



**Hamilton County
Budget Workshop**
FY 2019 County Budget
June 5, 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 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 2019 Budget Requests

Key Points

- Budget is balanced
- No property tax increase
- Budget addresses several priorities

FY 2019 Budget – Priorities

- Fiscally-responsible budget
- Additional capital funding for school facilities
- Enhance public safety
- Infrastructure improvements
 - Roads & streets
 - Building maintenance
 - Address compliance with ADA

FY 2019 Budget

ALL BUDGETED FUNDS

Total Expenditures:	\$753,930,953
<i>Inc. over FY 2018 Budget:</i>	<i>\$37,432,000 (5.2%)</i>

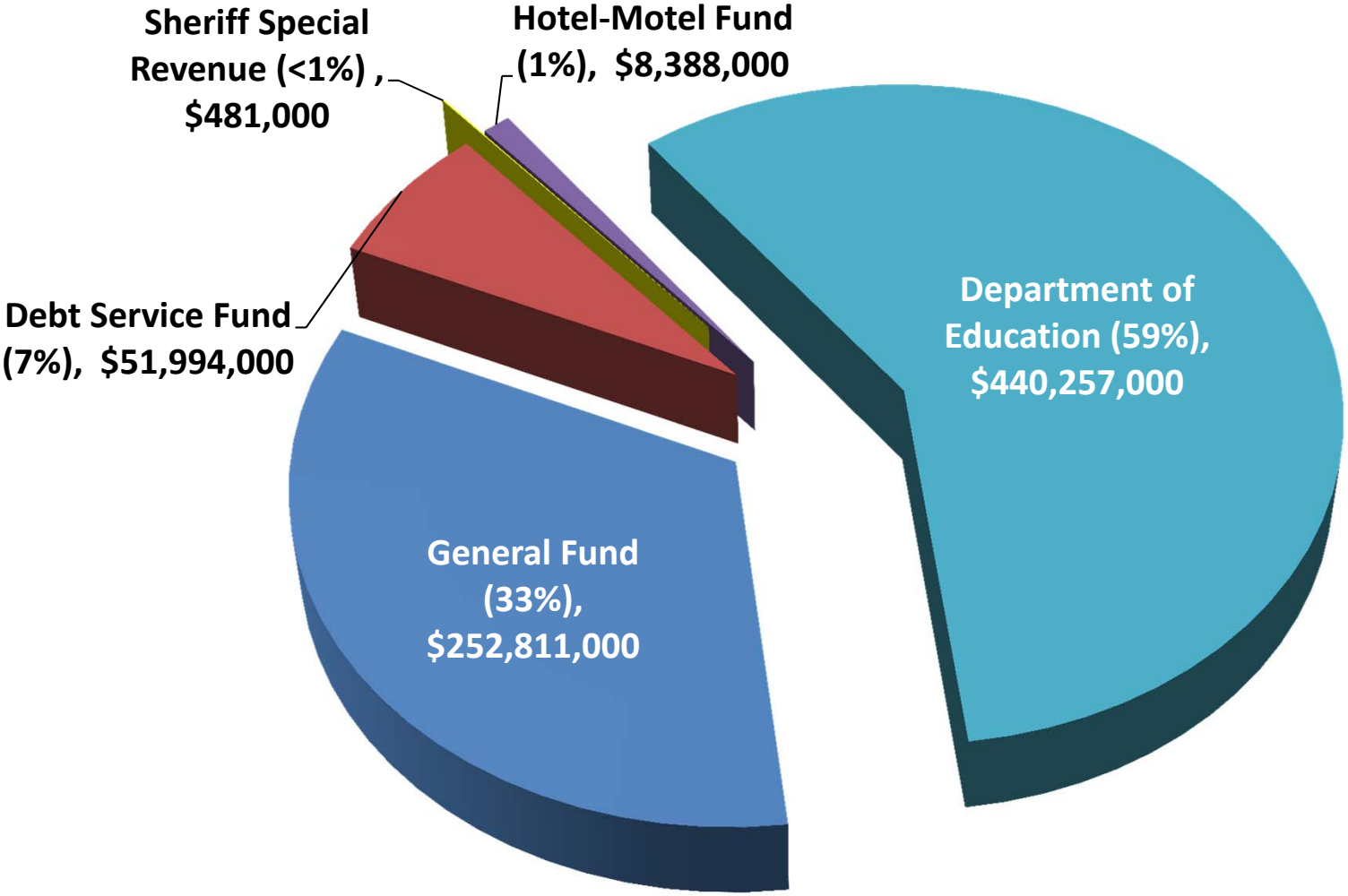
NOTE: For purposes of this presentation, FY 2018 Budget represents the Original Budget as adopted June 21, 2017, plus the Amendment to the Original Budget adopted September 6, 2017 via Resolution 917-12.

FY 2019 Budget

	FY 2019	FY 2018 (as amended)
General Fund	\$ 252,810,705	\$ 246,710,948
Debt Service Fund	51,994,024	34,336,149
Sheriff Special Revenue Fund	481,486	481,486
Hotel Motel Fund	8,388,000	8,200,000
Department of Education	440,256,738	426,770,340
	\$ 753,930,953	\$ 716,498,923

