



**Hamilton County**  
**Budget Workshop**  
**FY 2021 County Budget**  
**May 26, 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

## 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 2021 Budget Challenges

1. COVID-19 and its effect on operations
  - Property taxes, sales taxes and other revenues
  - Effect on State grants and pass-through funds
  - Additional expenditures required
2. Maintenance of Effort requirements
3. Employee Compensation

# FY 2021 Budget – Priorities

- Public Health
  - Maintain public health & concentrate on COVID-19
- Public Safety
- Financial Health
  - Fiscally responsible budget
    - Maintain AAA bond rating

# **FY 2021 Budget**

## **ALL BUDGETED FUNDS**

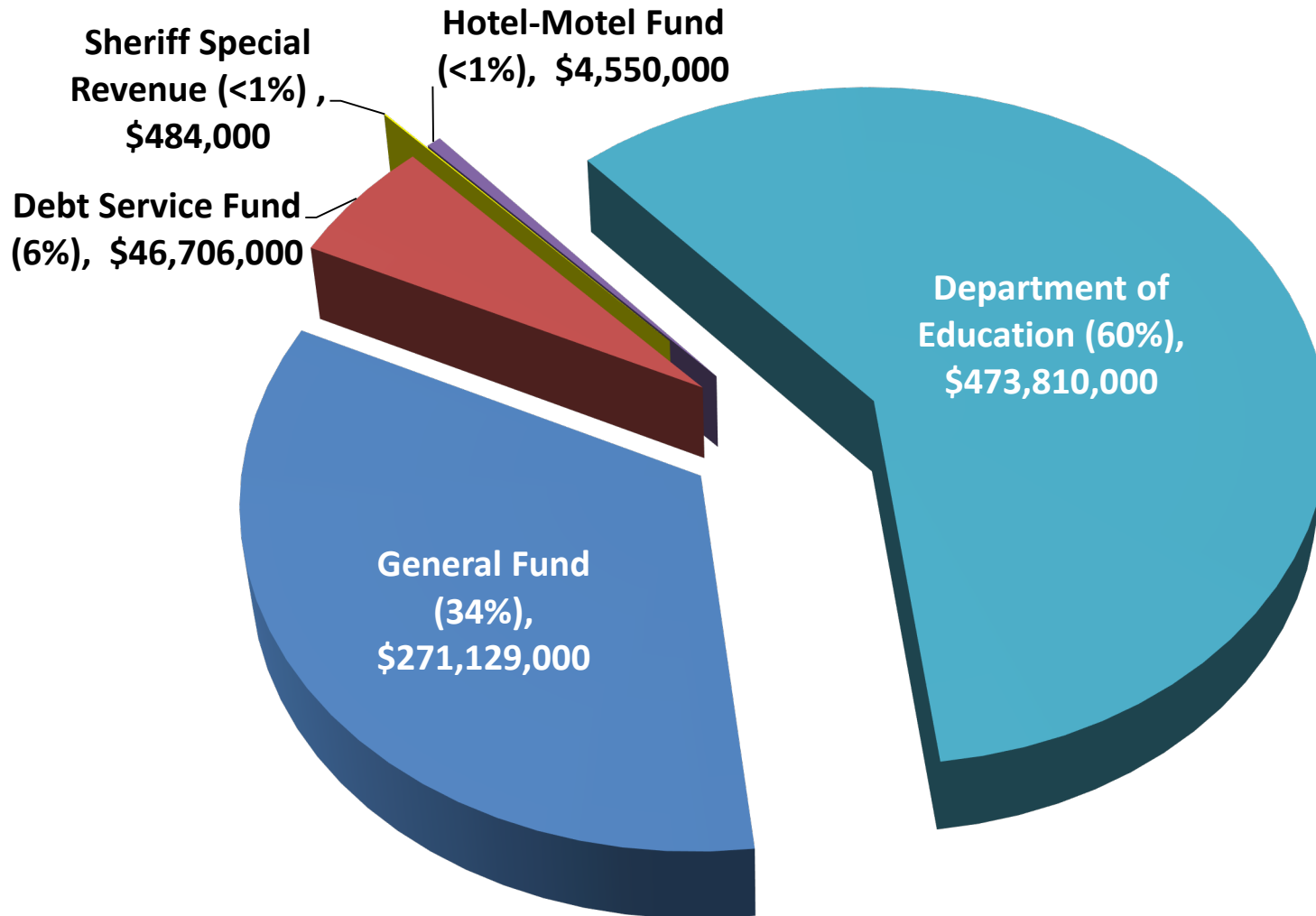
Total Expenditures:	<b>\$796,679,000</b>
<i>Inc. over FY 2020 Budget:</i>	<i>\$2,491,000 (0.3%)</i>

# FY 2021 Budget

	<b>FY 2021 Proposed</b>	<b>FY 2020 Budget</b>
<b>General Fund</b>	\$ 271,129,000	\$ 261,000,000
<b>Debt Service Fund</b>	46,706,000	48,671,000
<b>Sheriff Special Revenue Fund</b>	484,000	484,000
<b>Hotel Motel Fund</b>	4,550,000	8,846,000
<b>Department of Education</b>	473,810,000	475,187,000
	<b>\$ 796,679,000</b>	<b>\$ 794,188,000</b>

