



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

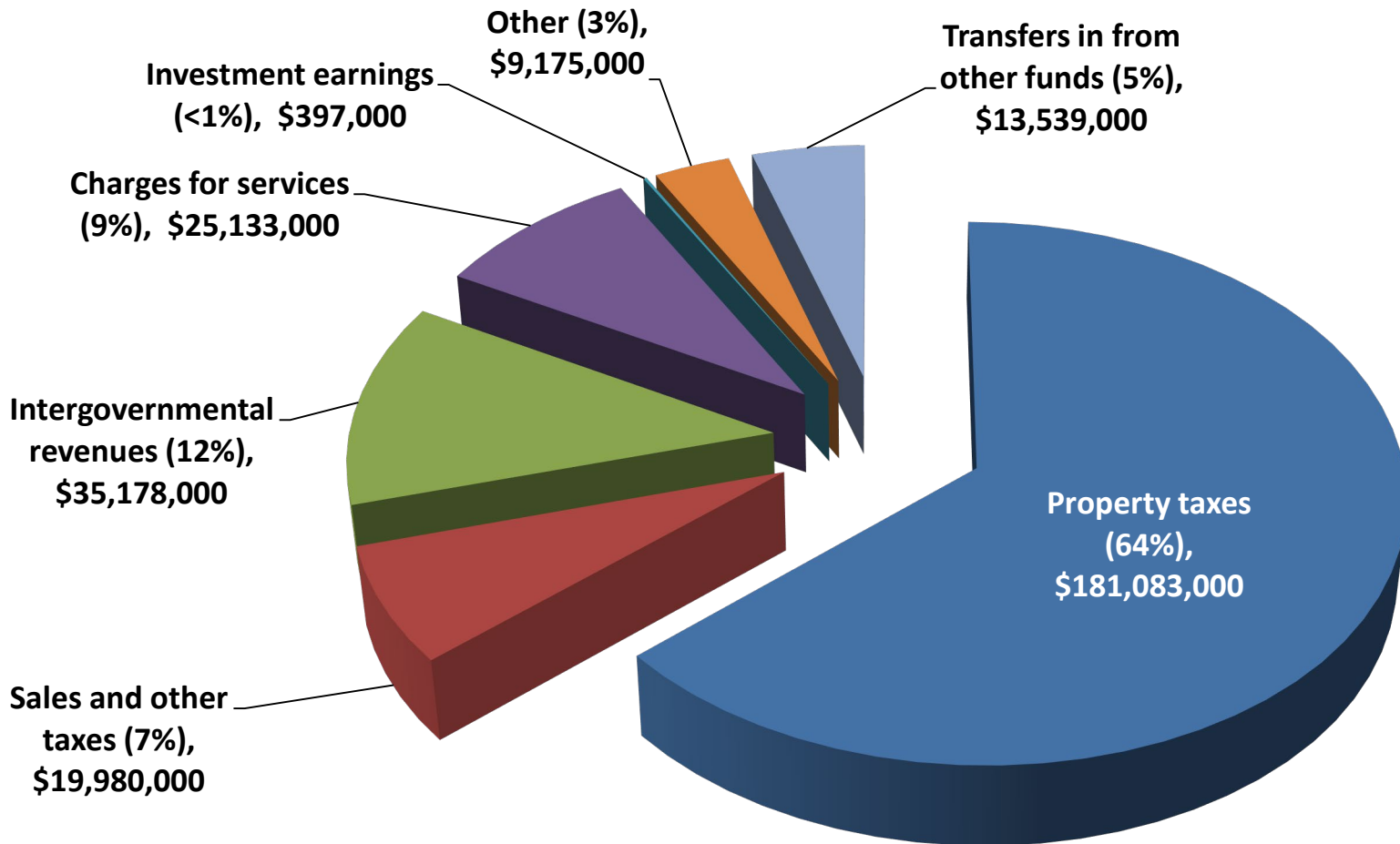
1. COVID-19 and its continued effect on operations
 - Property taxes, sales taxes and other revenues
 - Additional expenditures
2. Corrections (transition to Silverdale)
3. Emergency Medical Services
4. Employee Compensation

FY 2022 Budget Requests

(including Hamilton County Schools)