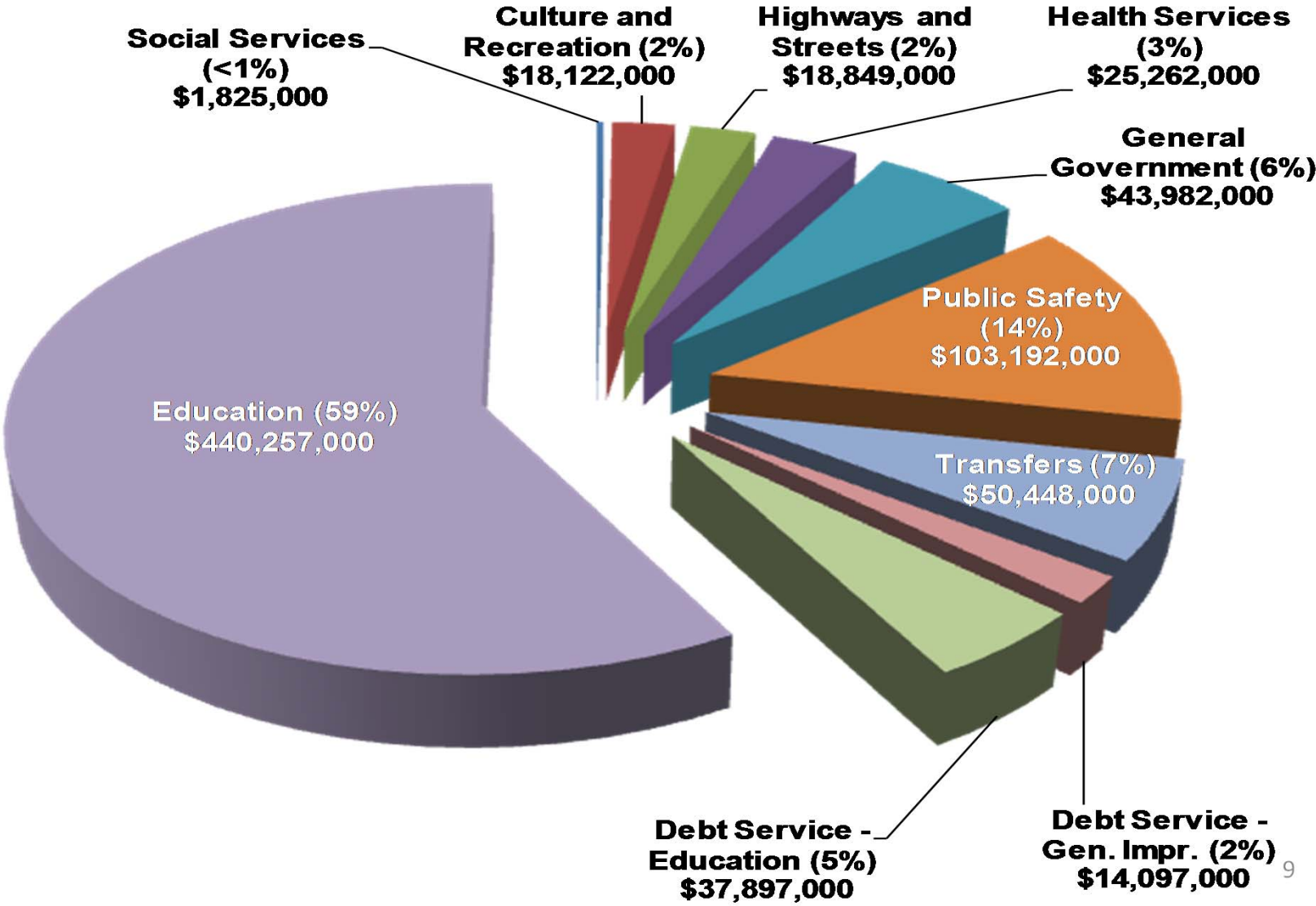
Expenditures by Fund

All Budgeted Funds (\$753,931,000)



