



Hamilton County
Budget Workshop
County Budget Requests

May 17, 2022

FY 2023 Budget

Key Dates

- Budget Workshops:
 - Hamilton County Schools (May 10, 2022)
 - **County Budget Requests (May 17, 2022)**
 - Overall County Budget (May 24, 2022)
- Budget Hearings: May 11, 2022
 - Elected Officials and Supported Agencies
- Budget presented to Commission: June 1, 2022
- Commission Vote: **June 29, 2022**

FY 2023 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 10, 2022

FY 2023 Budget Challenges

1. Employee Compensation

- Emergency Medical Services
- Sheriff (primarily Corrections)
- Other (nurses, Highway Dept., etc.)

2. Maintenance of Effort

3. Capital Improvements

4. COVID–19 – continued recovery

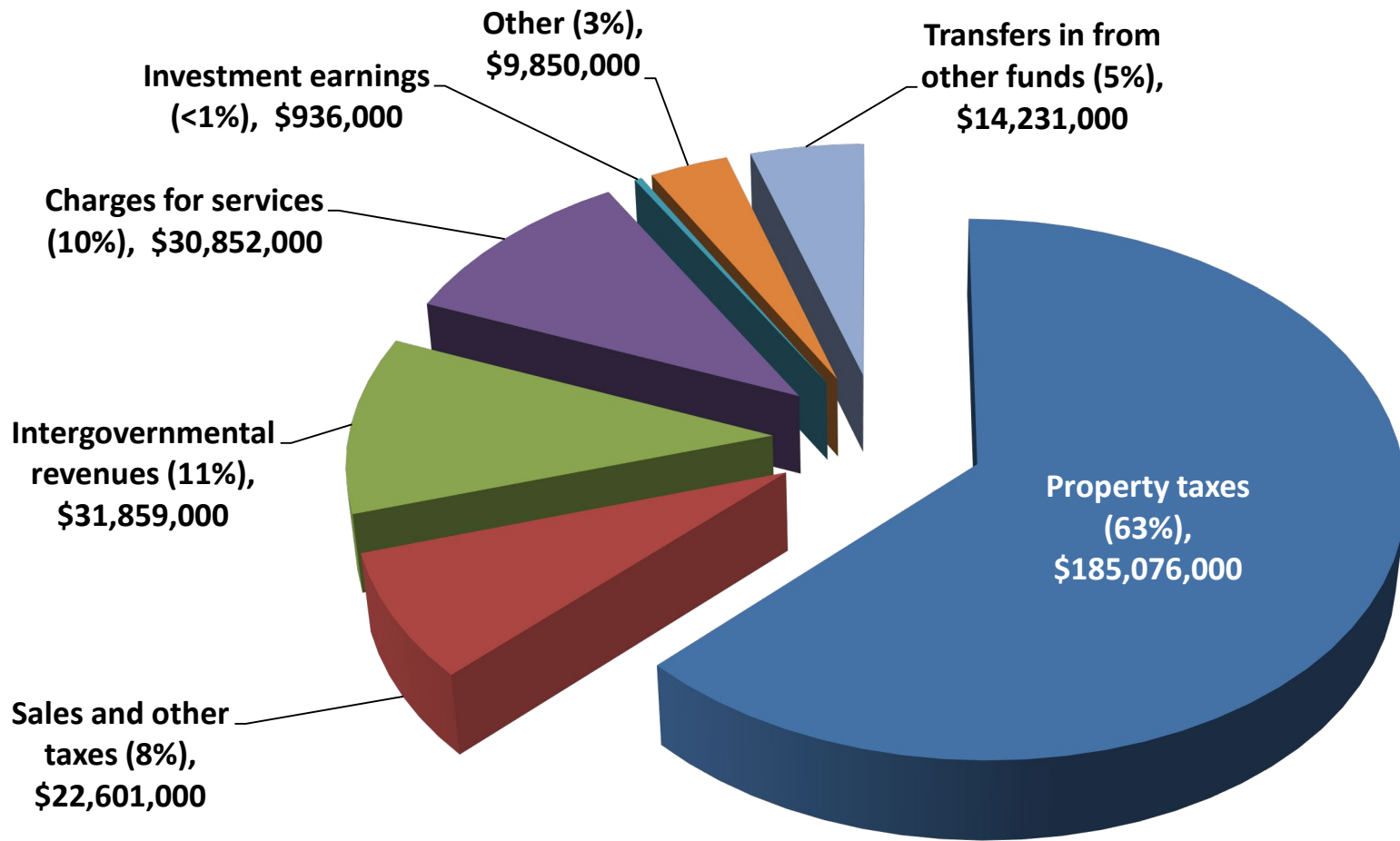
FY 2023 Budget Requests

(including Hamilton County Schools)

