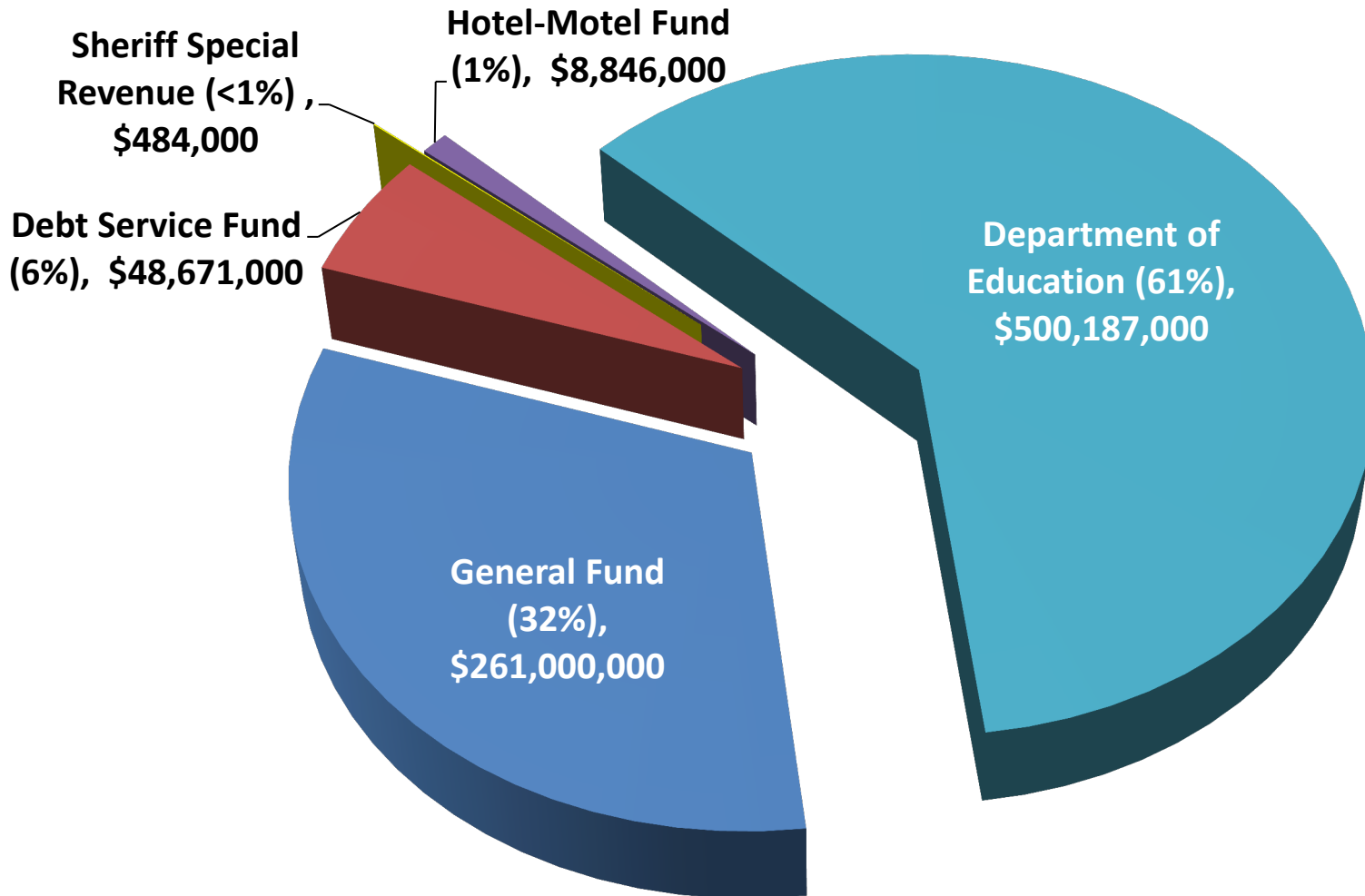
Total Expenditures:	\$819,187,740
<i>Inc. over FY 2019 Budget:</i>	<i>\$65,256,787 (8.7%)</i>

FY 2020 Budget

	FY 2020	FY 2019
General Fund	\$ 260,999,850	\$ 252,810,705
Debt Service Fund	48,670,892	51,994,024
Sheriff Special Revenue Fund	483,691	481,486
Hotel Motel Fund	8,846,000	8,388,000
Department of Education	500,187,307	440,256,738
	\$ 819,187,740	\$ 753,930,953