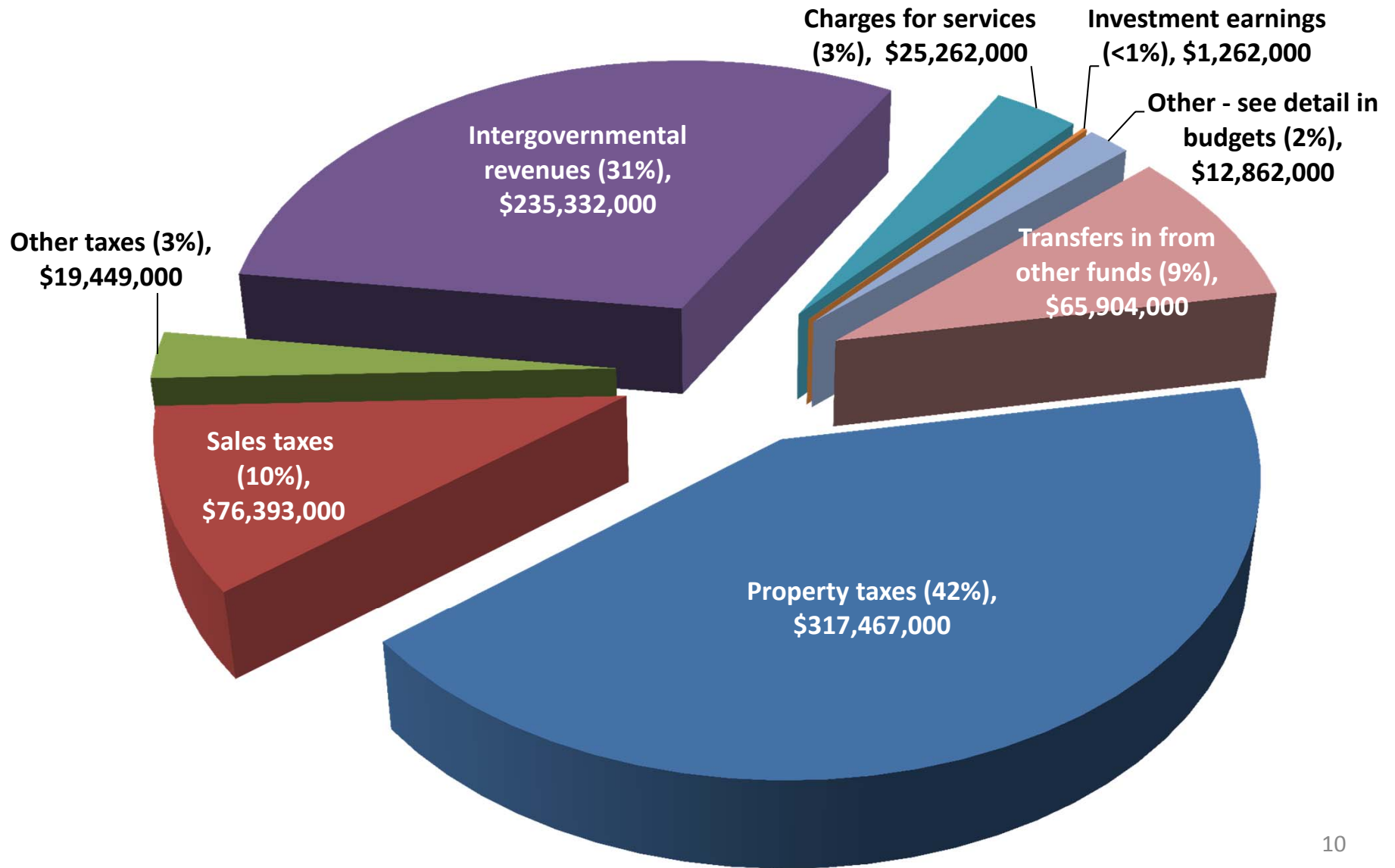
Expenditures by Function

All Budgeted Funds



Revenues by Source

All Budgeted Funds



FY 2019 Budget

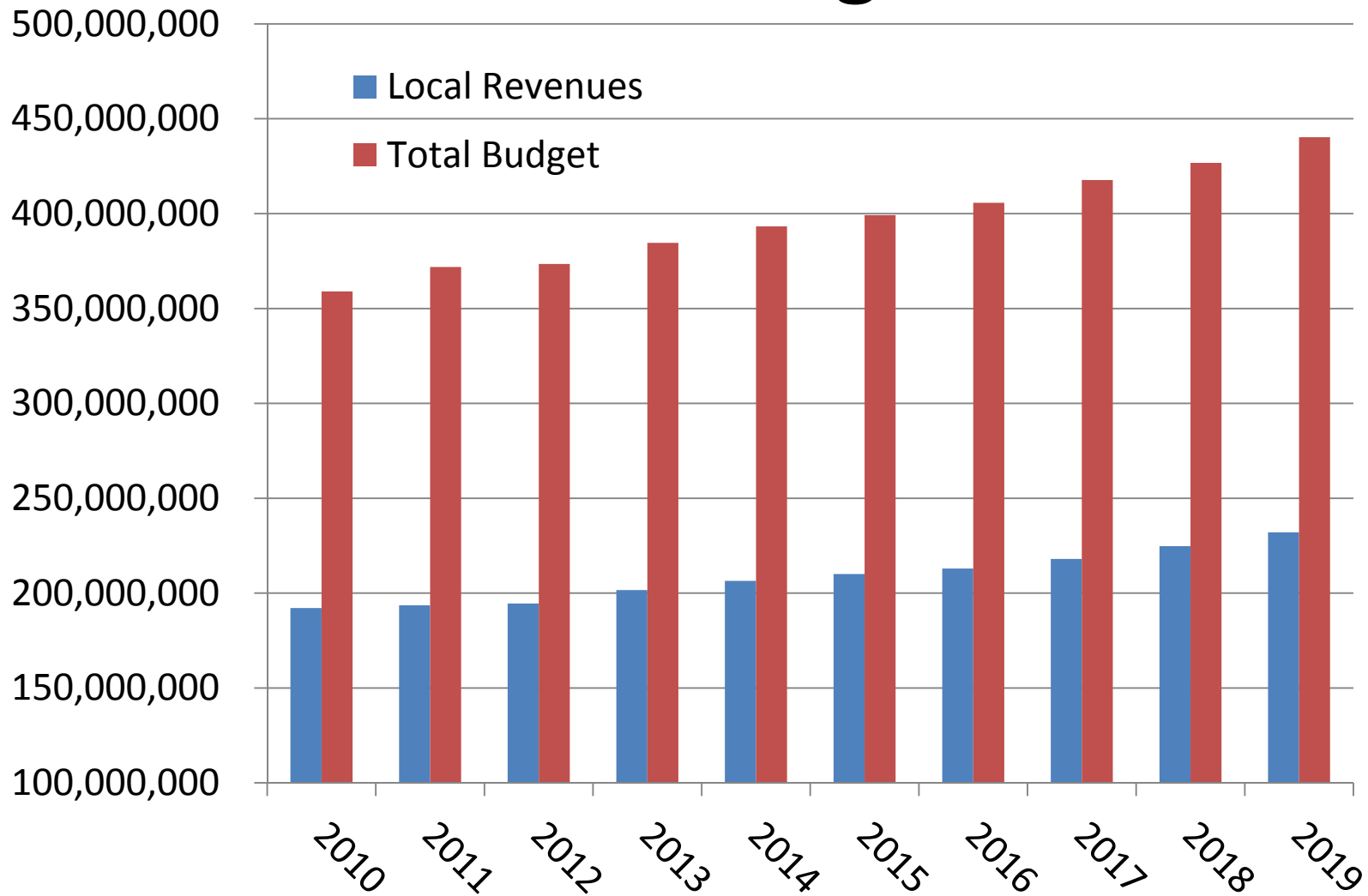
Department of Education (HCDE)

	FY 2019	FY 2018
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
	<u>\$ 440,256,738</u>	<u>\$ 426,770,340</u>
<i>Increase over FY 2018</i>	<u>\$ 13,486,398</u>	<u>(3.2%)</u>

Department of Education (HCDE)

- HCDE Board approved:
 - Balanced budget
- Growth in Budget of:
 - Total \$13,486,000
 - Growth in local funding \$ 7,310,000
- Will not require use of HCDE fund balance

HCDE – Budgeted Operations FY 2010 through 2019



FY 2019 Budget

General Fund

Total Expenditures:	<u>\$252,811,000</u>
<i>Increase over FY 2018:</i>	<i>\$ 6,100,000 (2.5%)</i>

The next several slides pertain only to the County General Fund

General Fund Budget Overview

Major items of note from prior year:

