Hamilton County
Budget Workshop
County Budget Requests
May 11, 2021
FY 2022 Budget
Key Dates

• Budget Workshops:
  – Hamilton County Schools (May 4, 2021)
  – County Budget Requests (May 11, 2021)
  – Overall County Budget (May 24, 2021)

• Budget Hearings: May 12, 2021
  – Elected Officials and Supported Agencies

• Budget presented to Commission: May 26, 2021

• Commission Vote: June 16, 2021
FY 2022 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

• Hamilton County Schools
  – Budget request was presented to Commission on May 4, 2021
FY 2022 Budget Challenges

1. COVID-19 and its continued effect on operations
   – Property taxes, sales taxes and other revenues
   – Additional expenditures

2. Corrections (transition to Silverdale)

3. Emergency Medical Services

4. Employee Compensation
## FY 2022 Budget Requests (including Hamilton County Schools)

<table>
<thead>
<tr>
<th>Fund</th>
<th>FY 2022 Requests</th>
<th>FY 2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 297,801,000</td>
<td>$ 271,129,000</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>49,065,000</td>
<td>46,706,000</td>
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<tr>
<td>Sheriff Special Revenue Fund</td>
<td>484,000</td>
<td>484,000</td>
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<tr>
<td>Hotel Motel Fund</td>
<td>7,358,000</td>
<td>4,550,000</td>
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<tr>
<td><strong>Subtotal, excl. HCS</strong></td>
<td>354,708,000</td>
<td>322,869,000</td>
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<td>Hamilton County Schools</td>
<td>491,959,000</td>
<td>473,810,000</td>
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<tr>
<td><strong>Total</strong></td>
<td>$ 846,667,000</td>
<td>$ 796,679,000</td>
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General Fund

Revenues by Source

- Property taxes (64%), $181,083,000
- Transfers in from other funds (5%), $13,539,000
- Intergovernmental revenues (12%), $35,178,000
- Sales and other taxes (7%), $19,980,000
- Charges for services (9%), $25,133,000
- Other (3%), $9,175,000
- Investment earnings (<1%), $397,000
# General Fund Revenues by Source

<table>
<thead>
<tr>
<th>Source</th>
<th>FY 2022 Requests</th>
<th>FY 2021 Budget</th>
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</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$181,083,000</td>
<td>$177,181,000</td>
</tr>
<tr>
<td>Sales and other taxes</td>
<td>19,980,000</td>
<td>14,591,000</td>
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<tr>
<td>Intergovernmental revenues</td>
<td>35,178,000</td>
<td>34,769,000</td>
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<tr>
<td>Charges for services</td>
<td>25,133,000</td>
<td>23,358,000</td>
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<tr>
<td>Investment earnings</td>
<td>397,000</td>
<td>938,000</td>
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<tr>
<td>Other</td>
<td>9,175,000</td>
<td>7,619,000</td>
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<tr>
<td>Transfers in from other funds</td>
<td>13,539,000</td>
<td>12,673,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$284,485,000</strong></td>
<td><strong>$271,129,000</strong></td>
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</tbody>
</table>
General Fund Revenues
($284,485,000)

• Increase over FY 2021 of $13.4 million (4.9%)
  
  + $3.9 million – growth in property taxes (2%)
  + $2.5 million – growth in sales taxes
  + $1.9 million – Federal/State for COVID response
  + $1.6 million – growth in ambulance billings
  + $1.6 million – tax collections by County Clerk
  - $0.5 million – investment earnings
General Fund Expenditure Requests by Division
($297,801,000 – 9.8% increase)

- Sheriff (20%)
- Constitutional Officers (13%)
- Supported Agencies (2%)
- Unassigned Division (31%)
- Finance (3%)
- General Services (10%)
- Health Services (10%)
- Human Resources (1%)
- Public Works (10%)
# General Fund Expenditure Requests by Division