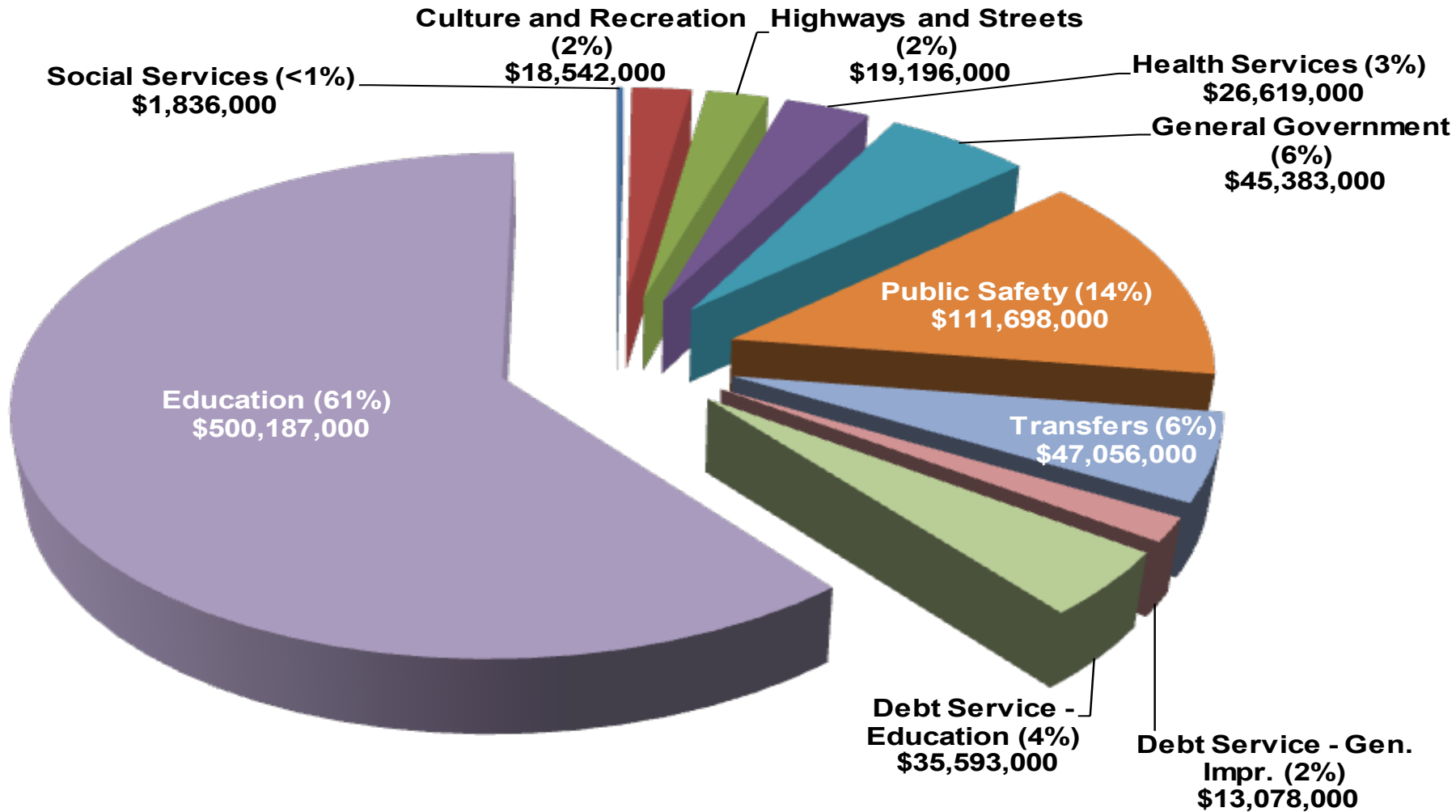
Expenditures by Fund

All Budgeted Funds (\$819,188,000)