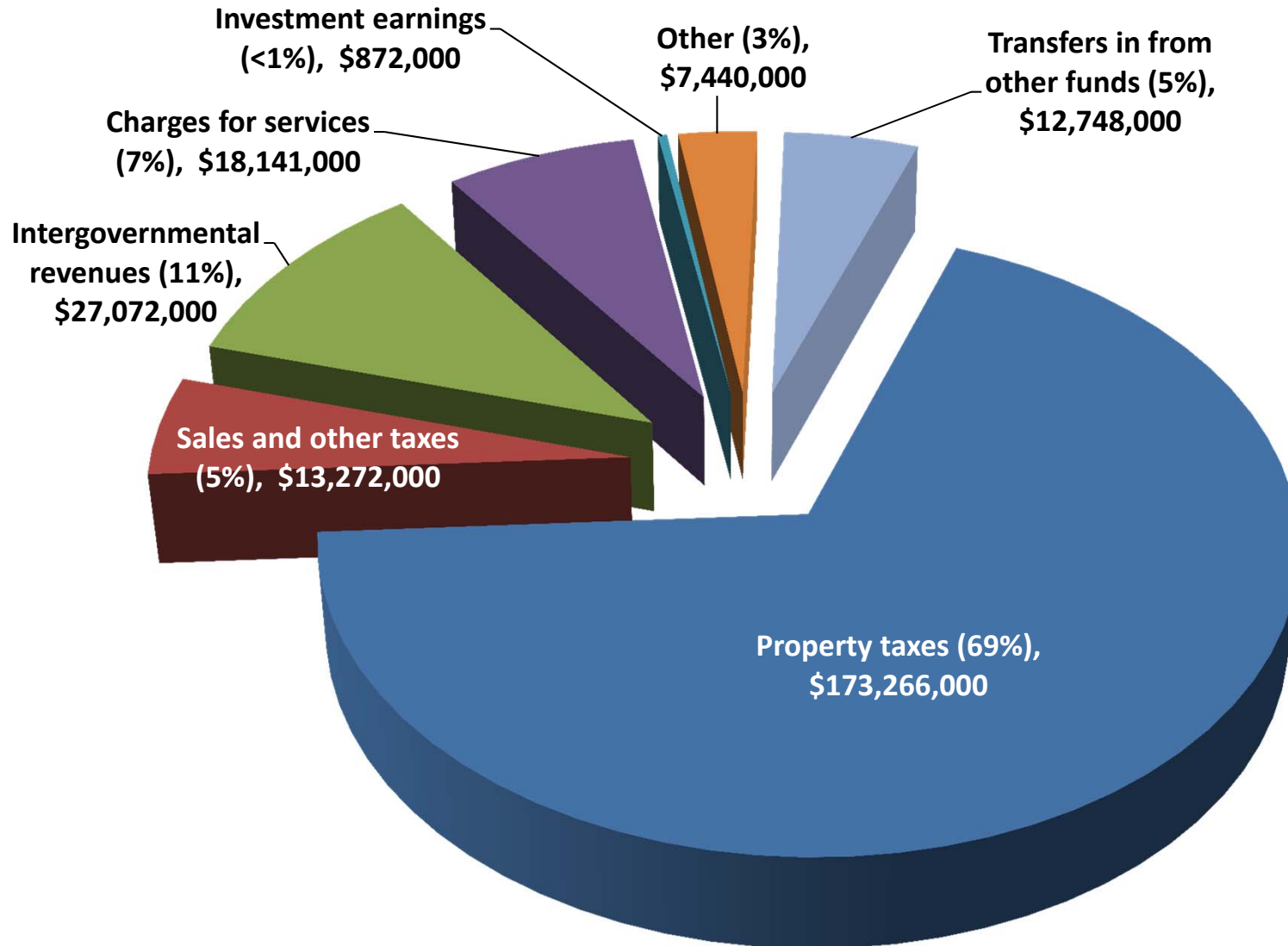
- Growth in property taxes (\$3.7 million - 2.2%)
- 29 additional full-time employees
 - Primarily in Public Safety
- Employee salary increases (\$3.5 million)
 - 3% with floor of \$1,500
- No increase in Employee Health Insurance costs
- Appropriation to Debt Service Fund increased \$9.3 million

General Fund Revenues

(\$252,811,000)

- Increase over FY 2018 - \$5.6 million (2.3%)
- Property taxes – increase - \$3.7 million (2.2%)
- Sales tax revenues remain low (\$3.4 million)
- State Gas Tax – increase \$300,000
(in addition to FY 2018 increase of \$1.0 million due to the State of TN's Improve Act)