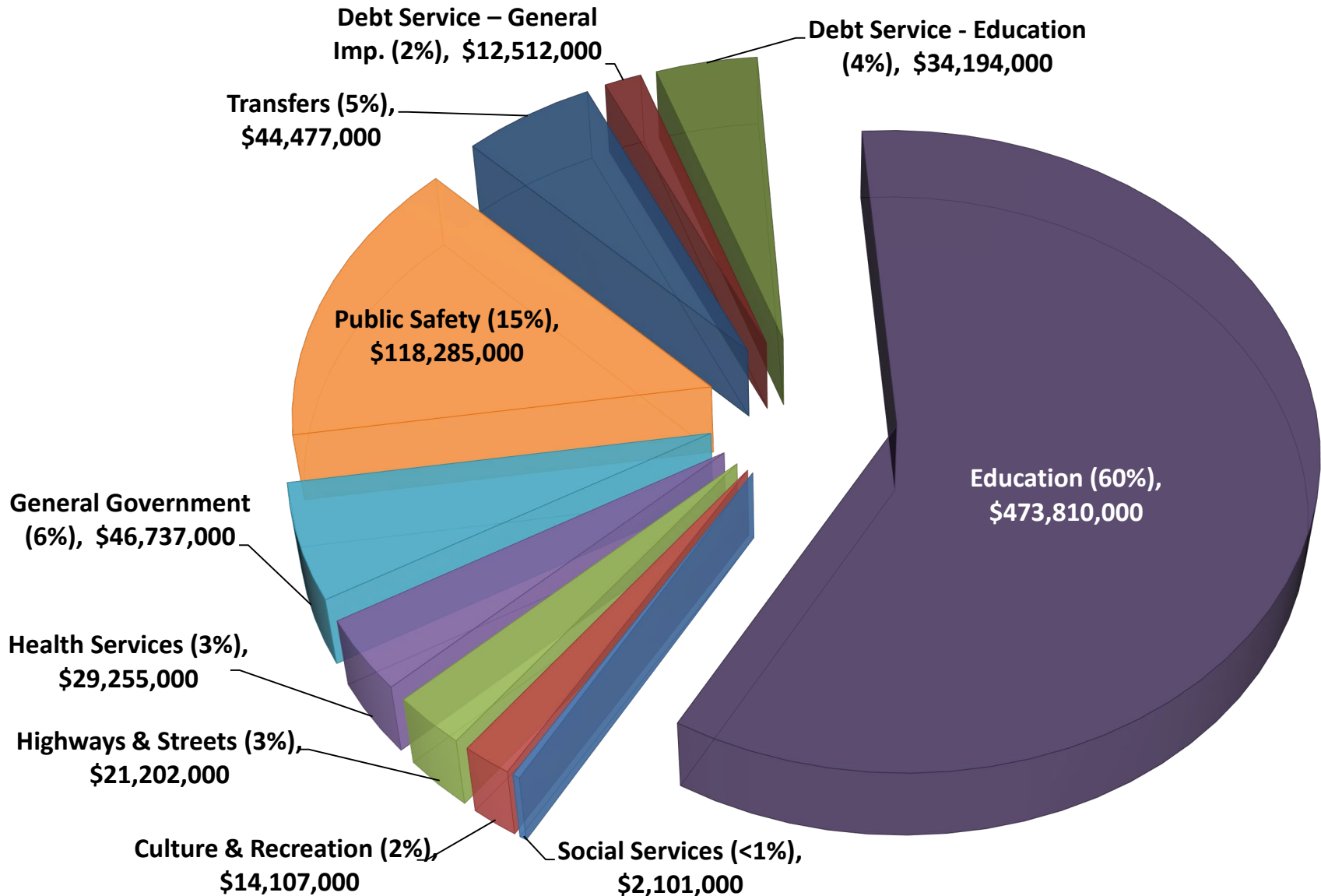
# Expenditures by Fund

## All Budgeted Funds (\$796,679,000)



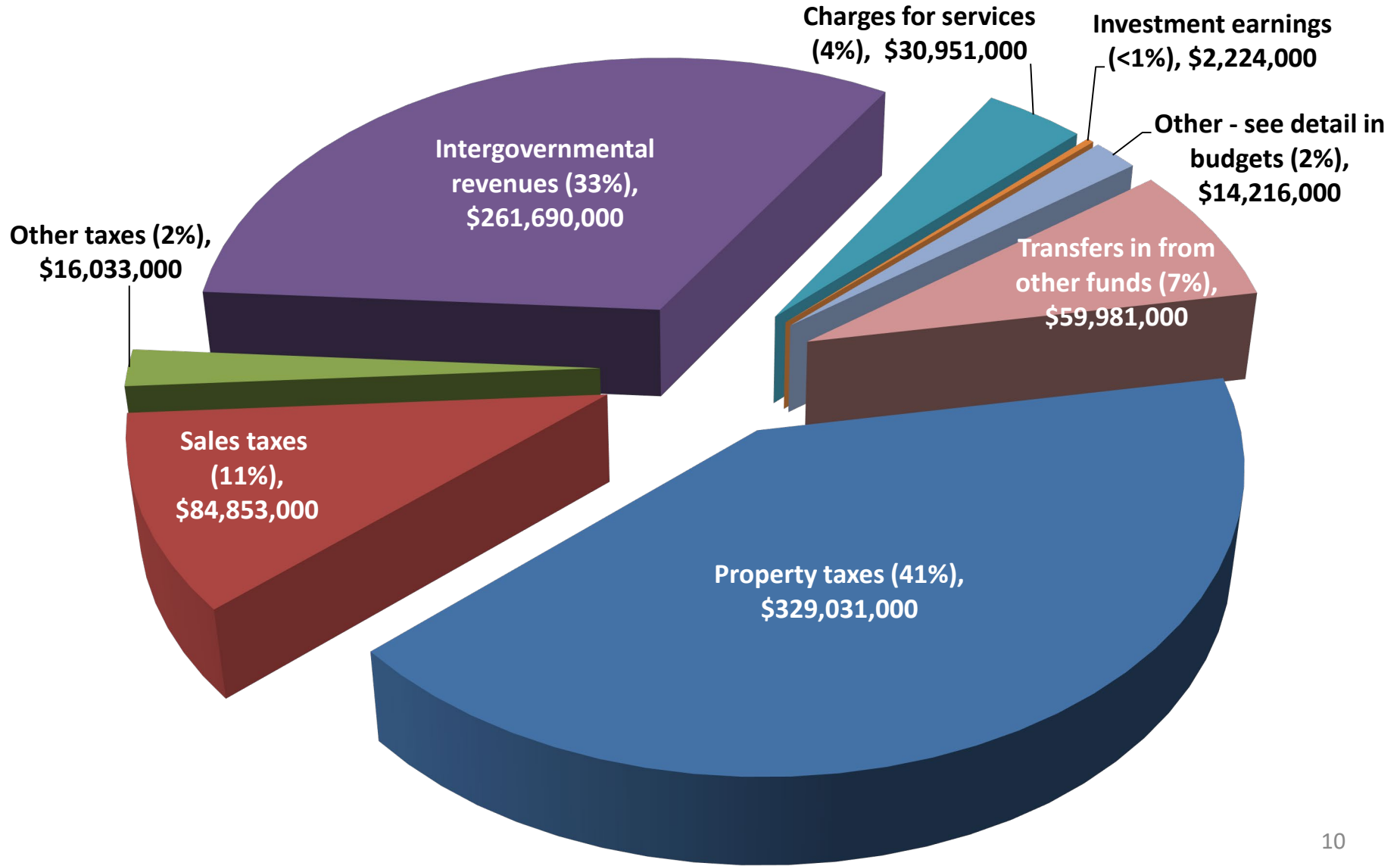
# Expenditures by Function

## All Budgeted Funds



# Revenues by Source

## All Budgeted Funds



# FY 2021 Budget

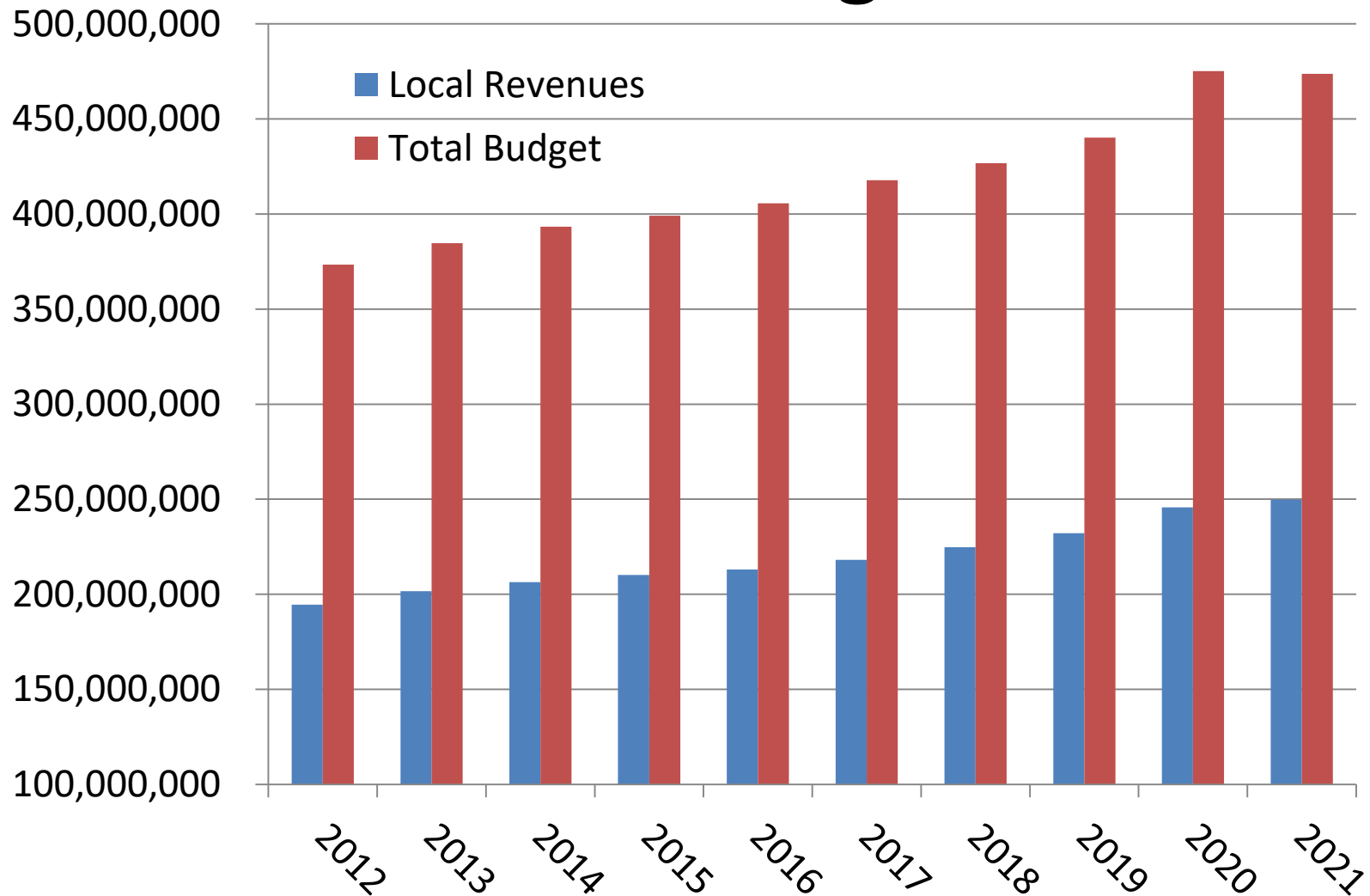
## Department of Education (HCDE)

	FY 2021 Proposed	FY 2020
<b>General Purpose School Fund</b>	\$ 416,000,000	\$ 418,000,000
<b>Federal Projects</b>	29,474,756	29,432,208
<b>Food Service Fund</b>	20,930,932	21,104,685
<b>Self Funded Projects</b>	7,404,082	6,650,414
	<u>\$ 473,809,770</u>	<u>\$ 475,187,307</u>

*Change from FY 2020      (\$1,377,537)    (-0.30%)*

# HCDE – Budgeted Operations

## FY 2012 through 2021



# FY 2021 Budget

## General Fund

Total Expenditures:	<u>\$271,129,000</u>
<i>Increase over FY 2020:</i>	<i>\$ 10,129,000 (3.9%)</i>

*The next several slides pertain only to the County General Fund*

# General Fund Budget Overview

Major items of note from prior year:

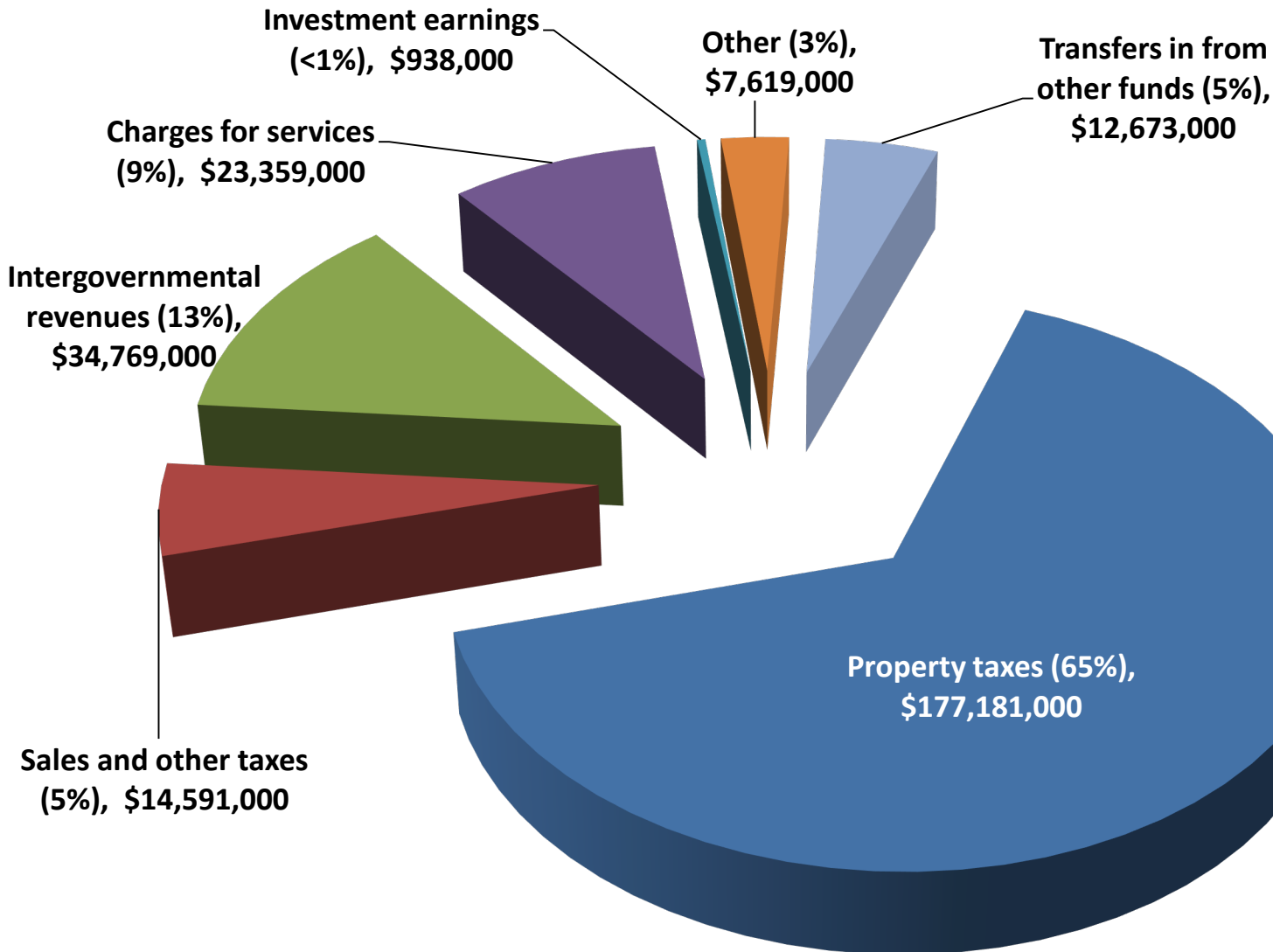
- Zero growth in property & sales taxes
- \$1.1 million decrease in gas tax
- \$300,000 decrease in all other revenues
- \$7.2 million increase in State & Federal grants
  - We are monitoring the State's budget closely
- No employee raises this year
- No increase in Employee Health insurance

# General Fund Revenues

## (\$271,129,000)

- Increase over FY 2020 of \$10.1 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 Revenues by Source



# General Fund Expenditure Cuts

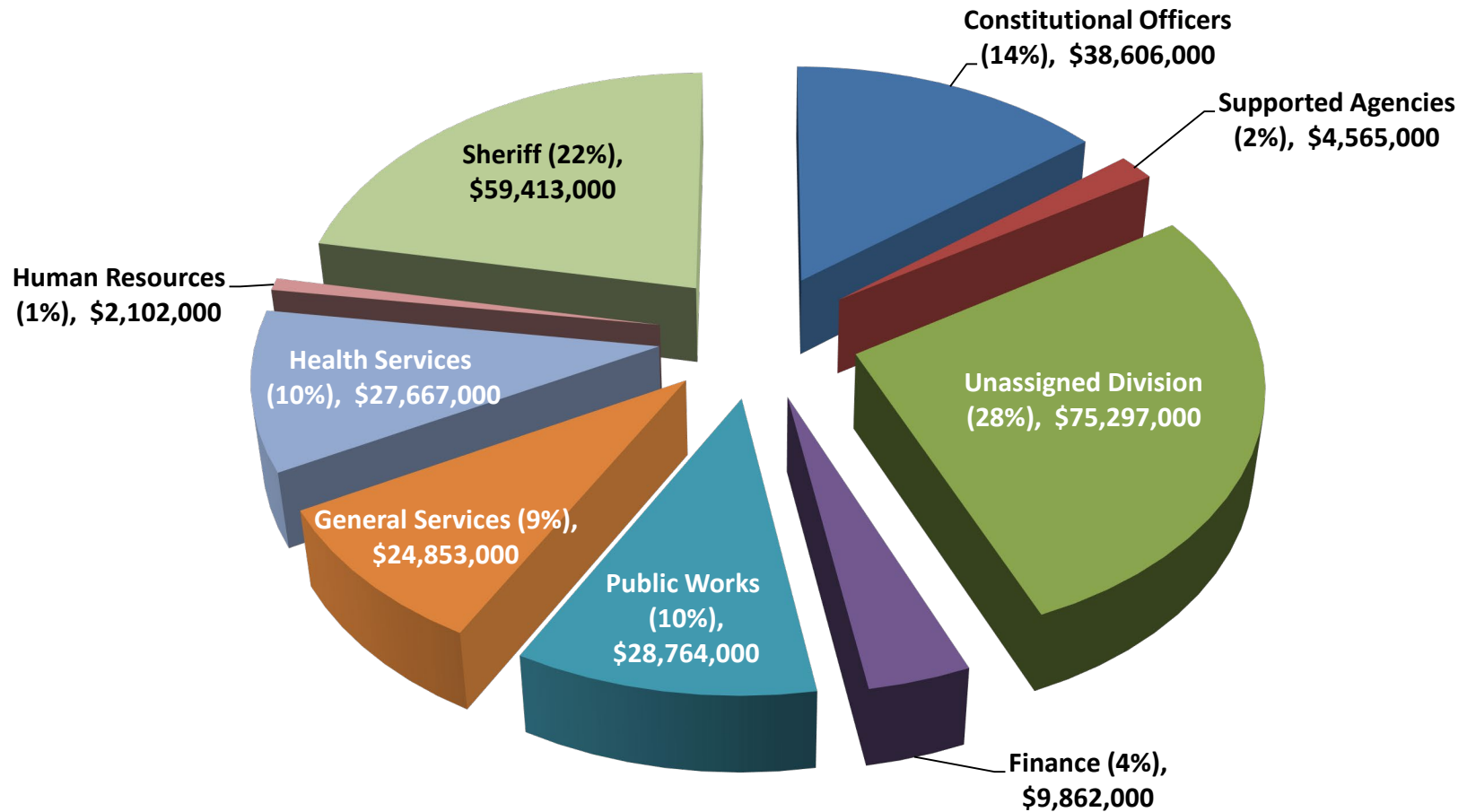
Significant cuts from the requested budgets totaling \$29.5 million were necessary:

• Capital Outlay	\$23.4 million
• EMS	\$1.6 million
• Sheriff	\$1.1 million
• Volunteer Services (mainly VFDs)	\$951,000
• Highway Department	\$600,000

# General Fund Budget by Division

	<b>FY 2021 Proposed</b>	<b>FY 2020 Budget</b>
<b>Constitutional Officers</b>	\$ 38,606,000	\$ 33,182,570
<b>Supported Agencies</b>	4,565,000	4,536,666
<b>Unassigned</b>	75,297,000	77,510,456
<b>Finance</b>	9,862,000	9,818,850
<b>Public Works</b>	28,764,000	25,905,033
<b>General Services</b>	24,853,000	24,383,629
<b>Health Services</b>	27,667,000	24,521,653
<b>Human Resources</b>	2,102,000	2,075,646
<b>Sheriff</b>	59,413,000	59,065,347
	<b>\$ 271,129,000</b>	<b>\$ 260,999,850</b>

# General Fund Expenditures by Division (\$271,129,000)



# General Fund Expenditures

## Constitutional Officers (14%)

- Total Expenditures: **\$38,606,000**  
*Increase over FY 2020* ***\$5,423,000 (16.3%)***
- Primary changes:
  - Criminal Court Clerk (accounting change) \$2,196,000
  - Circuit Court Clerk (accounting change) \$2,174,000
  - Election Commission \$ 514,000
  - Assessor of Property \$ 184,000

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

# General Fund Expenditures Supported Agencies (2%)

- Total Expenditures: **\$4,565,000**  
*Increase over FY 2020* **\$28,000 (0.6%)**
- Primary changes:
  - Regional Planning Agency \$ 16,000
  - Regional Council of Gov. SETDD \$ 17,000

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 (28%)

- Total Expenditures: **\$75,297,000**  
*Decrease from FY 2020* - \$2,213,000 (-2.9%)
- Primary changes:
  - Appropriation to Debt Service Fund - \$2,379,000

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: **\$9,862,000**

*Increase over FY 2020*

*\$ 44,000 (0.4%)*

- Primary changes:
  - No major changes in scope or cost of services provided.

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: **\$28,764,000**
- Increase over FY 2020 \$2,859,000 (11%)
- Primary changes:
  - Highway Department \$1,629,000
  - Facilities Maintenance \$ 616,000
  - Custodial/Security Services \$ 443,000

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: **\$24,853,000**  
*Increase over FY 2020* ***\$469,000 (1.9%)***
- Primary changes:
  - Pretrial Diversion program - JAG \$ 96,000
  - Grounds Maintenance \$250,000
  - Emergency Medical Services \$100,000

Includes Emergency Medical Services, Corrections, Parks & Recreation.

# General Fund Expenditures

## Health Services Division (10%)

- Total Expenditures: **\$27,667,000**  
*Increase over FY 2020* **\$3,146,000 (12.8%)**
- Primary changes:
  - Coronavirus **\$3,398,000**

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: **\$2,102,000**  
*Increase over FY 2020* **\$27,000 (1.3%)**
- Primary changes:
  - No major changes in scope or cost of services provided

Responsible for the County's human resources, medical insurance and other employee benefits, risk management, wellness and fitness programs, mailroom, etc.

