Hamilton County Budget Workshop

FY 2022 County Budget

May 24, 2021
FY 2022 Budget
Key Dates

• Budget Workshops:
  – Department of Education (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
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 2022 Budget Challenges

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

• Education

• Public Safety
  – Corrections (transition of Jail operations to Silverdale)
  – School Safety
  – Emergency Medical Services

• Employee Compensation
FY 2022 Budget
ALL BUDGETED FUNDS

Total Expenditures: $833,039,000

Inc. over FY 2020 Budget: $36,360,000 (4.6%)
Revenues by Source
All Budgeted Funds ($833,039,000)

- **Property taxes (40%), $335,683,000**
- **Intergovernmental revenues (32%), $269,163,000**
- **Sales taxes (12%), $96,400,000**
- **Other taxes (3%), $21,456,000**
- **Charges for services (4%), $32,671,000**
- **Investment earnings (<1%), $741,000**
- **Transfers in from other funds (7%), $63,164,000**
- **Other - see detail in budgets (2%), $13,761,000**
## FY 2022 Budget by Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>FY 2022 Proposed</th>
<th>FY 2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$284,173,000</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>Department of Education</td>
<td>491,959,000</td>
<td>473,810,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$833,039,000</strong></td>
<td><strong>$796,679,000</strong></td>
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</tbody>
</table>
Expenditures by Fund

All Budgeted Funds ($833,039,000)

- General Fund (34%), $284,173,000
- Debt Service Fund (6%), $49,065,000
- Sheriff Special Revenue (<1%), $484,000
- Hotel-Motel Fund (1%), $7,358,000
- Department of Education (59%), $491,959,000
Expenditures by Function

All Budgeted Funds ($833,039,000)

- Public Safety (15%), $124,731,000
- Education (59%), $491,959,000
- General Government (6%), $47,995,000
- Health Services (4%), $31,755,000
- Highways & Streets (3%), $21,524,000
- Debt Service – General Imp. (2%), $18,981,000
- Transfers (5%), $46,777,000
- Debt Service - Education (4%), $30,085,000
- Social Services (<1%), $2,358,000
- Culture & Recreation (2%), $16,874,000
## FY 2022 Budget
### Department of Education (HCDE)

<table>
<thead>
<tr>
<th>Fund/Projects</th>
<th>FY 2022 Proposed</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Purpose School Fund</td>
<td>$434,337,000</td>
<td>$416,000,000</td>
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<tr>
<td>Federal Projects</td>
<td>28,496,000</td>
<td>29,475,000</td>
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<tr>
<td>Food Service Fund</td>
<td>21,758,000</td>
<td>20,931,000</td>
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<tr>
<td>Self Funded Projects</td>
<td>7,368,000</td>
<td>7,404,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$491,959,000</strong></td>
<td><strong>$473,810,000</strong></td>
</tr>
</tbody>
</table>

*Change from FY 2021 $18,149,000 (3.8%)*
HCS – Budgeted Operations
FY 2013 through 2022

[Bar chart showing budgeted operations from FY 2013 to FY 2022 with categories for Local Revenues and Total Budget.]
FY 2022 Budget

General Fund

Total Budget: \$284,173,000

*Increase over FY 2021:*

\$13,043,000 (4.8%)

*The next several slides pertain only to the County General Fund*
General Fund Revenues
($284,173,000)

• Increase over FY 2021 of $13.0 million (4.8%)
  – + $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
  – + $1.4 million – tax collections by County Clerk
  – - $0.5 million – investment earnings
General Fund
Revenues by Source

- Property taxes (64%), $181,083,000
- Sales and other taxes (7%), $19,703,000
- Intergovernmental revenues (13%), $35,670,000
- Charges for services (9%), $25,241,000
- Investment earnings (<1%), $396,000
- Transfers in from other funds (4%), $12,843,000
- Other (3%), $9,237,000
General Fund Expenditure Cuts

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

- Capital Outlay: $10.5 million
- Volunteer Services (mainly VFDs): $675,000
- Sheriff: $621,000
- Highway Department: $600,000
- Parks & Recreation: $427,000
General Fund
Expenditures by Type ($284,173,000)

- Salaries (37%), $105,681,000
- Employee benefits (20%), $57,132,000
- Purchased services (12%), $35,376,000
- Welfare assistance and judicial costs (1%), $1,662,000
- Appropriations (3%), $9,974,000
- Insurance (<1%), $459,000
- Capital expenditures (3%), $7,134,000
- Transfers to other funds (17%), $47,729,000
- Materials, supplies and repair parts (6%), $16,853,000
- Rent (1%), $2,173,000

Total: $284,173,000
General Fund

Significant Operating Costs

• Salaries and Employee Benefits - 53% of budget.