General Fund Revenues by Source



General Fund Expenditure Cuts

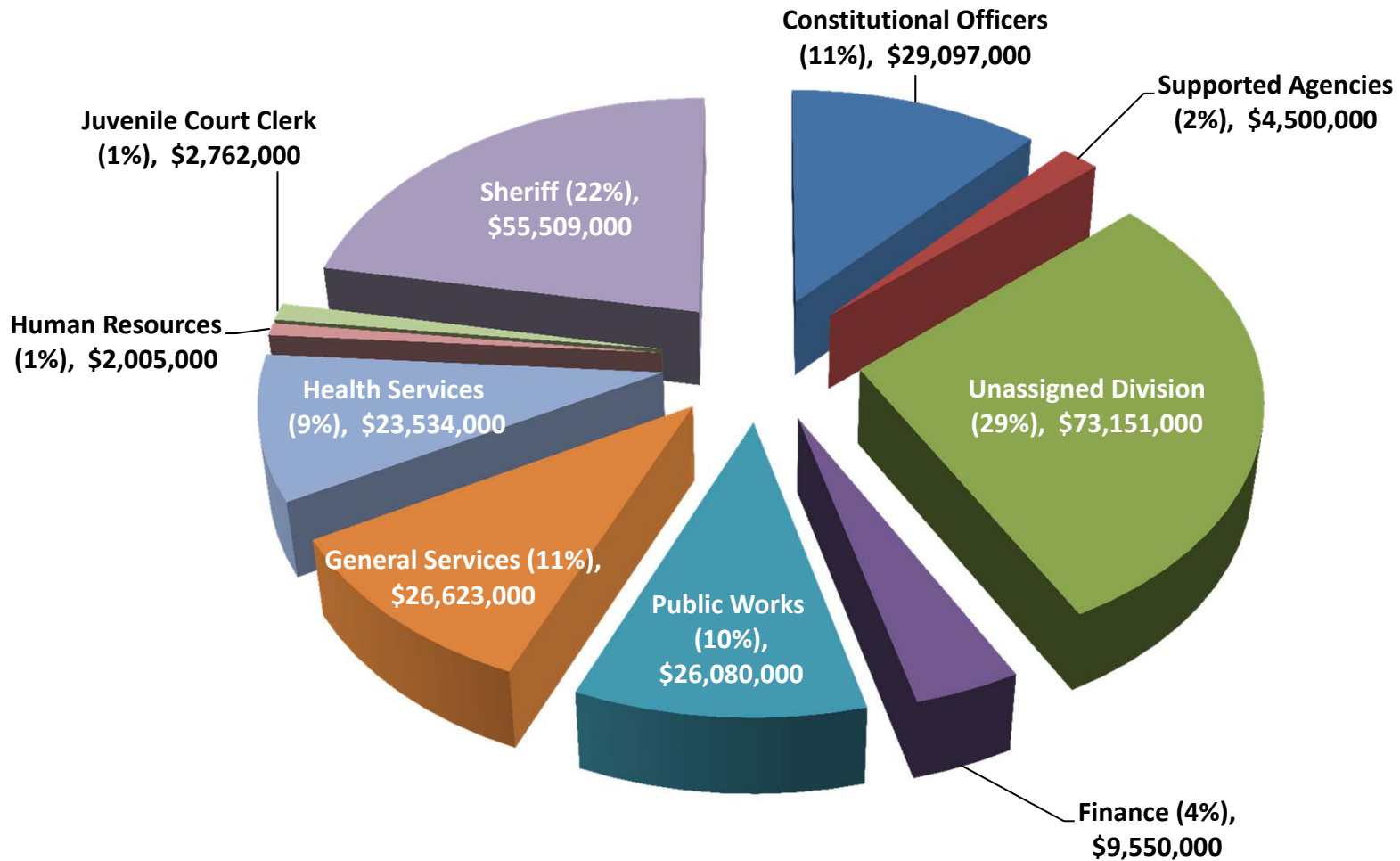
Significant cuts from the requested budgets totaling \$11.6 million were necessary:

- Constitutional Officers \$211,000
- Capital Outlay \$5.7 million
- Public Works Division \$644,000
- General Services \$1.1 million
- Sheriff \$4.0 million

General Fund Budget by Division

	FY 2019 Budget	FY 2018 Budget
Constitutional Officers	\$ 29,097,480	\$ 27,551,880
Supported Agencies	4,499,647	4,450,909
Unassigned	73,150,917	75,000,835
Finance	9,549,777	9,258,930
Public Works	26,080,622	24,714,000
General Services	26,622,685	42,861,981
Health Services	23,534,374	23,008,542
Human Resources	2,004,575	1,923,791
Juvenile Court Clerk	2,761,983	2,658,123
Sheriff	55,508,645	35,281,957
	\$ 252,810,705	\$ 246,710,948

General Fund Expenditures by Division (\$252,811,000)



General Fund Expenditures Constitutional Officers (11%)

- Total Expenditures: **\$29,097,000** ⁽¹⁾
Increase over FY 2018 **\$1,546,000 (5.6%)**
- Primary changes:
 - Trustee \$492,000
 - Election Commission \$224,000
 - Assessor of Property \$138,000
 - County Clerk \$135,000
 - Juvenile Court \$140,000
 - Medical Examiner \$117,000

(1) - includes employee raises - \$462,000

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

General Fund Expenditures Supported Agencies (2%)

- Total Expenditures: **\$4,500,000**
Increase over FY 2018 *\$49,000 (1.1%)*

- Primary changes:
 - Agricultural Extension Service \$25,000
 - City-County Planning Agency \$15,000

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 (29%)

- Total Expenditures: **\$73,151,000** ⁽¹⁾
Decrease from FY 2018 *- \$1,850,000 (-2.5%)*

- Primary changes:
 - Transfer to Capital Projects Fund - \$14,000,000
 - Employee Benefits - \$ 1,300,000
 - Appropriation to Debt Service Fund \$ 9,264,000
 - Capital outlay \$ 2,710,000
 - Trustee's Commission \$ 590,000
 - WWTA \$ 554,000
 - ADA Compliance \$ 200,000

⁽¹⁾ - includes employee raises - \$172,000

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: **\$9,550,000** ⁽¹⁾
Increase over FY 2018 **\$291,000 (3.1%)**
- Primary changes:
 - Information Technology (IT) \$122,000
 - Accounting \$106,000

1) - includes employee raises - \$206,000

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

General Fund Expenditures Public Works Division (10%)

- Total Expenditures: \$26,080,000 ⁽¹⁾
Increase over FY 2018 \$1,367,000 (5.5%)
- Primary increases:
 - Sequoyah Transfer Station - \$300,000
 - Facilities Maintenance \$664,000
 - Highway \$572,000
 - Engineering \$169,000

¹⁾ - includes employee raises - \$403,000

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 (11%)

- Total Expenditures: \$26,623,000 ⁽¹⁾
Decrease from FY 2018 *\$16,239,000 (37.9%)*
- Primary changes from FY 2018:
 - **Corrections (reclass to Sheriff)** - **\$17,730,000**
 - Emergency Medical Services \$ 803,000
 - Pre-Trial Diversion \$ 244,000
 - Volunteer services appropriations \$ 50,000

(1) - includes employee raises - \$453,000

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

General Fund Expenditures

Health Services Division (9%)

- Total Expenditures: **\$23,534,000** ⁽¹⁾
Increase over FY 2018 *\$526,000 (2.3%)*
- Primary changes:
 - No major changes in scope or cost of services provided

(1) - includes employee raises - \$584,000

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: **\$2,005,000** ⁽¹⁾
Increase over FY 2018 *\$81,000 (4.2%)*
- Primary changes:
 - Risk Management \$64,000

(1) - includes employee raises - \$46,000

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: **\$2,762,000** ⁽¹⁾
Increase over FY 2018 *\$104,000 (3.9%)*
- Primary changes:
 - Child Support Division \$79,000