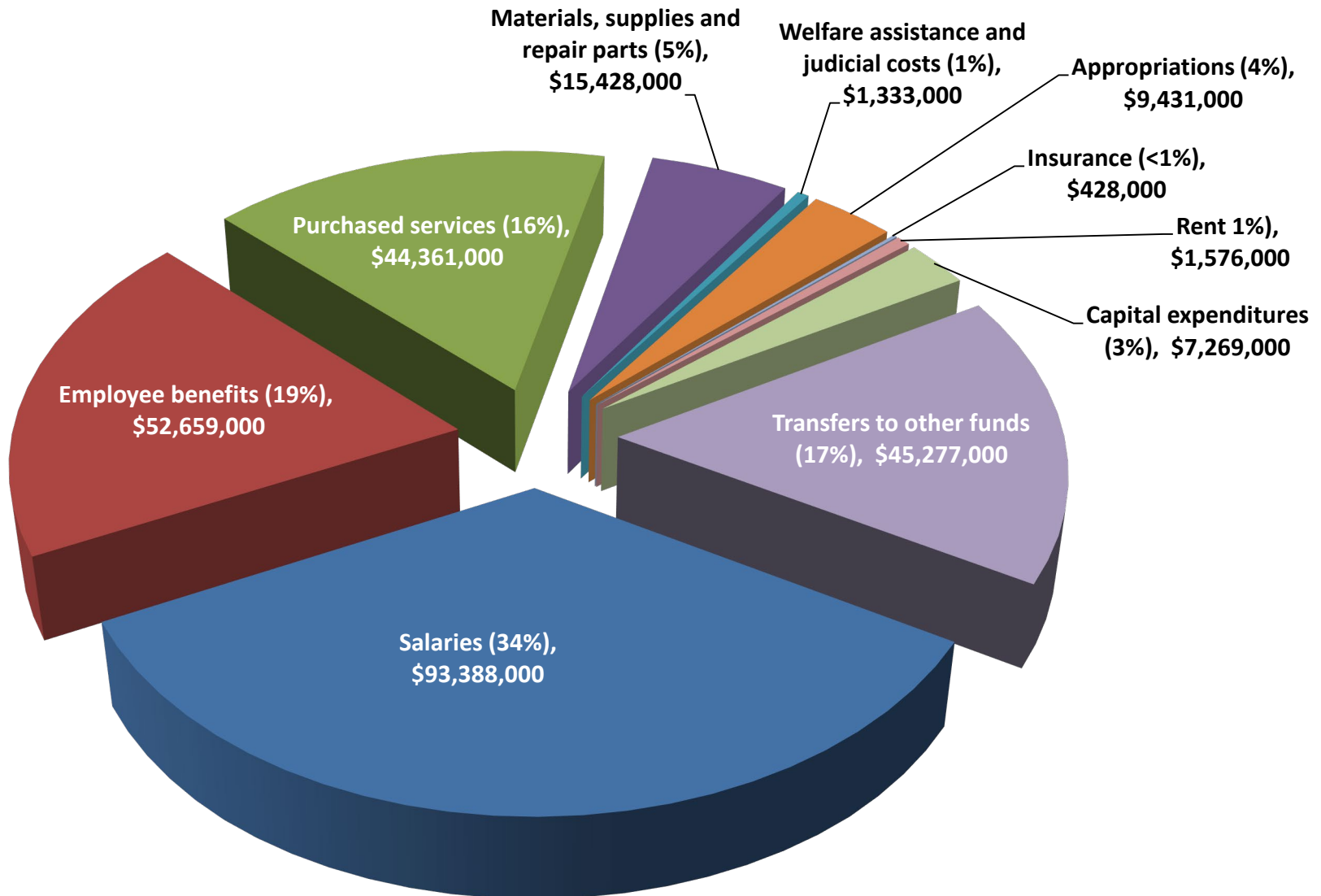
# General Fund Expenditures

## Sheriff Division (22%)

- Total Expenditures: **\$59,413,000**  
*Increase over FY 2020* **\$347,000 (0.6%)**
- Primary changes:
  - No major changes in scope or cost of services provided.

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:
  - No employee raises
  - No increase in health insurance costs
  - No increase in pension costs
- Housing inmates – **\$32.6 million** (**12%** of budget)