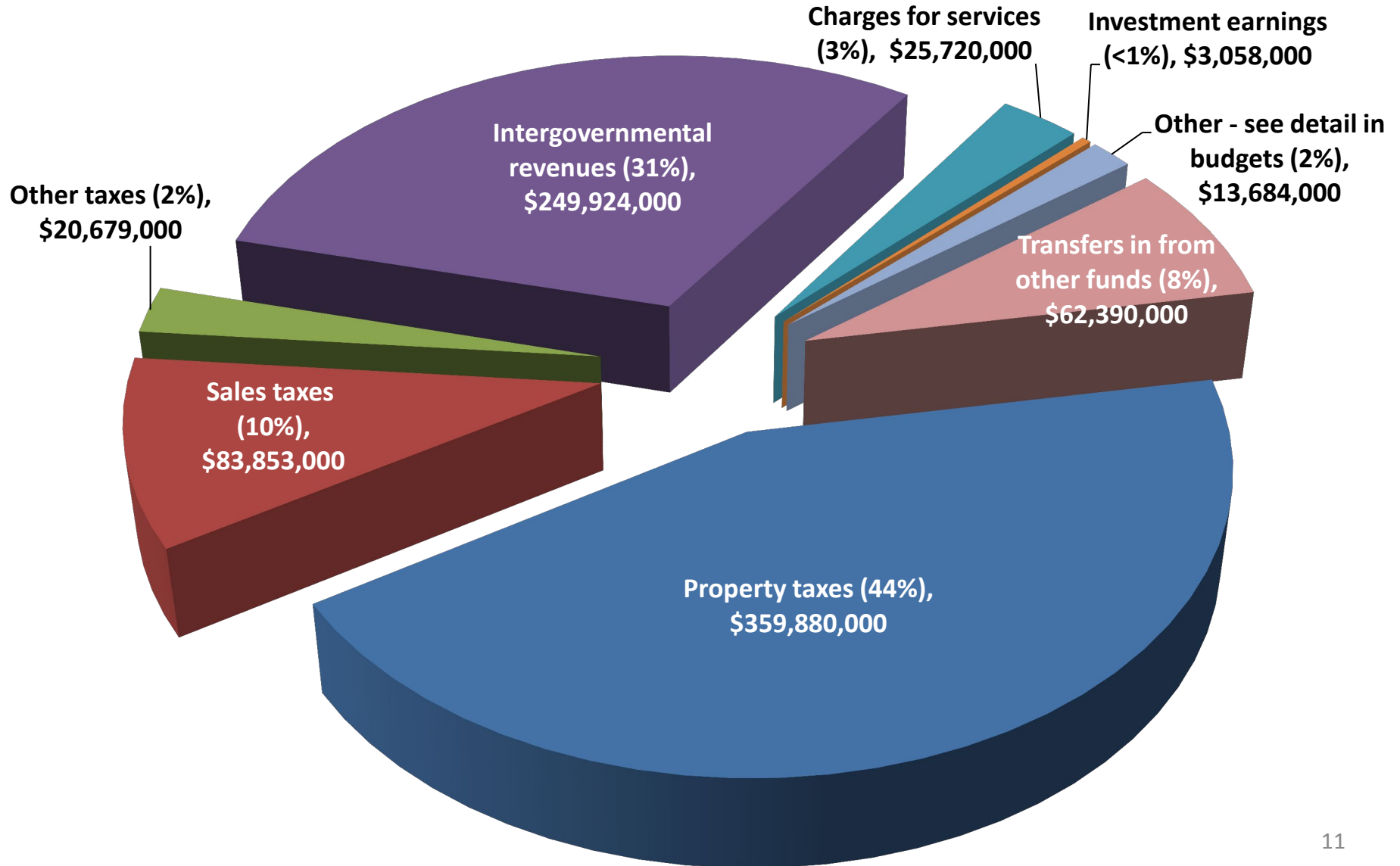
Expenditures by Function

All Budgeted Funds



Revenues by Source

All Budgeted Funds



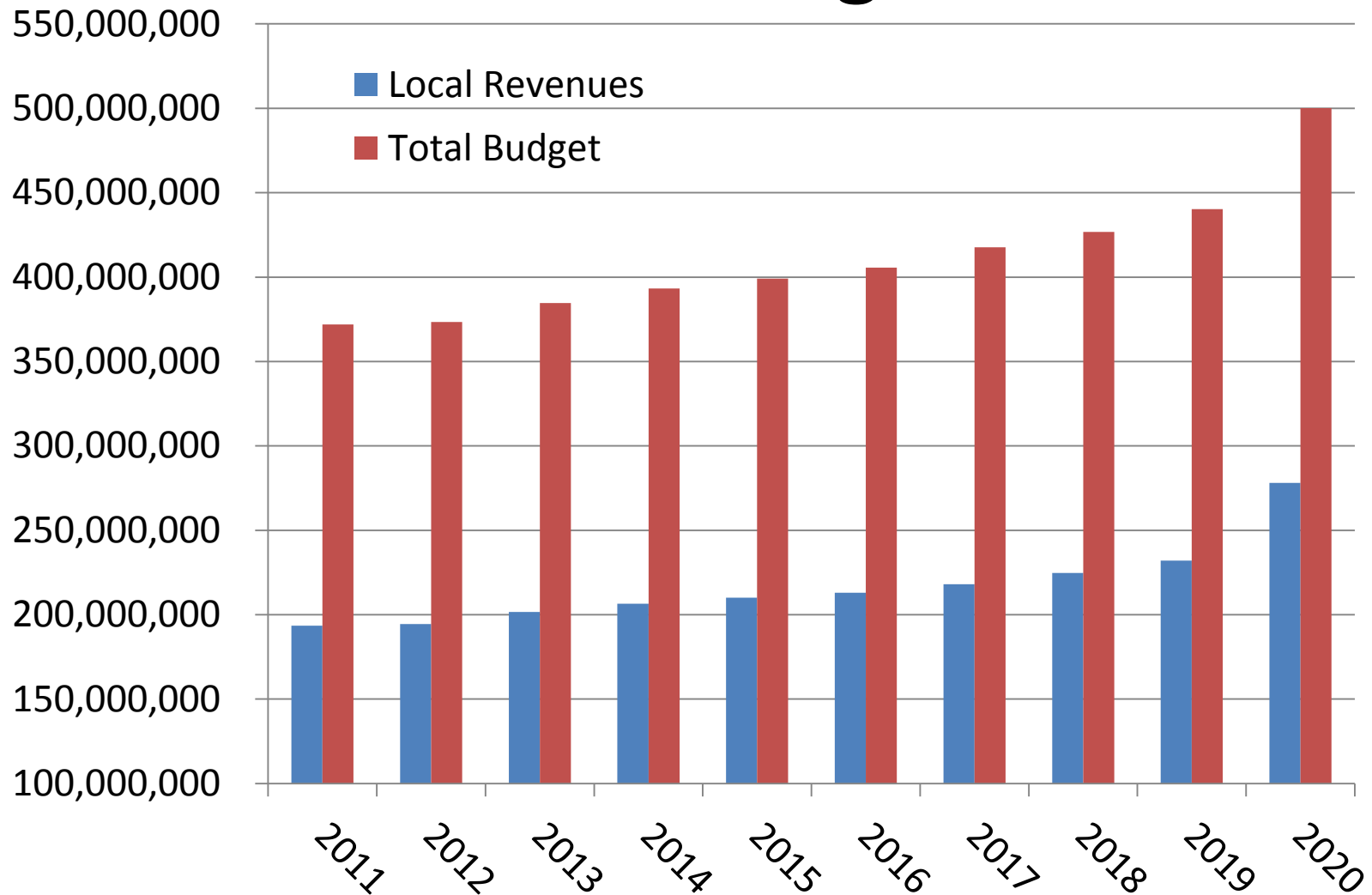
FY 2020 Budget

Department of Education (HCDE)

	FY 2020	FY 2019
General Purpose School Fund	\$ 443,000,000	\$ 385,407,677
Federal Programs	29,432,208	27,282,021
Food Service Fund	21,104,685	21,351,629
Self Funded Projects	6,650,414	6,215,411
	<u>\$ 500,187,307</u>	<u>\$ 440,256,738</u>
<i>Increase over FY 2019</i>	<u>\$ 59,930,569</u>	<u>(13.6%)</u>

HCDE – Budgeted Operations

FY 2011 through 2020



FY 2020 Budget

General Fund