(1) - includes employee raises - \$66,000

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

General Fund Expenditures

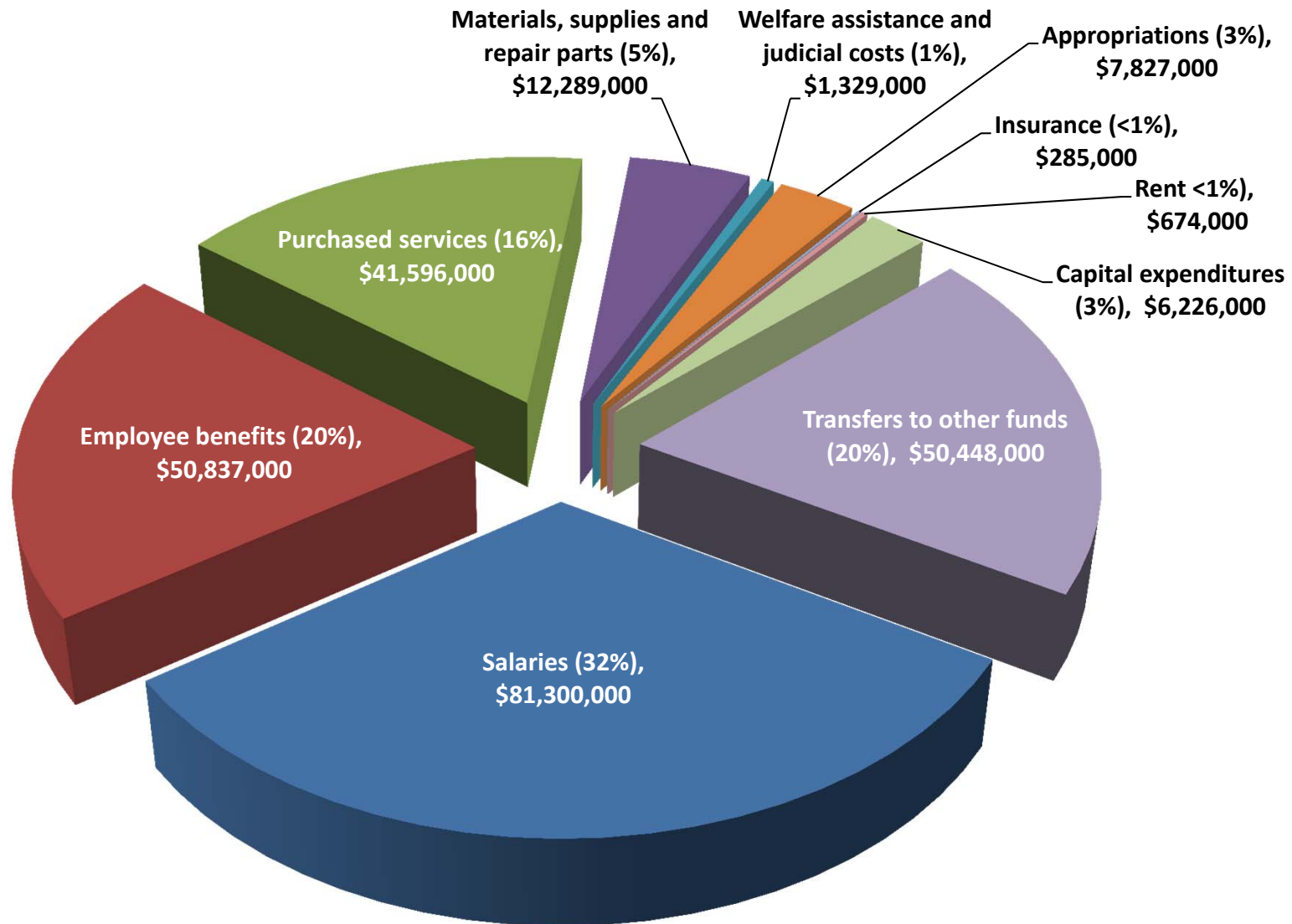
Sheriff Division (22%)

- Total Expenditures: \$55,509,000 ⁽¹⁾
Increase over FY 2018 \$20,227,000 (57.3%)
- Primary changes:
 - Corrections (transfer of Silverdale) \$17,730,000
 - Silverdale CoreCivic (contract inc.) \$ 1,177,000
 - Jail \$ 441,000
 - SRO funded by HCDE \$ 504,000

(1) - includes employee raises - \$780,000

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 make up 52% of General Fund budget.
- Budget includes:
 - Employee raises
 - » 3% (with floor of \$1,500)
 - » cost of \$3.5 million
 - No increase in health insurance costs
- Cost to house inmates – \$32.9 million (**13%** of total General Fund budget)