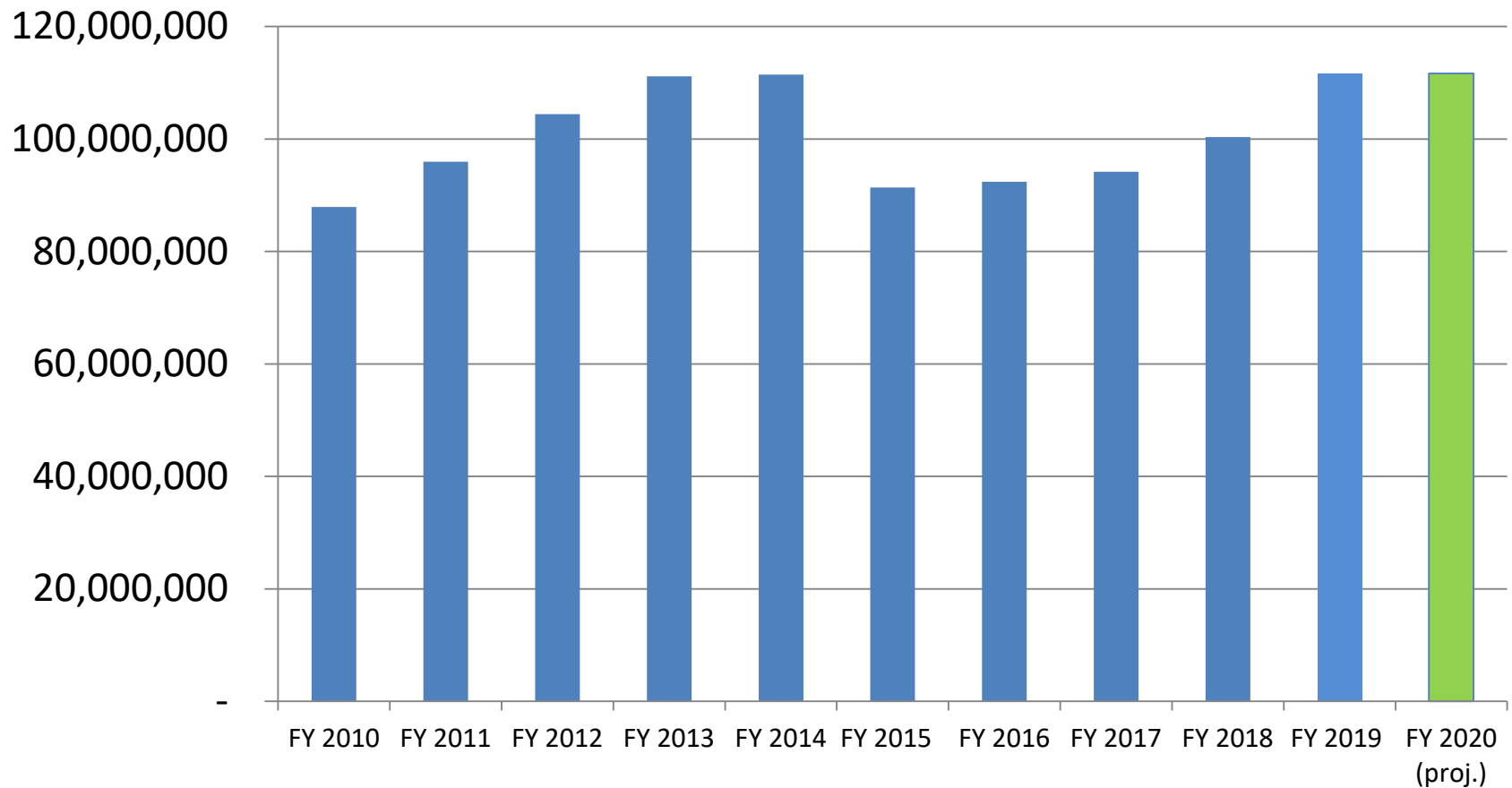
# General Fund Capital Outlay

- Total requested: \$30,770,000
- Total recommended: **\$ 7,369,000**
- *Sheriff* \$1,810,000
- *Highway Department* \$1,160,000
- *Vehicles (lease program)* \$1,152,000
- *EMS* \$1,063,000
- *Parks and Recreation* \$ 680,000