Total Expenditures:	<u>\$261,000,000</u>
<i>Increase over FY 2019:</i>	<i>\$ 8,189,000 (3.2%)</i>

The next several slides pertain only to the County General Fund

General Fund Budget Overview

Major items of note from prior year:

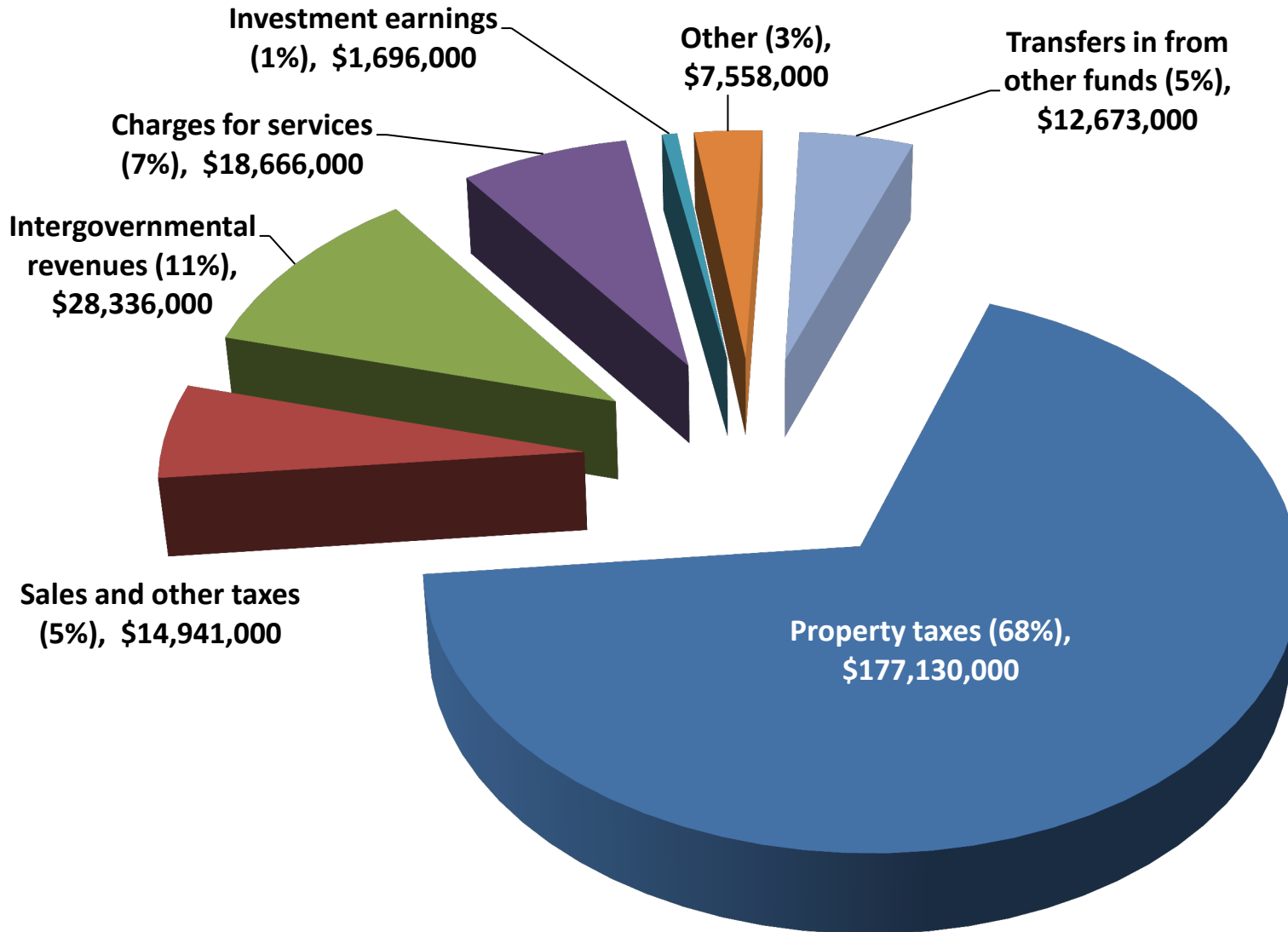
- Growth in property taxes (\$3.9 million - 2.2%)
- 55 additional full-time employees
 - Vast majority (45) in Public Safety
- Employee raises, including benefits (\$5.3 million)
 - 2.5% with floor of \$1,250 (5% for Sheriff sworn)
 - Additional compensation (\$1.9 million) to Sheriff
 - No increase in Employee Health Insurance costs