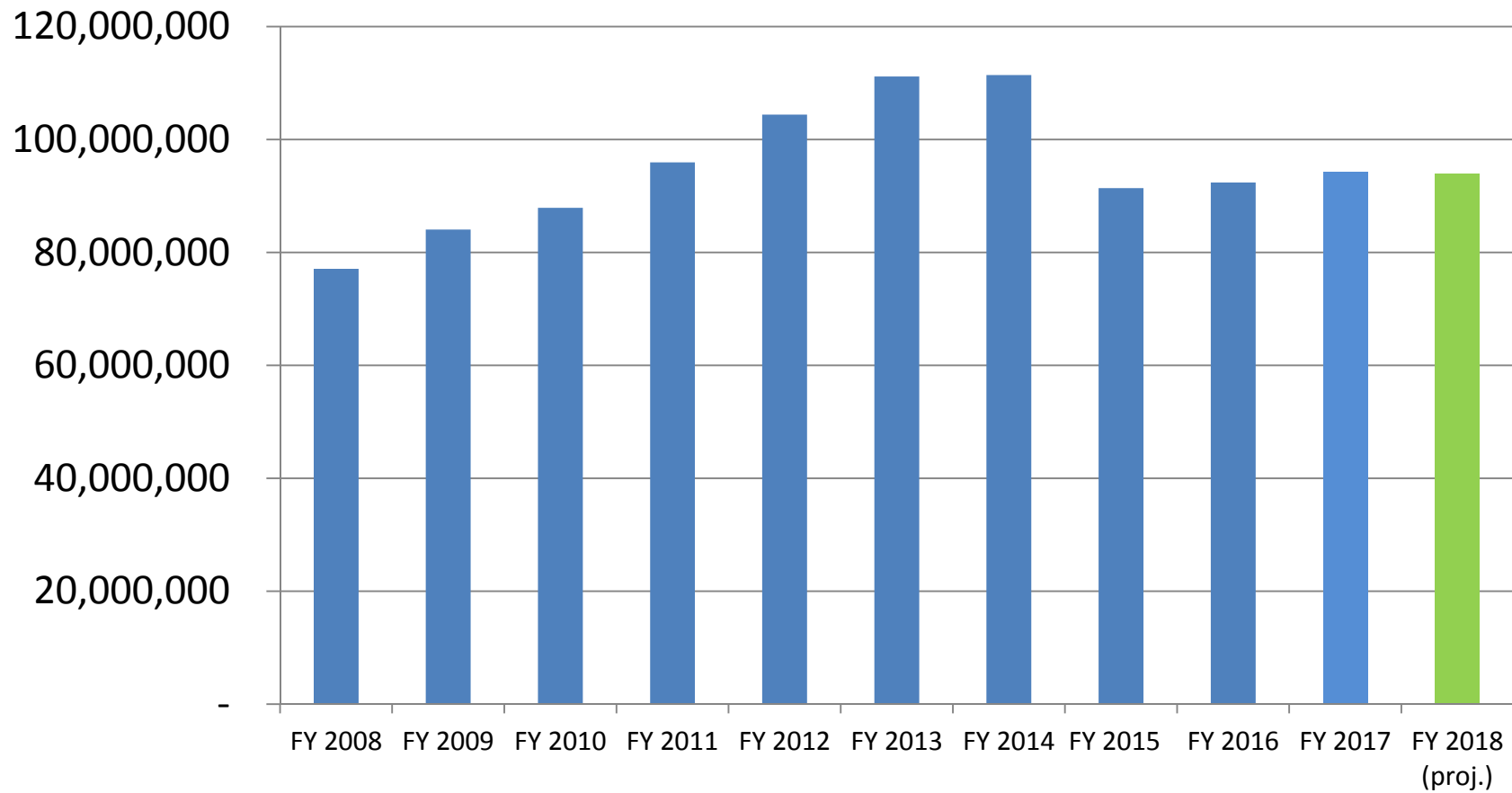
General Fund Capital Outlay

- Total requested: \$11,940,000
- Total recommended: \$ 6,226,000
 - *Sheriff* \$1,310,000
 - *Parks and Recreation* \$1,269,000
 - *EMS* \$ 765,000
 - *Highway and PLM Shops* \$ 918,000
 - *Vehicles (lease program)* \$ 433,000
 - *Information Technology* \$ 310,000

General Fund

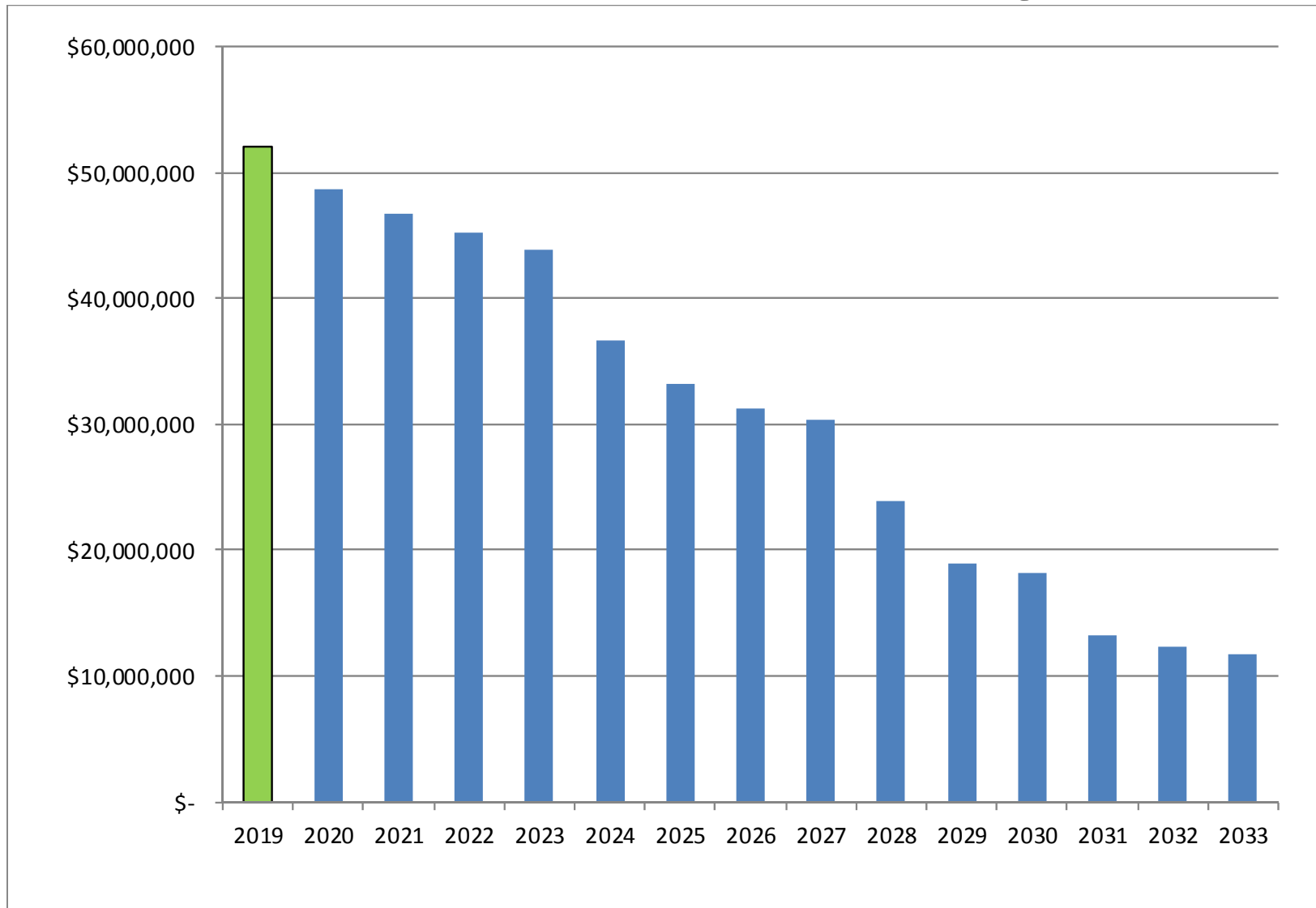
Changes in Total Fund Balance

Fiscal Years 2008 – 2018 (Projected)