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

General Fund Revenues by Source



General Fund Revenues by Source

	FY 2022 Requests	FY 2021 Budget
Property taxes	\$ 181,083,000	\$ 177,181,000
Sales and other taxes	19,980,000	14,591,000
Intergovernmental revenues	35,178,000	34,769,000
Charges for services	25,133,000	23,358,000
Investment earnings	397,000	938,000
Other	9,175,000	7,619,000
Transfers in from other funds	13,539,000	12,673,000
	\$ 284,485,000	\$ 271,129,000

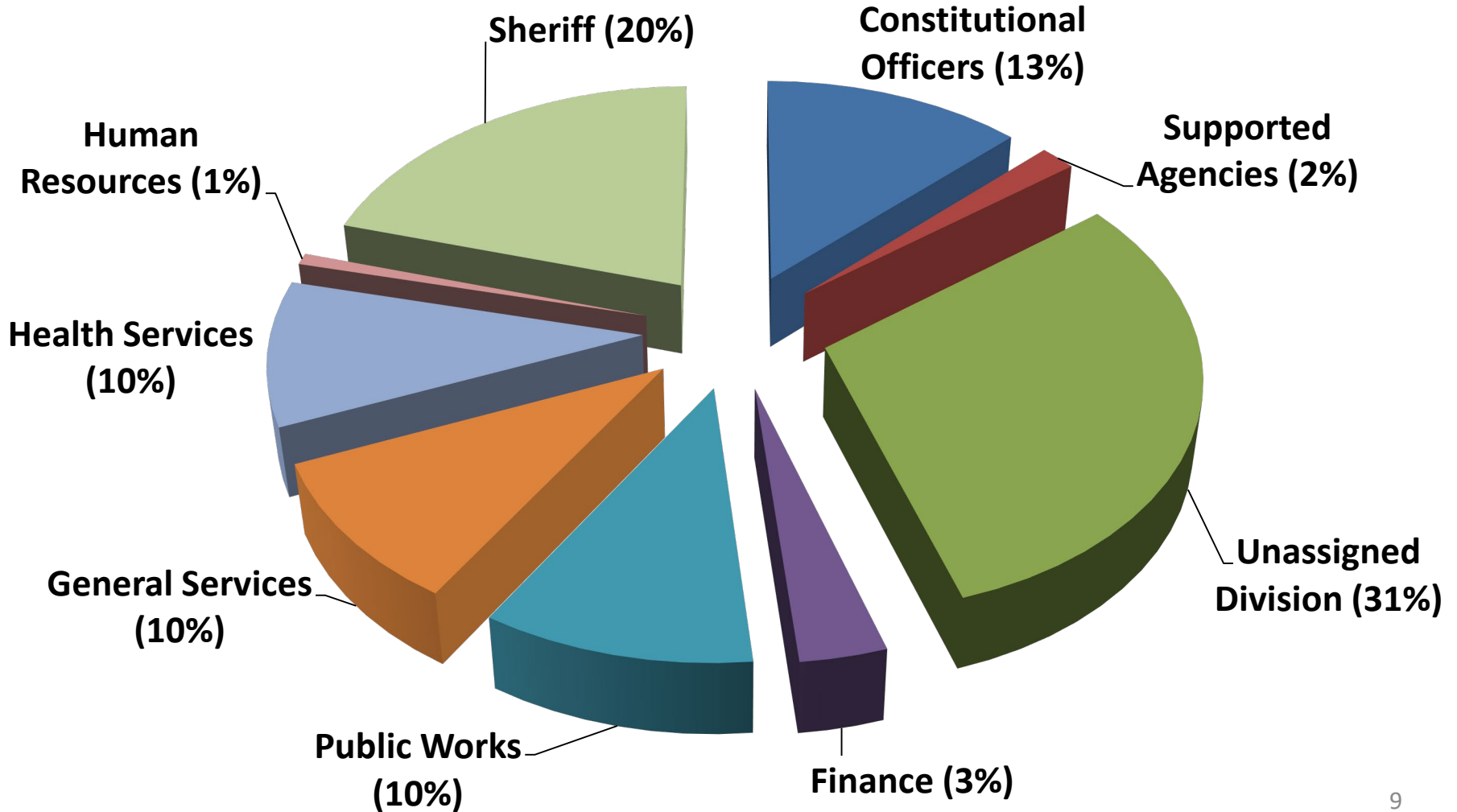
General Fund Revenues

(\$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)