	FY 2023 Requests	FY 2022 Budget
General Fund	\$ 326,828,000	\$ 284,173,000
Debt Service Fund	51,887,000	49,065,000
Sheriff Special Revenue Fund	484,000	484,000
Hotel Motel Fund	10,574,000	7,358,000
Subtotal, excl. HCS	389,773,000	341,080,000
Hamilton County Schools	522,968,000	491,959,000
	\$ 912,741,000	\$ 833,039,000

General Fund

Revenues by Source (\$295,405,000)



General Fund Revenues by Source

	FY 2023 Requests	FY 2022 Budget
Property taxes	\$ 185,076,000	\$ 181,083,000
Sales and other taxes	22,601,000	19,703,000
Intergovernmental revenues	31,859,000	35,670,000
Charges for services	30,852,000	25,241,000
Investment earnings	936,000	397,000
Other	9,850,000	9,236,000
Transfers in from other funds	14,231,000	12,843,000
	\$ 295,405,000	\$ 284,173,000

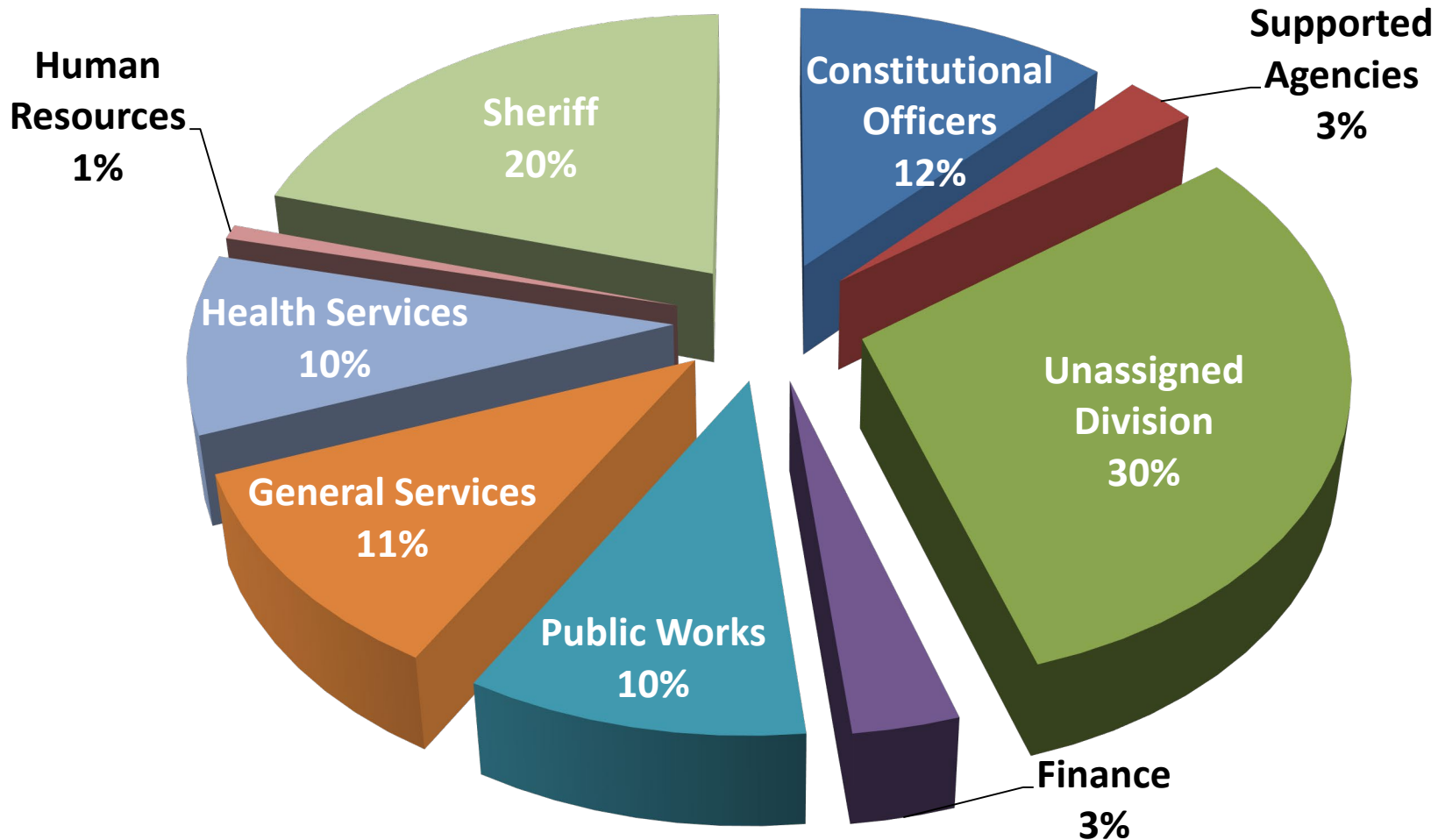
General Fund Revenues

(\$295,405,000)

- Increase over FY 2022 of \$11.2 million (3.9%)
 - + \$4.0 million – growth in property taxes (2.2%)
 - + \$2.6 million – growth in sales taxes
 - + \$5.0 million – growth in ambulance billings
 - + \$1.4 million – constitutional officer excess fees
 - - \$2.5 million – boarding Federal and State inmates
 - - \$1.9 million – State grant for infrastructure

General Fund Expenditure Requests by Division

(\$326,828,000 – 15.0% increase)



General Fund Expenditure Requests by Division

	FY 2023 Requests	FY 2022 Budget
Constitutional Officers	\$ 38,900,000	\$ 38,416,000
Supported Agencies	8,996,000	4,837,000
Unassigned	99,602,000	78,343,000
Finance	10,324,000	10,050,000
Public Works	32,750,000	30,696,000
General Services	35,688,000	29,116,000
Health Services	31,113,000	29,893,000
Human Resources	2,490,000	2,316,000
Sheriff	66,965,000	60,506,000
	\$ 326,828,000	\$ 284,173,000

General Fund Expenditure Requests

Constitutional Officers (12%)

- Total Expenditure Requests: **\$38,900,000**
 - Increase over FY 2022: \$484,000 (1.3%)
- Major changes:
 - Election Commission \$ 796,000
 - Judicial Magistrates \$ 137,000