General Fund Revenues

(\$261,000,000)

- Increase over FY 2019 - \$8.2 million (3.2%)
 - Property taxes – increase \$3.9 million (2.2%)
 - Sales taxes – increase \$1.5 million (44%)
 - Interest – increase \$824,000 (95%)
 - State Gas Tax – increase \$311,000 (5.6%)

General Fund Revenues by Source



General Fund Expenditure Cuts

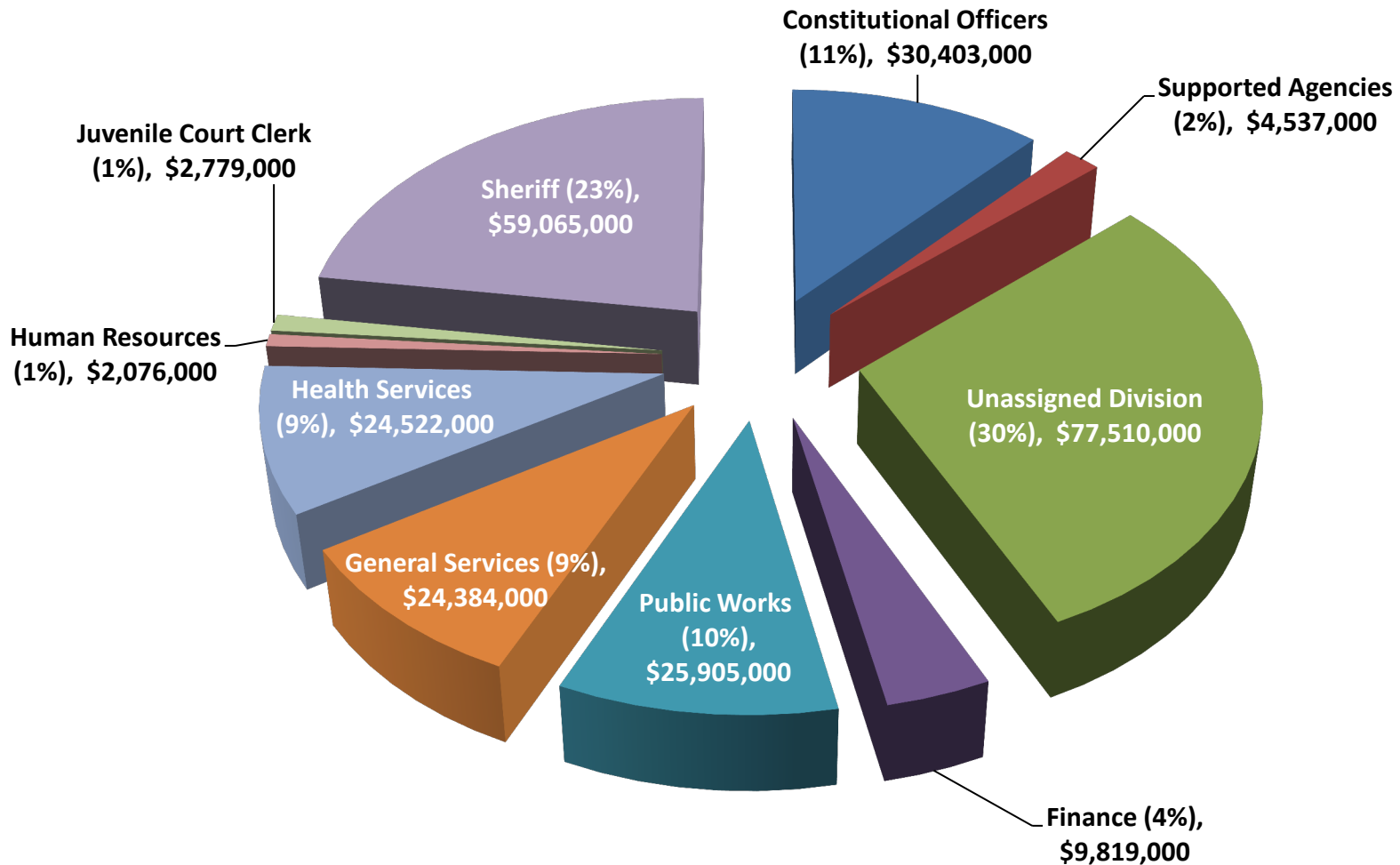
Significant cuts from the requested budgets totaling \$13.5 million were necessary:

- | | |
|-------------------------|---------------|
| • Capital Outlay | \$4.8 million |
| • Mental Health Court | \$497,000 |
| • Supported Agencies | \$350,000 |
| • Public Works Division | \$1.5 million |
| • General Services | \$1.2 million |

General Fund Budget by Division

	FY 2020 Budget	FY 2019 Budget
Constitutional Officers	\$ 30,402,977	\$ 29,097,480
Supported Agencies	4,536,666	4,499,647
Unassigned	77,510,456	73,150,917
Finance	9,818,850	9,549,777
Public Works	25,905,033	26,080,622
General Services	24,383,629	26,622,685
Health Services	24,521,653	23,534,374
Human Resources	2,075,646	2,004,575
Juvenile Court Clerk	2,779,593	2,761,983
Sheriff	59,065,347	55,508,645
	\$ 260,999,850	\$ 252,810,705

General Fund Expenditures by Division (\$261,000,000)



General Fund Expenditures

Constitutional Officers (11%)

- Total Expenditures: **\$30,403,000** ⁽¹⁾
Increase over FY 2019 **\$1,306,000 (4.5%)**
- Primary changes:
 - Criminal Court Clerk (appropriation) \$350,000
 - District Attorney General \$151,000
 - Public Defender \$113,000
 - Drug Court – Sessions (grant) \$125,000
 - General Sessions Court \$126,000
 - Mental Health – VOCA grant \$175,000

(1) - includes employee raises - \$468,000

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

General Fund Expenditures Supported Agencies (2%)

- Total Expenditures: **\$4,537,000**
Increase over FY 2019 **\$37,000 (0.8%)**
- Significant cuts to requests:
 - ArtsBuild \$150,000
 - CARTA \$100,000
 - Enterprise Center \$100,000

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

General Fund Expenditures

Unassigned Departments (30%)

- Total Expenditures: **\$77,510,000** ⁽¹⁾
Increase over FY 2019 *\$4,360,000 (6.0%)*

- Primary changes:
 - **Appropriation to Debt Service Fund** **- \$3,392,000**
 - Reclass from General Services – Emergency Management and Volunteer Services \$4,004,000
 - Increase – Emergency Management \$ 190,000
 - Increase – Volunteer Services appropriation \$1,472,000
 - Capital outlay \$1,294,000
 - WWTA (revenue supported) \$ 242,000

⁽¹⁾ - includes employee raises - \$204,000

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 Expenditures

Finance Division (4%)

- Total Expenditures: **\$9,819,000** ⁽¹⁾
Increase over FY 2019 \$269,000 (2.8%)
- Primary changes:
 - No major changes in scope or cost of services provided

¹⁾ - includes employee raises - \$234,000

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

General Fund Expenditures

Public Works Division (10%)

- Total Expenditures: **\$25,905,000** ⁽¹⁾
Decrease from FY 2019 *\$176,000 (0.7%)*
- Primary changes:
 - Facilities Maintenance (transfer \$600 K
to Capital Outlay) - **\$639,000**
 - Highway Department **\$450,000**

¹⁾ - includes employee raises - \$374,000

Responsible for maintaining the County's infrastructure including Highway, Engineering, major capital projects, Real Property, Security, Custodial Services, Maintenance, and building utilities.

General Fund Expenditures

General Services Division (9%)

- Total Expenditures: **\$24,384,000** ⁽¹⁾
Decrease from FY 2019 **\$2,239,000 (8.4%)**
- Primary changes from FY 2019:
 - Emergency Mgmt. (reclass to Unassigned) **- \$ 3,423,000**
 - Volunteer services (reclass to Unassigned) **- \$ 581,000**
 - Emergency Medical Services **\$ 1,590,000**
 - Parks and Recreation **\$ 180,000**

(1) - includes employee raises - \$405,000

Includes Emergency Medical Services, Corrections, Parks & Recreation.

General Fund Expenditures

Health Services Division (9%)

- Total Expenditures: **\$24,522,000** ⁽¹⁾
Increase over FY 2019 *\$987,000 (4.2%)*
- Primary changes:
 - Adding new Medical Officer previously on
State payroll – State providing funding \$242,000
 - No major changes in scope or cost of services
provided

(1) - includes employee raises - \$540,000

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

General Fund Expenditures

Human Resources Division (1%)

- Total Expenditures: **\$2,076,000** ⁽¹⁾
Increase over FY 2019 *\$71,000 (3.5%)*
- Primary changes:
 - No major changes in scope or cost of services provided

(1) - includes employee raises - \$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 Expenditures

Juvenile Court Clerk (1%)

- Total Expenditures: **\$2,779,000** ⁽¹⁾
Increase over FY 2019 *\$18,000 (0.6%)*
- Primary changes:
 - No major changes in scope or cost of services provided