General Fund Expenditure Requests by Division

	FY 2022 Requests	FY 2021 Budget
Constitutional Officers	\$ 37,418,000	\$ 38,606,000
Supported Agencies	5,169,000	4,565,000
Unassigned	89,397,000	75,297,000
Finance	9,791,000	9,863,000
Public Works	30,392,000	28,764,000
General Services	29,070,000	24,853,000
Health Services	29,296,000	27,667,000
Human Resources	2,270,000	2,102,000
Sheriff	59,898,000	59,412,000
Employee raises	5,100,000	-
	\$ 297,801,000	\$ 271,129,000

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.

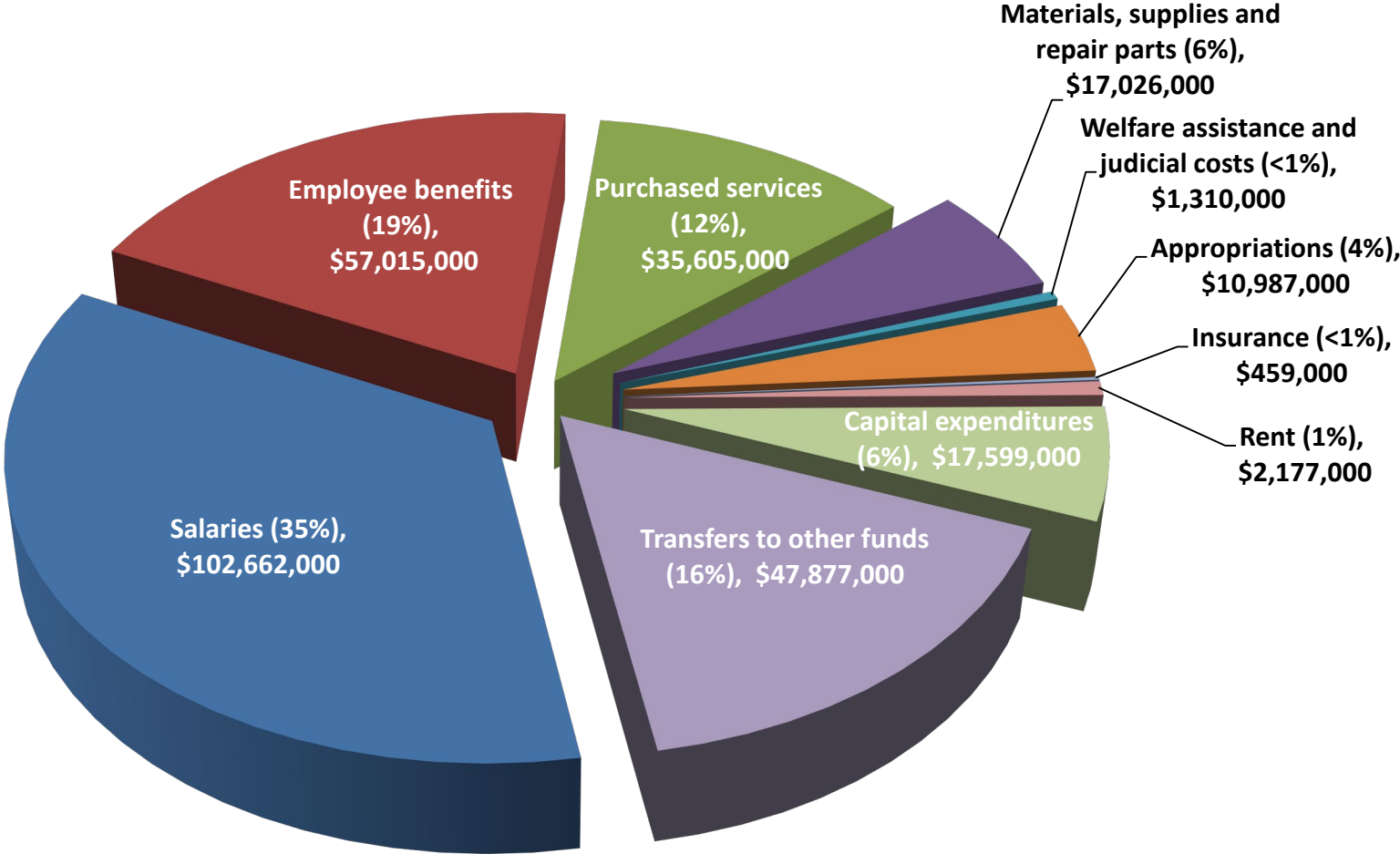
General Fund Expenditure Requests

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



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

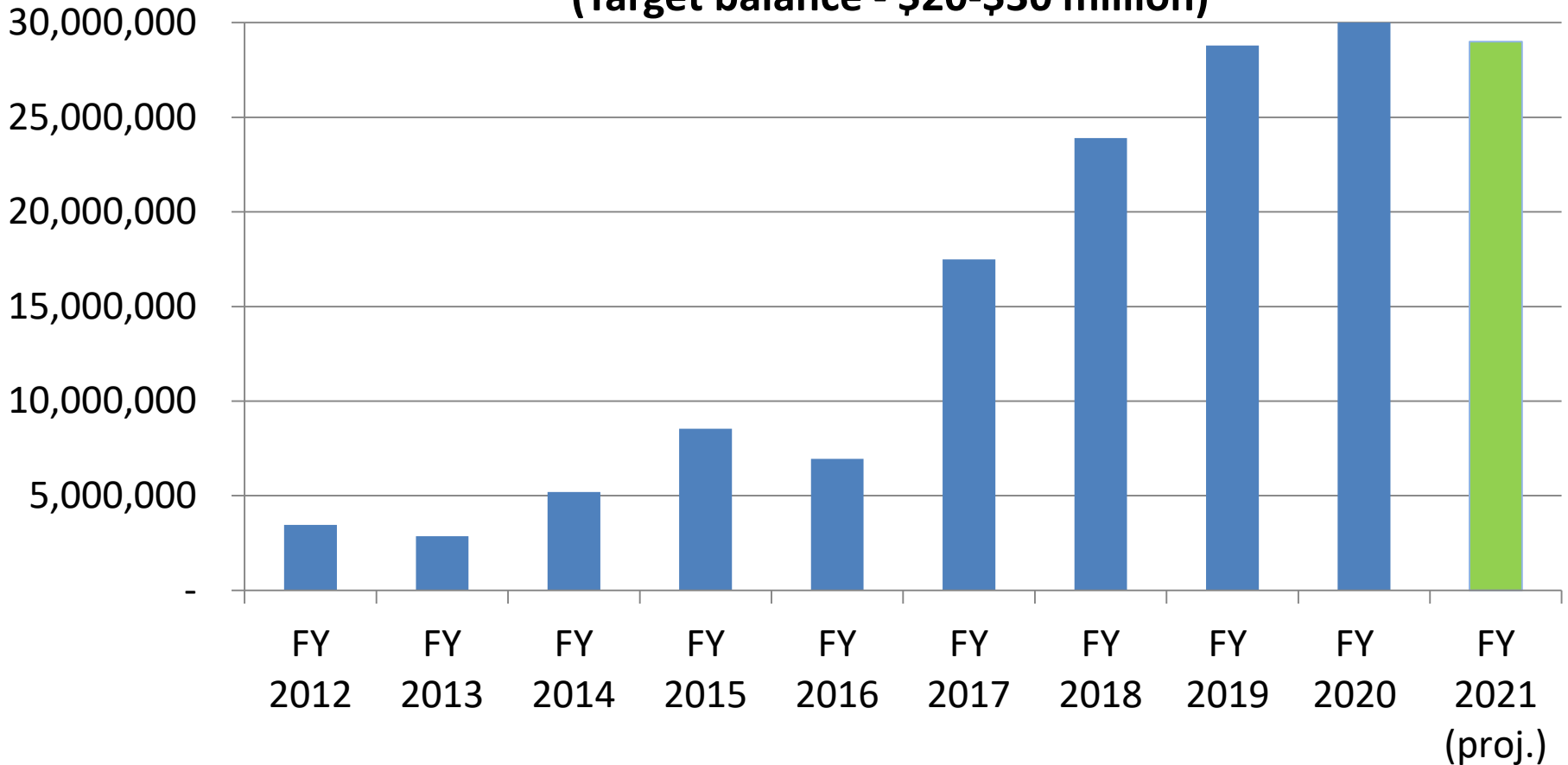
Employee Health Benefits

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)

General Fund

Other Significant Operating Costs

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.