# General Fund

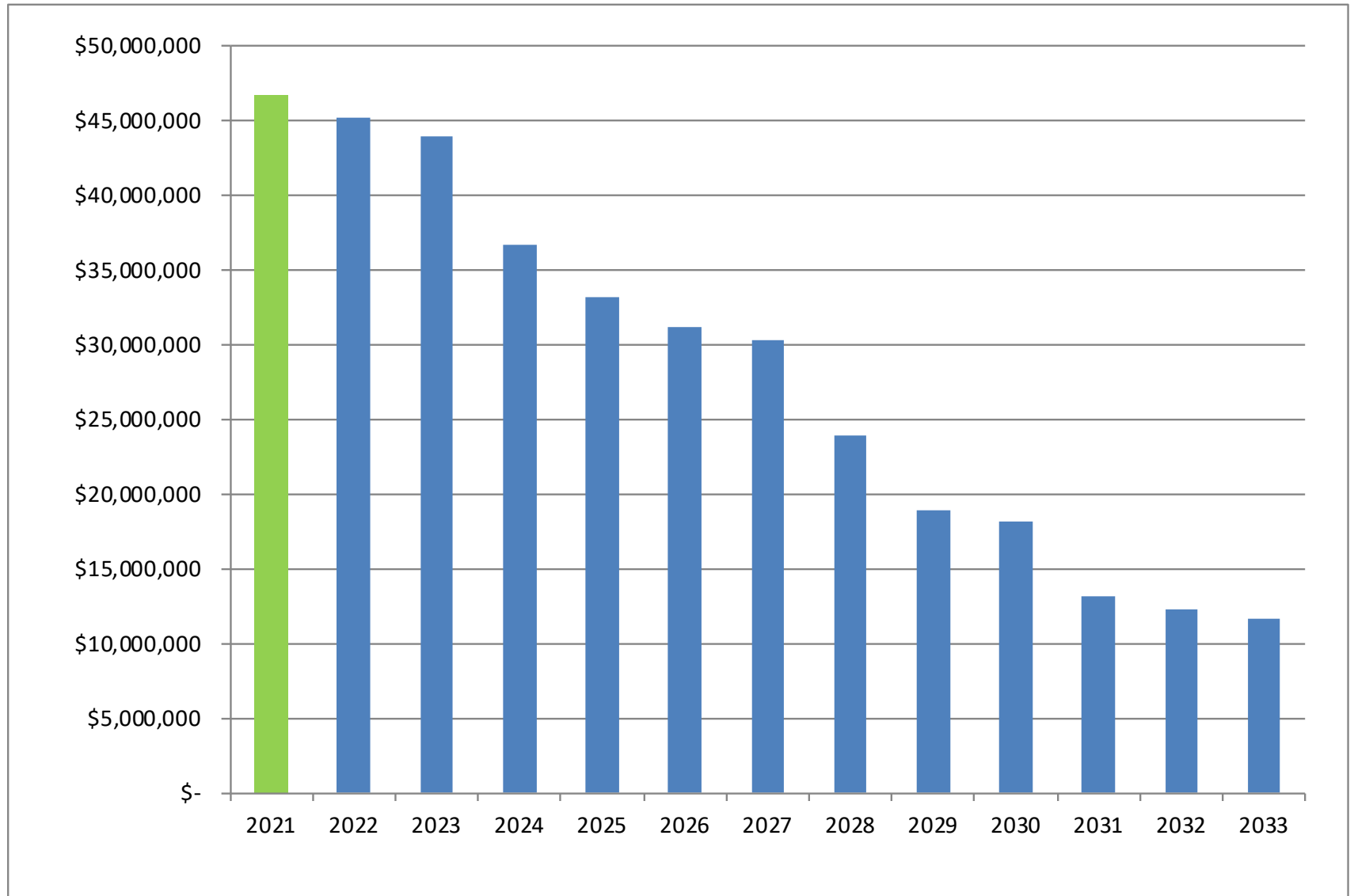
## Changes in Total Fund Balance

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



# Debt Service Fund

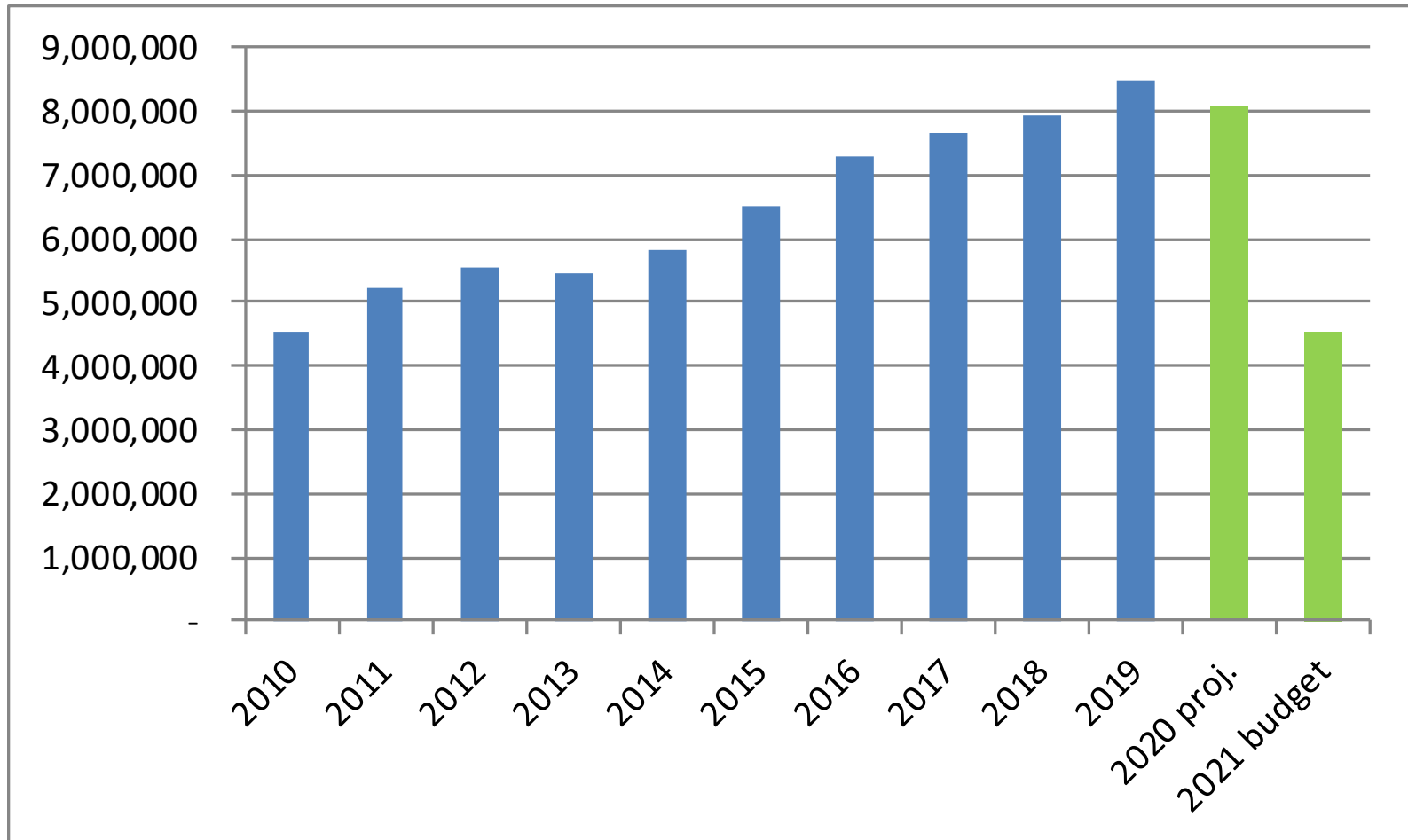
## Scheduled Debt Service Payments



# 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
  - No request for an increase in property tax rates
2. Maintain sound financial position

# FY 2021 Budget - Priorities

## Expenditures by Function - All Budgeted Funds

	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Culture and Recreation	<b>\$ 14,107,000</b>	\$ 18,542,000	<i>\$ (4,435,000)</i>
General Government	<b>46,737,000</b>	45,383,000	<i>1,354,000</i>
Health Services	<b>29,255,000</b>	26,619,000	<i>2,636,000</i>
Highways and Streets	<b>21,202,000</b>	19,196,000	<i>2,006,000</i>
Public Safety	<b>118,284,000</b>	111,698,000	<i>6,586,000</i>
Social Services	<b>2,101,000</b>	1,836,000	<i>265,000</i>
Transfers	<b>44,477,000</b>	47,056,000	<i>(2,579,000)</i>
Debt Service - General Impr.	<b>12,512,000</b>	13,078,000	<i>(566,000)</i>
Debt Service - Education	<b>34,194,000</b>	35,593,000	<i>(1,399,000)</i>
Education	<b>473,810,000</b>	475,187,000	<i>(1,377,000)</i>
	<b><u>\$ 796,679,000</u></b>	<b><u>\$ 794,188,000</u></b>	<b><u>\$ 2,491,000</u></b>

# FY 2021 Budget – Excluded Items

- **Operating Cuts of Significance**
  - No pay increases for employees
  - Did not address EMS pay scale issues
  - No new County positions
  - No new service needs addressed

# FY 2021 Budget – Deferred Needs

- **Capital Needs That Must Be Delayed**

- \$90 - \$100 Million Bond Issue

- \$20 million – next installment of Jail improvements
    - \$70 - \$80 million – address school facilities needs

- General Government capital projects

- Highway Department – renovate former TDOT Region 2
    - Emergency Medical Services - training facility, ambulances
    - Emergency Services - radio tower, portable radios
    - Parks & Recreation – capital needs/improvements
    - Health Department – parking garage upgrades, bldg. renovations

# **FY 2021 Budget**

## **– Caveats**

- Annual budgets are guides to start each year
- Budgets can be amended as needed and always are throughout each year
- Budget for FY 2021 is more susceptible to major change than most years
- We are aware of the risks to our revenue streams and will respond as needed.

# **Hamilton County Budget Workshop**

## **NEXT STEP**

**Presentation of FY 2021 Budget**

**May 27, 2020**

# FY 2021 Budget Book

- Budget Book will be posted on the County's website on May 27, 2020
- 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 2021 Budget Book

- Same format as FY 2020
- 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 2021 Budget Book

- Debt Service Fund presented by:
  - Revenue and Expenditure Category/Account
  - Summary of debt service payments due in FY 2021
- Hotel-Motel Fund presented by:
  - Revenue and Expenditure Category/Account
- Sheriff Special Revenue Fund presented by:
  - Revenue and Expenditure Category/Account
- Department of Education presented by:
  - Major Category
  - Expenditures by Function

# FY 2021 Budget Book

- Detail Expenditure Information
  - Listed by Division and Department
  - Details all Expenditure Requests and Budget Cuts
  - Lists current salaries for all employees
- Summary of Proposed Budget will be reported in newspaper (Times Free Press) by June 3, 2020

# **Hamilton County Budget Workshop**

**QUESTIONS**