• Budget includes:
  – Employee raises
    » 4.0% (with floor of $2,000)
    » Total cost - $4.9 million
  – Employee Positions – Full-time
    » 158 additional FT positions
    » From 1,860 in FY 2021 to 2,018 in FY 2022
General Fund
Significant Operating Costs (cont.)

• Employee Benefits
  – No increase in health insurance costs
  – Pension costs for hybrid employees decreased

• Debt Service - $46.8 million

• Capital Outlay - $7.1 million
General Fund

Significant Operating Costs (cont.)

Capital Outlay

• Total requested: $17,614,000
• Total recommended: $ 7,134,000

• EMS $1,501,000
• Sheriff $1,500,000
• Vehicles (lease program) $1,347,000
• Highway Department $1,000,000
# General Fund Budget by Division

<table>
<thead>
<tr>
<th>Division</th>
<th>FY 2022 Proposed</th>
<th>FY 2021 Budget</th>
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<tbody>
<tr>
<td>Constitutional Officers</td>
<td>$38,416,000</td>
<td>$38,606,000</td>
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<tr>
<td>Supported Agencies</td>
<td>4,837,000</td>
<td>4,565,000</td>
</tr>
<tr>
<td>Unassigned</td>
<td>78,343,000</td>
<td>75,297,000</td>
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<tr>
<td>Finance</td>
<td>10,050,000</td>
<td>9,862,000</td>
</tr>
<tr>
<td>Public Works</td>
<td>30,696,000</td>
<td>28,764,000</td>
</tr>
<tr>
<td>General Services</td>
<td>29,116,000</td>
<td>24,853,000</td>
</tr>
<tr>
<td>Health Services</td>
<td>29,893,000</td>
<td>27,667,000</td>
</tr>
<tr>
<td>Human Resources</td>
<td>2,316,000</td>
<td>2,102,000</td>
</tr>
<tr>
<td>Sheriff</td>
<td>60,506,000</td>
<td>59,413,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$284,173,000</strong></td>
<td><strong>$271,129,000</strong></td>
</tr>
</tbody>
</table>
General Fund Expenditures by Division
($284,173,000)

- Constitutional Officers (14%), $38,416,000
- Supported Agencies (2%), 4,837,000
- Sheriff (21%), 60,506,000
- Public Works (10%), $30,696,000
- Finance (4%), 10,050,000
- General Services (10%), $29,116,000
- Unassigned Division (28%), $78,343,000
- Health Services (10%), $29,893,000
- Human Resources (1%), $2,316,000
General Fund Expenditures
Constitutional Officers (14%)

• Total Expenditures: $38,416,000\(^{(1)}\)
  Decrease from FY 2021 - $190,000 (-0.5%)

• Major changes:
  • Reclass to General Services Division:
    – Drug Recovery Court - $654,000
    – Mental Health Court - $498,000
  • Election Commission - $232,000

\(^{(1)}\) - includes employee raises - $1,175,000

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

• Total Expenditures: $4,837,000
  Increase over FY 2021 $272,000 (6.0%)

• Major changes:
  • Creative Discovery Museum $100,000
  • Thrive Regional Partnership 100,000
  • Interstate Beautification 62,500

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: $78,343,000
  Increase over FY 2021 $3,046,000 (4.0%)

• Major changes:
  • Debt Service Appropriation $ 2,300,000
  • Emergency Management $ 242,000
  • Volunteer Services $ 171,000

(1) - includes employee raises - $260,000

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: $10,050,000
  Increase over FY 2021 $187,000 (1.9%)

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

(1) - includes employee raises - $259,000

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: $30,696,000\(^{(1)}\)
  - Increase over FY 2021: $1,932,000 (6.7%)

- Major changes:
  - Custodial/Security Services: $1,292,000
  - Highway Department: $377,000
  - Facilities Maintenance: $237,000

\(^{(1)}\) - includes employee raises - $451,000

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 (10%)

• Total Expenditure Requests: \( \textcolor{red}{\$29,116,000^{(1)}} \)
  Increase over FY 2021 \( \textcolor{red}{\$4,263,000 (17.2\%)} \)

• Major changes:
  • Emergency Medical Services: \( \textcolor{red}{\$2,173,000} \)
  • Reclass from Constitutional Officers Division
    – Drug Recovery Court \( \textcolor{red}{\$857,000} \)
    – Mental Health Court \( \textcolor{red}{\$535,000} \)