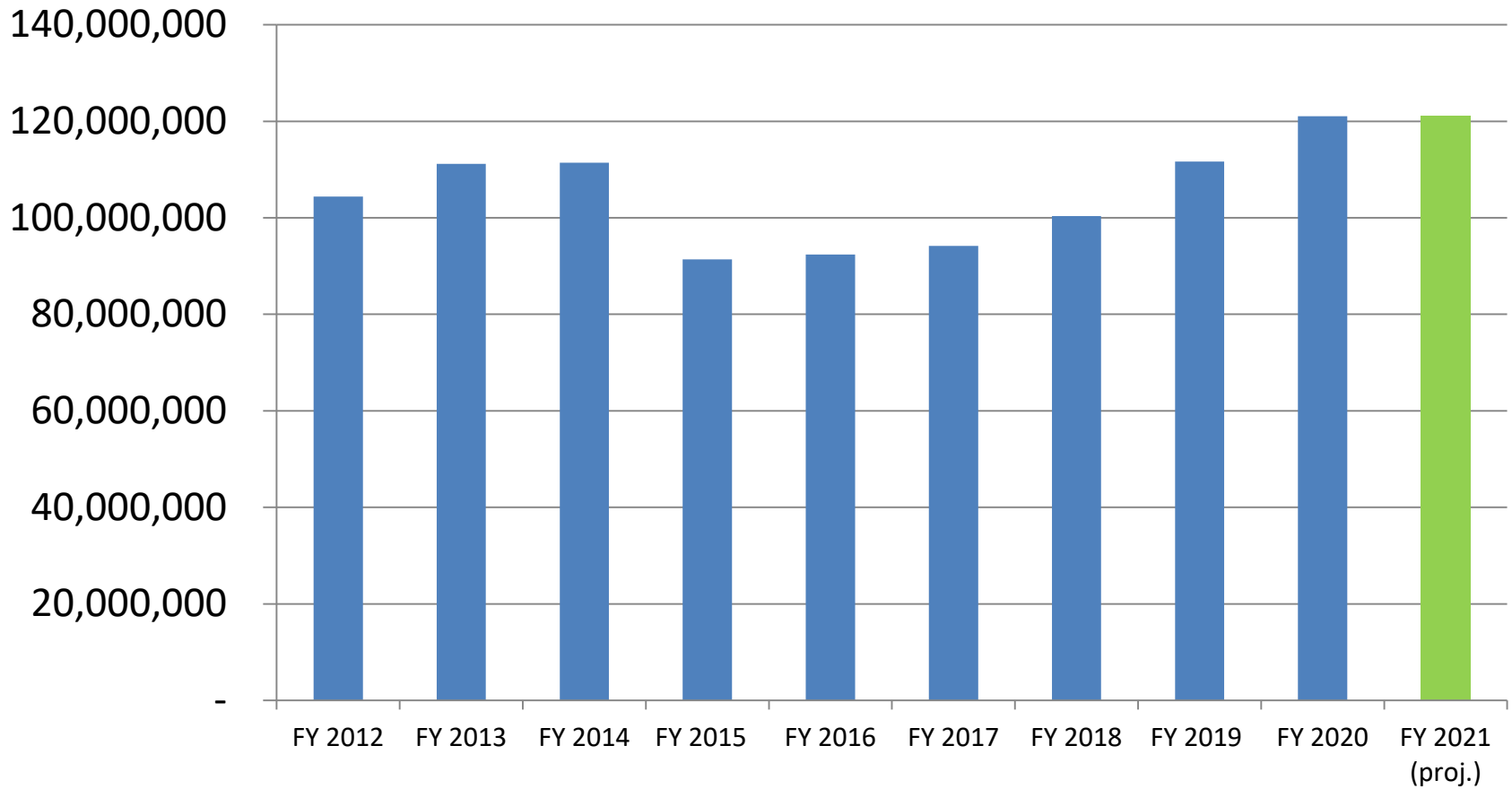
General Fund

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.