(1) - includes employee raises - \$58,000

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

General Fund Expenditures

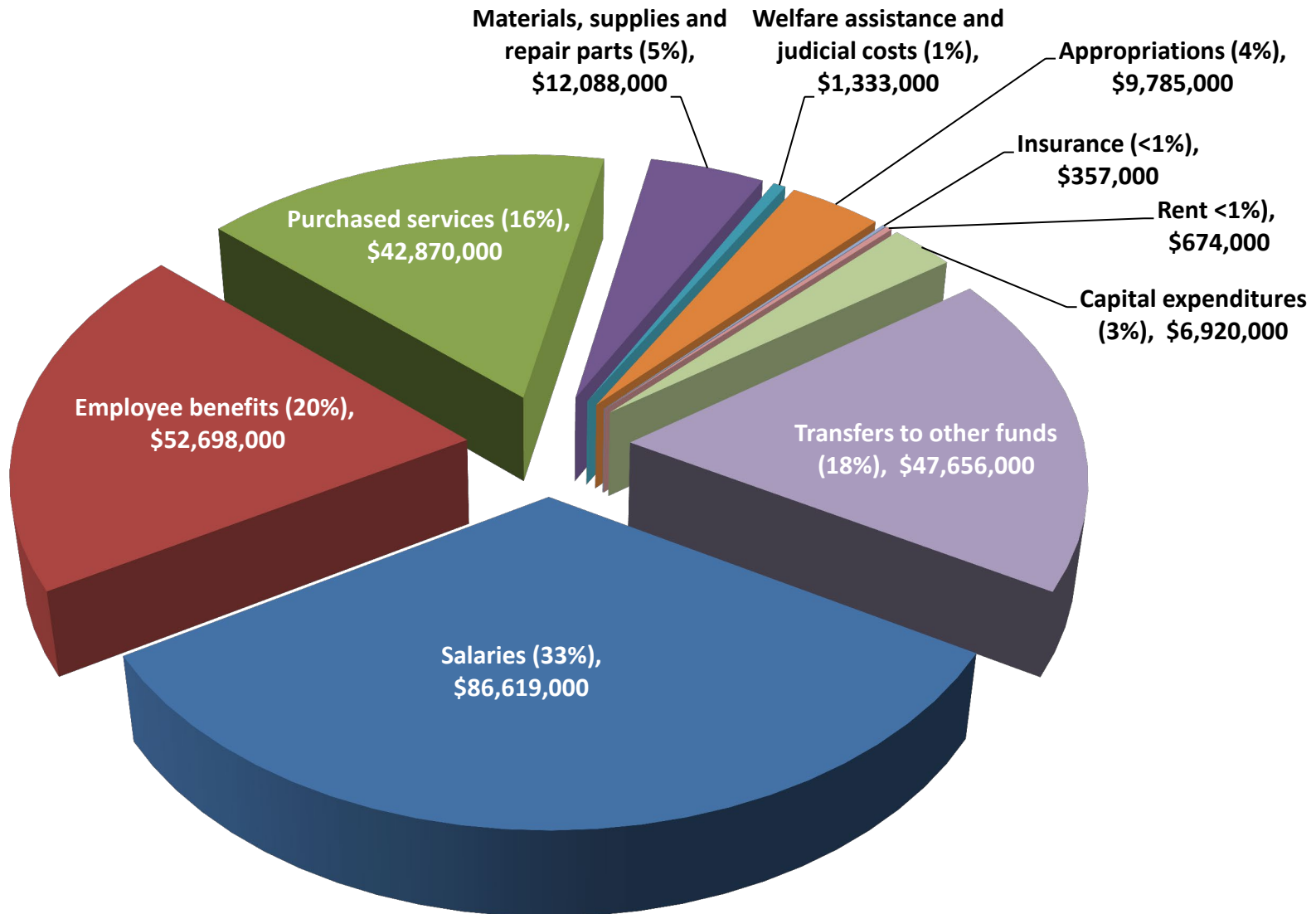
Sheriff Division (23%)

- Total Expenditures: **\$59,065,000** ⁽¹⁾
Increase over FY 2019 **\$3,557,000 (6.4%)**
- Primary changes:
 - 6 new positions (2 each Patrol, Jail, SRO) \$ 404,000
 - Mental Health (FUSE) program \$ 380,000
 - 5% raises to sworn personnel \$ 854,000
 - Additional compensation to address wage compression \$1,900,000

(1) - includes employee raises - \$2,948,000

An accumulation of several departments whose primary function is law enforcement.

General Fund Expenditures by Type



General Fund

Significant Operating Costs

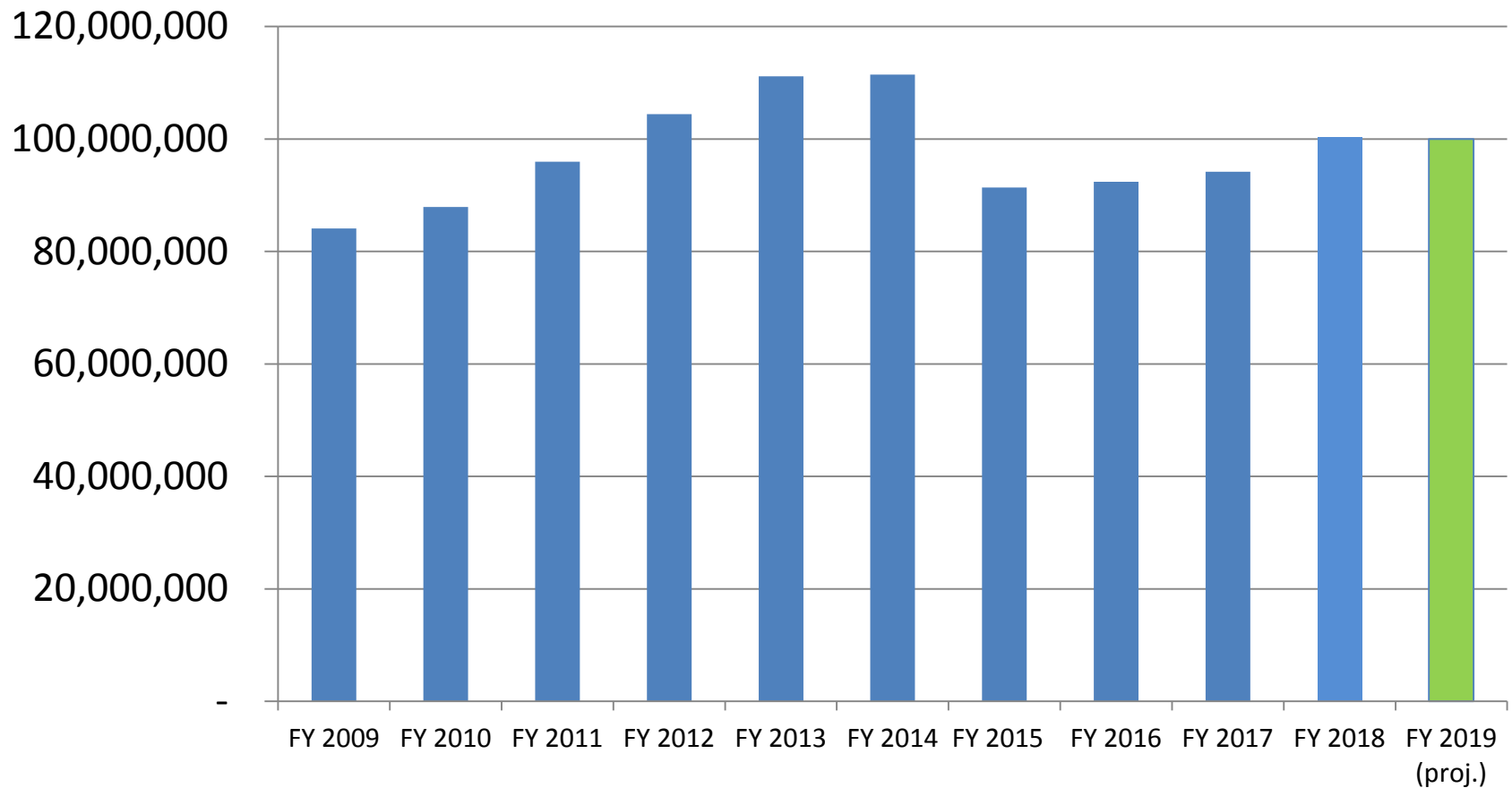
- Salaries and Employee Benefits - **53%** of budget.
- Budget includes:
 - Employee raises
 - » **2.5%** (with floor of \$1,250)
 - » **5.0%** - Sheriff sworn personnel
 - » \$1.9 million additional to Sheriff
 - » Total cost - **\$5.3 million**
 - No increase in health insurance costs
- Housing inmates – **\$32.8 million** (**13%** of budget)