\(^{(1)}\) - includes employee raises - \(\textcolor{red}{\$713,000}\)
General Fund Expenditures
Health Services Division (10%)

• Total Expenditure Requests: $29,893,000\(^{(1)}\)
  Increase over FY 2021
  $2,225,000 (8.0%)

• Major changes:
  • Coronavirus $1,452,000
  • Immunization Project $306,000

\(^{(1)}\)- includes employee raises - $725,000

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: $2,316,000\(^{(1)}\)
  * Increase over FY 2021: $214,000 (10.2%)

• Major changes:
  • Veterans Assistance Program: $79,000
  • Benefits: $74,000

\(^{(1)}\)- includes employee raises - $56,000

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 (21%)

• Total Expenditure Requests: $60,506,000\(^{(1,2)}\)
  Increase over FY 2021 $1,094,000 (1.8%)

• Major changes:
  • Corrections - $ 4,464,000
  • Patrol and SROs +$ 1,494,000
  • Mental Health (FUSE) initiative +$ 703,000
  • Information Systems +$ 669,000

\(^{(1)}\) - includes employee raises - $1,229,000
\(^{(2)}\) Includes 92 additional positions (59 Corrections-related)

An accumulation of several departments whose primary function is law enforcement
General Fund

Changes in Total Fund Balance

FY 2010 – 2020 (Actual), 2021 (Projected)
Debt Service Fund
Scheduled Debt Service Payments

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Balance at Annual Beginning of Fiscal Year</th>
<th>Debt Service Payments</th>
<th>Fiscal Year Redemption Requirements</th>
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</thead>
<tbody>
<tr>
<td>2021</td>
<td>$46,676,084</td>
<td>$297,820,000</td>
<td>$13,700,084</td>
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<tr>
<td>2022</td>
<td>$45,224,172</td>
<td>$264,120,000</td>
<td>$11,434,172</td>
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<td>2023</td>
<td>$43,908,137</td>
<td>$230,330,000</td>
<td>$9,948,137</td>
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<tr>
<td>2024</td>
<td>$36,617,052</td>
<td>$196,370,000</td>
<td>$8,532,052</td>
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<td>2025</td>
<td>$33,120,711</td>
<td>$168,285,000</td>
<td>$7,345,711</td>
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<tr>
<td>2026</td>
<td>$31,196,994</td>
<td>$142,510,000</td>
<td>$6,236,994</td>
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<td>2027</td>
<td>$30,345,319</td>
<td>$117,550,000</td>
<td>$5,195,319</td>
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<td>2028</td>
<td>$23,848,219</td>
<td>$92,400,000</td>
<td>$4,128,219</td>
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<td>2029</td>
<td>$18,936,069</td>
<td>$72,680,000</td>
<td>$3,241,069</td>
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<td>2030</td>
<td>$18,173,813</td>
<td>$56,985,000</td>
<td>$2,463,813</td>
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<tr>
<td>2031</td>
<td>$13,200,375</td>
<td>$41,275,000</td>
<td>$1,685,375</td>
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Other Budgeted Funds
Hotel Motel Fund
History of Collections

<table>
<thead>
<tr>
<th>Year</th>
<th>Collections</th>
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<tbody>
<tr>
<td>2012</td>
<td>5,000,000</td>
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<tr>
<td>2013</td>
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<td>2014</td>
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<td>2015</td>
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<td>2017</td>
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<td>2021 proj.</td>
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<tr>
<td>2022 budget</td>
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</tbody>
</table>
American Rescue Plan (ARP)

• We have been awarded $71.4 million
  ▪ Received 1st payment of $35.7 million last week

• Initial allowed uses are very limited

• Federal guidance and more explanation of allowable uses are beginning to be released

• Use of the ARP funds is not included in the FY 2022 budget
FY 2022 Budget – Priorities

1. Maintain services within fiscal constraints
   • Public Health – continue to address COVID-19
   • Meet all Maintenance of Efforts requirements

2. Public Safety
   – Corrections - continue transition to Silverdale jail
   – School Safety - blend SRO and SSO programs

3. Employee Compensation

4. Economic Development Initiatives

5. No increase in property tax rates
Hamilton County
Budget Workshop

NEXT STEP
Presentation of FY 2022 Budget
May 26, 2021
FY 2022 Budget Book

• Budget Book will be posted on the County’s website on May 26, 2021

• 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 2022 Budget Book

• Same format as FY 2021

• 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 2022 Budget Book

– Debt Service Fund presented by:
  • Revenue and Expenditure Category/Account
  • Summary of debt service payments due in FY 2022

– 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 2022 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 2, 2021
Hamilton County
Budget Workshop

QUESTIONS