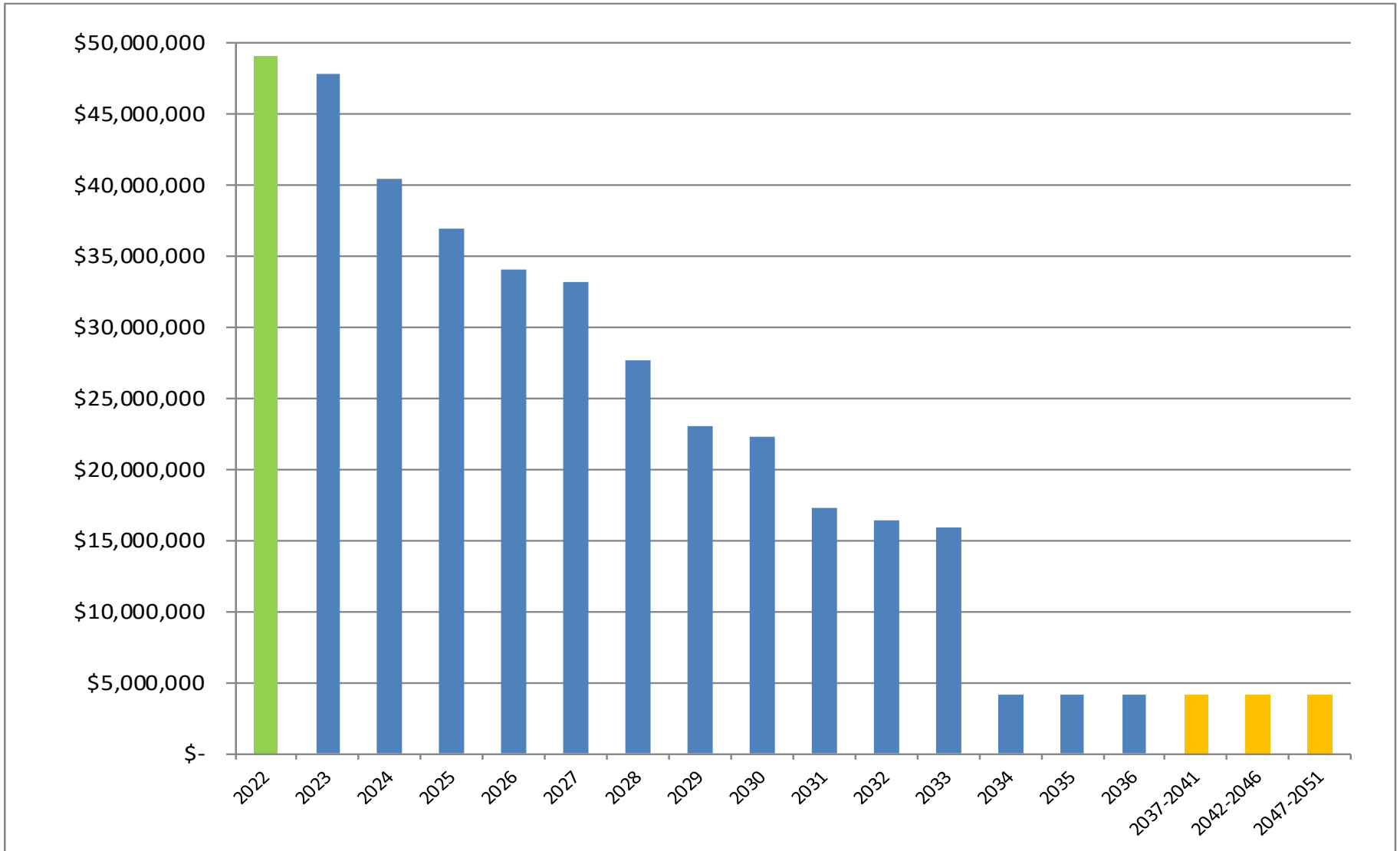
General Fund Fund Balance

FY 2012 – 2020 (Actual), 2021 (Projected)