General Fund Capital Outlay

- Total requested: \$12,311,000
- Total recommended: \$ 7,520,000
 - *Sheriff* \$1,310,000
 - *Information Technology* \$1,300,000
 - *EMS* \$ 685,000
 - *Vehicles (lease program)* \$ 649,000
 - *Facilities Maintenance* \$ 600,000
 - *Health Department* \$ 597,000
 - *Parks and Recreation* \$ 588,000
 - *Highway* \$ 510,000

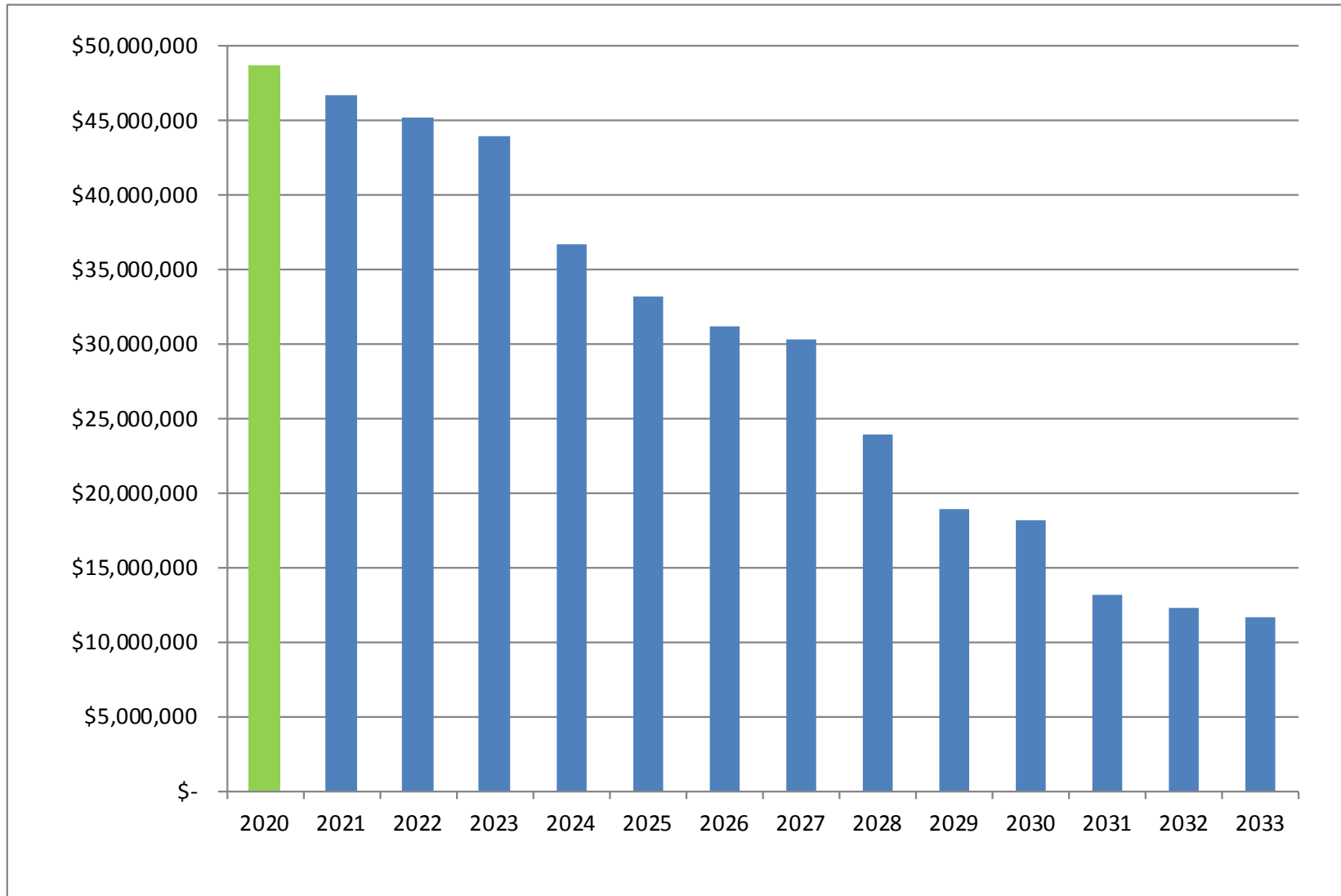
General Fund

Changes in Total Fund Balance



Debt Service Fund

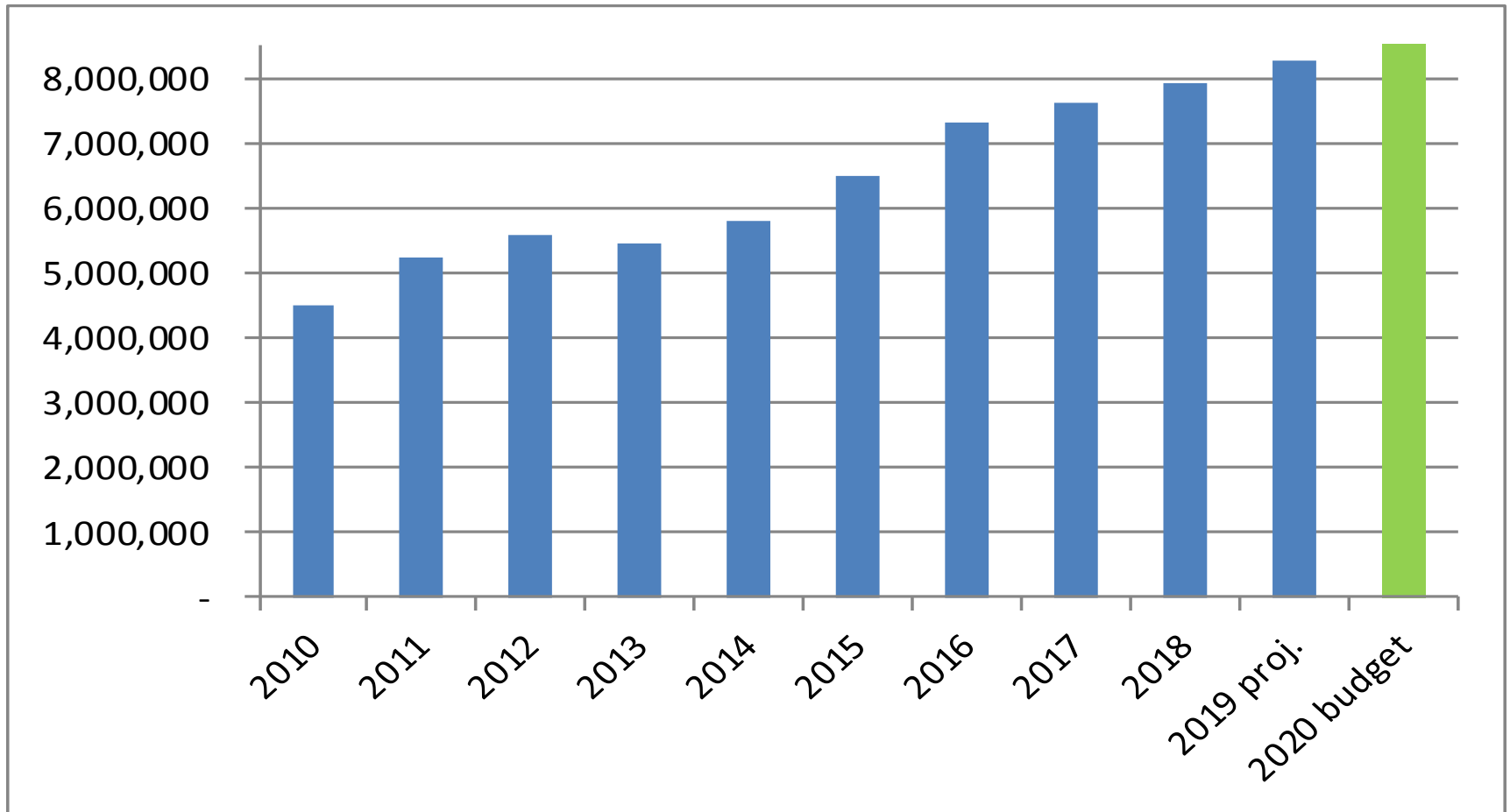
Scheduled Debt Service Payments



Other Budgeted Funds

Hotel Motel Fund

History of Collections



FY 2020 Budget – Priorities

- **Public Education**
 - Budget requests property tax increase for HCDE of 34 cents
- **Public Safety**
 - Additional 35 EMS positions
 - Additional 6 Sheriff officers
 - Improve compensation to Sheriff sworn personnel
 - Increased funding to VFDs
 - Control the cost of incarceration
 - Mental health services (FUSE)
- **Budget is Fiscally Responsible**
 - No use of General Fund or HCDE fund balance
 - Maintain a healthy self-insurance fund balance

FY 2020 Budget - Priorities

Expenditures by Function - All Budgeted Funds

<u>Function</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>Change</u>
Culture and Recreation	18,542,000	18,122,000	420,000
General Government	45,383,000	43,982,000	1,401,000
Health Services	26,619,000	25,262,000	1,357,000
Highways and Streets	19,196,000	18,849,000	347,000
Public Safety	111,698,000	103,192,000	8,506,000
Social Services	1,836,000	1,825,000	11,000
Transfers	47,056,000	50,448,000	(3,392,000)
Debt Service - Gen. Impr.	13,078,000	14,097,000	(1,019,000)
Debt Service - Education	35,593,000	37,897,000	(2,304,000)
Education	500,187,000	440,257,000	59,930,000
	819,188,000	753,931,000	65,257,000

FY 2020 Budget – Excluded Items

- **Operating Cuts of Significance**
 - Fix Pay Plan compression for County General employees (approx. \$2.5 million)
 - Mental Health Court – 6 additional positions
 - Highway Department – 3 additional positions
 - Facilities Maintenance – 2 additional positions
 - Supported Agencies (CARTA, ArtsBuild, etc.)
 - Capital Outlay cuts (\$4.8 million)

FY 2020 Budget – Excluded Items

- **Discussed Capital Needs That Were Cut**

- \$90 Bond Issue in Spring 2021

- \$20 million – next installment of Jail improvements
 - \$70 million – two new schools

- \$18 million General Government capital projects

- Highway Department – renovate former TDOT Region 2
 - Replace aging heavy equipment
 - Emergency Medical Services - training facility, ambulances
 - Emergency Services radio tower
 - Parks & Recreation – capital needs/improvements
 - Road Improvements
 - Health Department – parking garage upgrades, bldg. renovations
 - Commission projects (\$1-\$2 million)

Hamilton County Budget Workshop

NEXT STEP

Presentation of FY 2020 Budget

June 5, 2019

FY 2020 Budget Book

- Budget Book will be posted on the County's website on June 5, 2019
- Printed copy of the budget book will be given to each Commissioner requesting one.
 - Others can access budget book at website and on CERP.

FY 2020 Budget Book

- Same format as FY 2019
- Separate Tabs for:
 - Summary of All Budgeted Funds
 - Presented by
 - Fund
 - Major Category
 - General Fund Budget
 - Presented by
 - Revenue and Expenditure Category/Account
 - Division and Department
 - Capital Outlay

FY 2020 Budget Book

- Debt Service Fund presented by:
 - Revenue and Expenditure Category/Account
 - Summary of debt service payments due in FY 2020
- Hotel-Motel Fund presented by:
 - Revenue and Expenditure Category/Account
 - (NOTE: all proceeds of Hotel/Motel tax collections are forwarded to Chattanooga CVB)
- Sheriff Special Revenue Fund presented by:
 - Revenue and Expenditure Category/Account
- Department of Education presented by:
 - Major Category
 - Expenditures by Function

FY 2020 Budget Book

- Detail Expenditure Information
 - Listed by Division and Department
 - Details all Expenditure Requests and Budget Cuts
 - Lists current salaries (before effect of FY 2020 pay increases) for all employees
- Summary of Proposed Budget will be reported in newspaper (Times Free Press) by June 10, 2019

Hamilton County Budget Workshop

QUESTIONS