<table>
<thead>
<tr>
<th>Division</th>
<th>FY 2022 Requests</th>
<th>FY 2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constitutional Officers</td>
<td>$37,418,000</td>
<td>$38,606,000</td>
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<tr>
<td>Supported Agencies</td>
<td>5,169,000</td>
<td>4,565,000</td>
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<tr>
<td>Unassigned</td>
<td>89,397,000</td>
<td>75,297,000</td>
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<tr>
<td>Finance</td>
<td>9,791,000</td>
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<tr>
<td>Public Works</td>
<td>30,392,000</td>
<td>28,764,000</td>
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<tr>
<td>General Services</td>
<td>29,070,000</td>
<td>24,853,000</td>
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<tr>
<td>Health Services</td>
<td>29,296,000</td>
<td>27,667,000</td>
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<tr>
<td>Human Resources</td>
<td>2,270,000</td>
<td>2,102,000</td>
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<tr>
<td>Sheriff</td>
<td>59,898,000</td>
<td>59,412,000</td>
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<tr>
<td>Employee raises</td>
<td>5,100,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$297,801,000</strong></td>
<td><strong>$271,129,000</strong></td>
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</table>
General Fund Expenditure Requests
Constitutional Officers (13%)

• Total Expenditure Requests: $37,418,000
  • Decrease from FY 2021: - $1,188,000 (-3.1%)

• Major changes:
  • Reclass to General Services Division:
    – Drug Recovery Court - $ 654,000
    – Mental Health Court - $ 498,000
  • Election Commission - $ 270,000
  • Assessor of Property - $ 201,000

Includes multiple departments headed by an elected official and/or constitutional officer
General Fund Expenditure Requests
Supported Agencies (2%)

- Total Expenditure Requests: $5,169,000
  - Increase over FY 2021: $604,000 (13.2%)

- Major increases:
  - Creative Discovery Museum: $500,000
  - Thrive Regional Partnership: 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 (31%)

• Total Expenditure Requests: $89,397,000
  • Increase over FY 2021: $14,100,000 (18.7%)
• Major increases:
  • Capital Outlay $10,245,000
  • Debt Service Appropriation $2,300,000
  • Volunteer Services $846,000

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: $9,791,000
  • Decrease from FY 2021: $72,000 (-0.7%)

• Major changes:
  • No major increases or decreases.

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: $30,392,000
  - Increase over FY 2021: $1,628,000 (5.7%)
- Major increases/decreases:
  - Custodial/Security Services: $1,048,000
  - Facilities Maintenance: $360,000
  - Security Services: $209,000

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 (10%)

• Total Expenditure Requests: $29,070,000
  • Increase from FY 2021: $4,217,000 (17.0%)

• Major increases:
  • Emergency Medical Services: $2,004,000
  • Parks and Recreation: $712,000
  • Reclass from Constitutional Officers Division
    – Drug Recovery Court: $845,000
    – Mental Health Court: $524,000

Includes Emergency Medical Services, Corrections, Parks & Recreation
General Fund Expenditure Requests
Health Services Division (10%)

• Total Expenditure Requests: $29,296,000
  • Increase over FY 2021: $1,629,000 (5.9%)

• Major increases:
  • Coronavirus $1,407,000
  • Immunization Project $297,000

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: **$2,270,000**
  - Increase over FY 2021: **$168,000 (8.0%)**
- Major increases:
  - Veterans Assistance Program: **$ 76,000**
  - 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
Sheriff Division (20%)

• Total Expenditure Requests: $59,898,000
  • Increase over FY 2021: $486,000 (0.8%)
  • Major increases/decreases:
    • Corrections: -$ 4,906,000
    • Patrol and SROs: +$ 1,723,000
    • Mental Health (FUSE) initiative: +$ 699,000
    • Information Systems: +$ 644,000
    • Legal and Accreditation: +$ 421,000
    • Administration: +$ 364,000

An accumulation of several departments whose primary function is law enforcement
General Fund
Expenditure Requests by Type

- **Salaries (35%)**, $102,662,000
- **Employee benefits (19%)**, $57,015,000
- **Purchased services (12%)**, $35,605,000
- **Materials, supplies and repair parts (6%)**, $17,026,000
- **Welfare assistance and judicial costs (<1%)**, $1,310,000
- **Appropriations (4%)**, $10,987,000
- **Insurance (<1%)**, $459,000
- **Rent (1%)**, $2,177,000
- **Capital expenditures (6%)**, $17,599,000
- **Transfers to other funds (16%)**, $47,877,000
General Fund
Significant Operating Costs