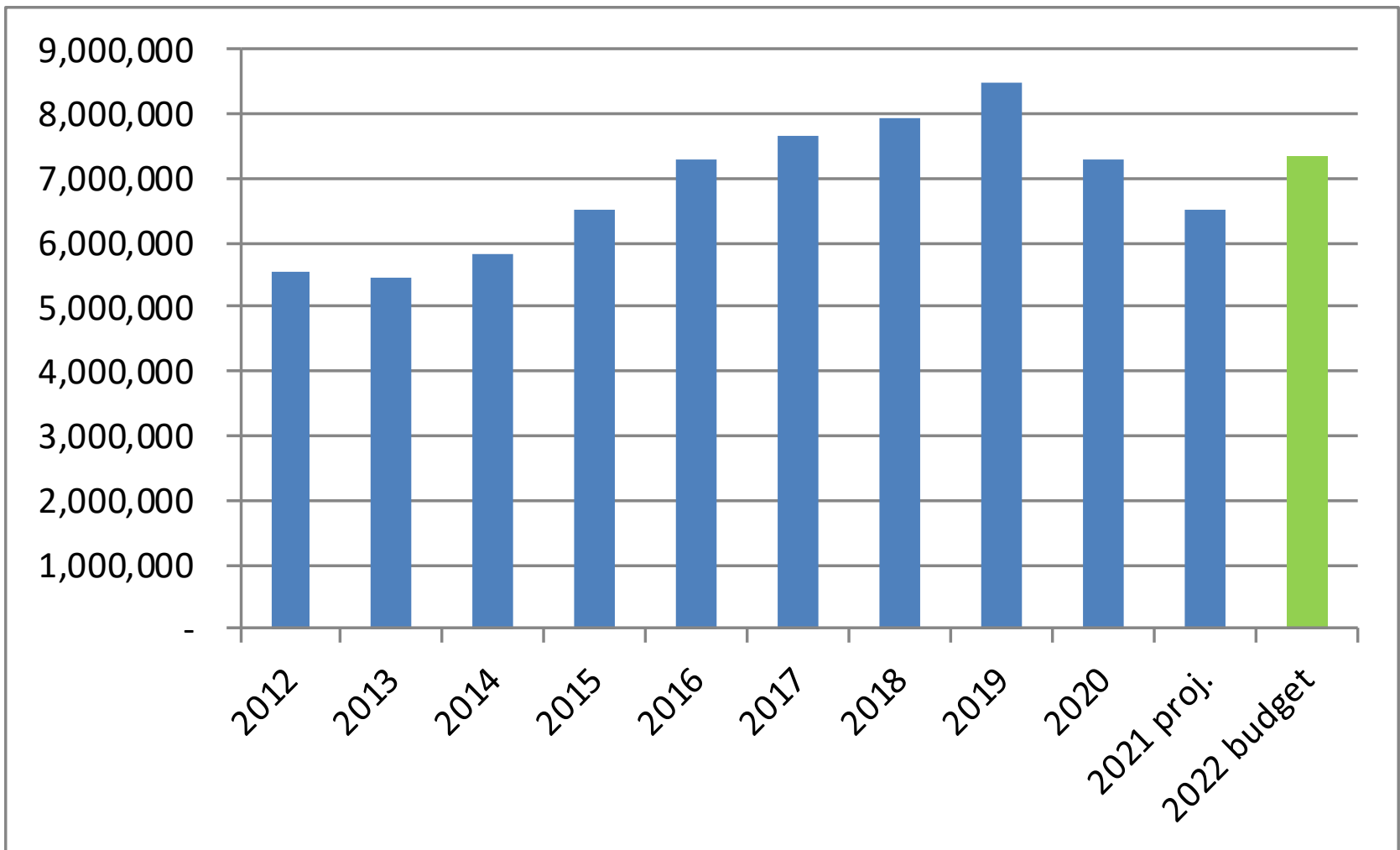


Debt Service Fund

Scheduled Debt Service Payments



Other Budgeted Funds Hotel Motel Fund History of Collections



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

Hamilton County Budget Workshop



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