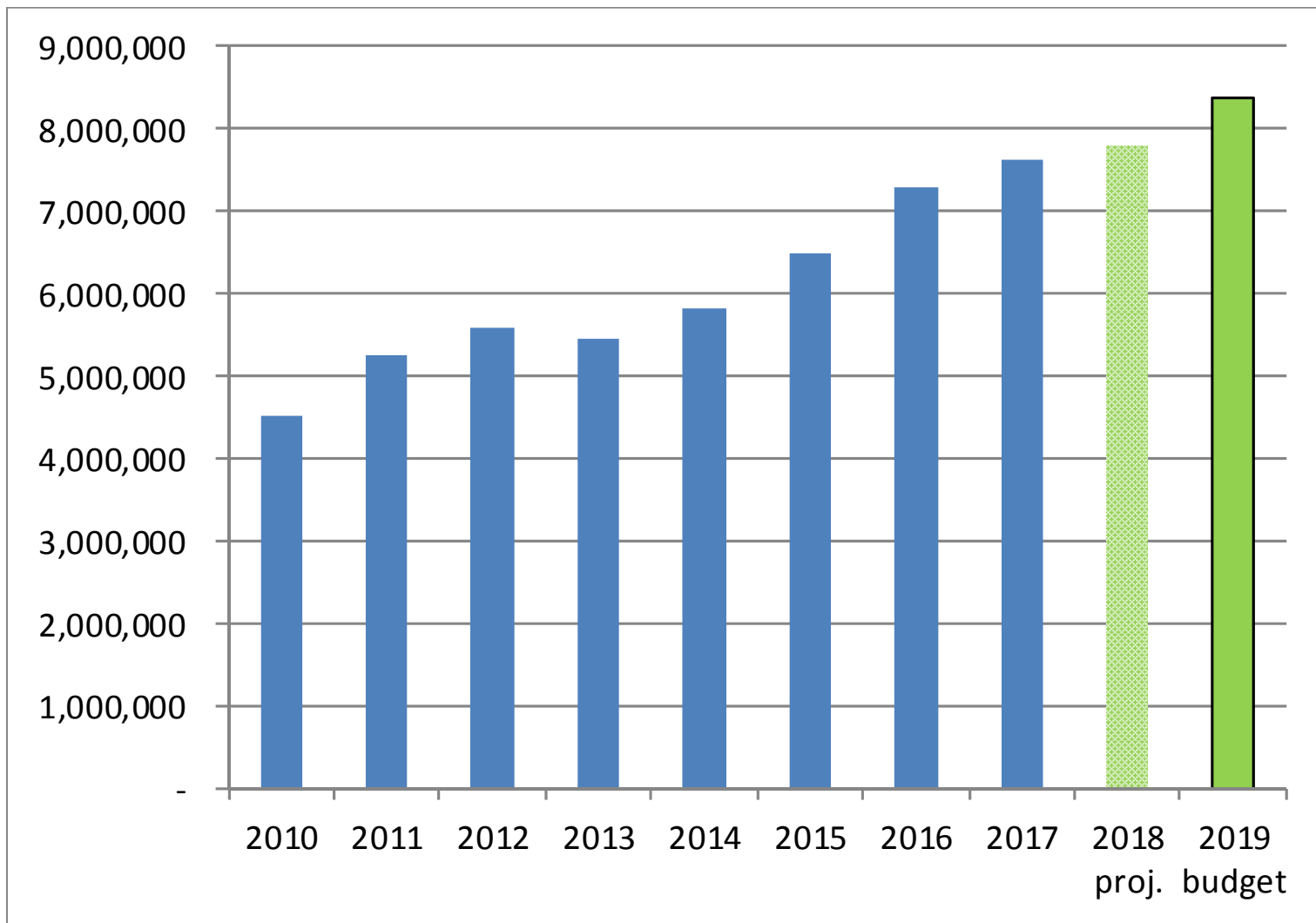
Debt Service Fund

Scheduled Debt Service Payments



Other Budgeted Funds

Budget - Hotel Motel Fund



FY 2019 Budget – Priorities

- **Additional capital funding for school facilities**
 - Debt service for \$125 million in new school construction
- **Enhance public safety**
 - Additional SROs (7 new SRO positions)
 - One new ambulance station
 - Control the cost of incarceration
 - New program - Pretrial Detention Services
 - Mental health services
- **Infrastructure improvements**
 - Roads & streets (additional \$1.3 million since FY 2017)
 - Building maintenance (additional \$550,000 reserved for bldg. maint.)
 - Address compliance with ADA (establish reserve of \$200,000)
- **Budget is Fiscally Responsible**
 - Does not require use of General Fund or HCDE fund balance
 - Maintain a healthy self-insurance fund balance

Hamilton County Budget Workshop

NEXT STEP

Presentation of FY 2019 Budget

June 6, 2018

FY 2019 Budget Book

- Budget Book will be posted on the County's website on June 6, 2018
- 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 2019 Budget Book

- Same format as FY 2018
- 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 2019 Budget Book

- Debt Service Fund presented by:
 - Revenue and Expenditure Category/Account
 - Summary of debt service payments due in FY 2019
- 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
 - Revenue and Expenditure Category/Account
- Department of Education presented by:
 - Major Category
 - Expenditures by Function

FY 2019 Budget Book

- Detail Expenditure Information
 - Listed by Division and Department
 - Details all Expenditure Requests and Budget Cuts
 - Lists current salaries (before effect of across-the-board pay increases) for all employees
- Summary of Proposed Budget will be reported in newspaper (Times Free Press) by June 10, 2018

Hamilton County Budget Workshop

QUESTIONS