• Salaries and Employee Benefits
  – 54% of General Fund budget requests
  – Budget request includes:
    » Employee raises of 4%
    » 173 additional positions
      • 101 Sheriff (incl. 59 for corrections)
      • 52 Health Dept. (incl. 48 for COVID-19)
    » No increase in health insurance costs
Employee Salaries
(35.1% of Budget Requests)

• Full-Time County employees:
  – 1,860 in FY 2021 budget
  – 2,033 in FY 2022 requests (increase of 173)

• Average salary of a County full-time employee: $46,964

• Median salary of a County full-time employee: $41,928
Employee Salaries

12-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)
- FY 2021  -0- %
Employee Health Benefits
(11.3% of Budget Requests)

• Total FY 2022 requests: $33,193,000

• 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 2022 Budget

• Claims experience for FY 2021 is in line with budget

• No changes are proposed to Health Insurance coverage

• No increase in FY 2022 premiums
Employee Health Benefits
Self-Insurance Fund
FY 2012 – 2020 (actual); FY 2021 (projected)

Fund Balance
(Target balance - $20-$30 million)
Employee Pension Benefits

(4.2% 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 2022 request - $9,196,000
• Rate remains at 14.7% of covered payroll

TCRS Hybrid Plan

• Total FY 2022 request - $2,775,000
• Rate declined from 9% to 7.04% of covered payroll

TCRS Bridge Plan

• Total FY 2022 request – $279,000
• Rate remains at 3.5% of covered payroll (legacy)
• Rate remains at 0.84% of covered payroll (hybrid)
Housing of Corrections Inmates

• Cost in FY 2022 budget (11.1%) $27,663,000
• Cost is projected to decrease $4.9 million from FY 2021.
• Reflects:
  – Full year of Sheriff operating Silverdale facility
  – Phase-out of the Downtown Jail
• Two major renovation projects (total cost of $30 million) continue at Silverdale
General Fund
Capital Outlay Requests

- Capital Outlay requests: $17,614,000
  - EMS $5,451,000
  - Emergency Management $4,814,000
  - Sheriff $2,603,000
  - Fleet Management (leased vehicles) $1,467,000
  - Highway $1,255,000

- 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
Fund Balance
FY 2012 – 2020 (Actual), 2021 (Projected)
Debt Service Fund
Scheduled Debt Service Payments

Year    | Debt Service Payment
---------|---------------------
2012    | $50,000,000
2013    | $45,000,000
2014    | $40,000,000
2015    | $35,000,000
2016    | $30,000,000
2017    | $25,000,000
2018    | $20,000,000
2019    | $15,000,000
2020    | $10,000,000
2021    | $5,000,000
Other Budgeted Funds
Hotel Motel Fund
History of Collections

<table>
<thead>
<tr>
<th>Year</th>
<th>Collections</th>
</tr>
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<tbody>
<tr>
<td>2012</td>
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</tr>
<tr>
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<tr>
<td>2022 budget</td>
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American Rescue Plan (ARP)

• We expect to receive $71 million in proceeds
  ▪ We expect 1st payment of $35 million to arrive this month
• Allowed uses are currently very limited
• Federal guidance and expansion of allowable uses are expected soon
• Expected ARP funds are not included in the FY 2022 budget
• Will send a plan to the Commission once more guidance is received
FY 2022 Budget – Priorities

1. Maintain services within current fiscal constraints
   • Public Health – continue battle vs. COVID
   • Meet all Maintenance of Efforts requirements
   • We do not anticipate a request for an increase in property tax rates

2. Public Safety - Corrections
   – Continue transition to Silverdale jail
   – Close downtown jail

3. Economic Development Initiatives

4. Maintain sound financial position
Hamilton County Budget Workshop

QUESTIONS
NEXT STEP
Budget Workshop –
Overall Budget for FY 2022
May 24, 2021