 - Criminal Court Clerk - \$ 191,000
 - General Sessions Court - \$ 134,000

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

General Fund Expenditure Requests Supported Agencies (3%)

- Total Expenditure Requests: **\$8,996,000**
 - Increase over FY 2022: \$4,160,000 (86.0%)
- Major increases:
 - Alton Park Development Corp. \$ 3,568,000
 - Family Justice Center \$ 176,000
 - Humane Educational Society \$ 175,000
 - Girls, Inc. (BookWorm) \$ 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 (30%)

- Total Expenditure Requests: **\$99,602,000**
 - Increase over FY 2022: \$21,258,000 (27.1%)
- Major increases:
 - Capital Outlay \$15,043,000
 - Debt Service Appropriation \$ 2,853,000
 - Volunteer Services \$ 2,251,000
 - County Attorney \$ 497,000

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: **\$10,324,000**
 - Increase over FY 2022: \$274,000 (2.7%)
- Major changes:
 - Accounting Department \$ 150,000
 - Information Technology \$ 101,000

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: **\$32,750,000**
 - Increase over FY 2022: \$2,054,000 (6.7%)
- Major increases:
 - Highway and associated departments \$ 1,161,000
 - Parking Garages (Cherry St., Health Dept.) \$ 367,000
 - Facilities Maintenance \$ 334,000

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 (11%)

- Total Expenditure Requests: **\$35,688,000**
 - Increase over FY 2022: \$6,572,000 (22.6%)
- Major increases:
 - Emergency Medical Services: \$ 4,820,000
 - Parks and Recreation \$ 1,575,000

Includes Emergency Medical Services, Corrections,
Parks & Recreation

General Fund Expenditure Requests

Health Services Division (10%)

- Total Expenditure Requests: **\$31,113,000**
 - Increase over FY 2022: \$1,220,000 (4.1%)
- Major increases:
 - Coronavirus \$ 555,000
 - Health Clinics \$ 449,000

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: **\$2,490,000**
 - Increase over FY 2022: \$173,000 (7.5%)
- Major increases:
 - Benefits \$ 95,000
 - Risk Management \$ 94,000

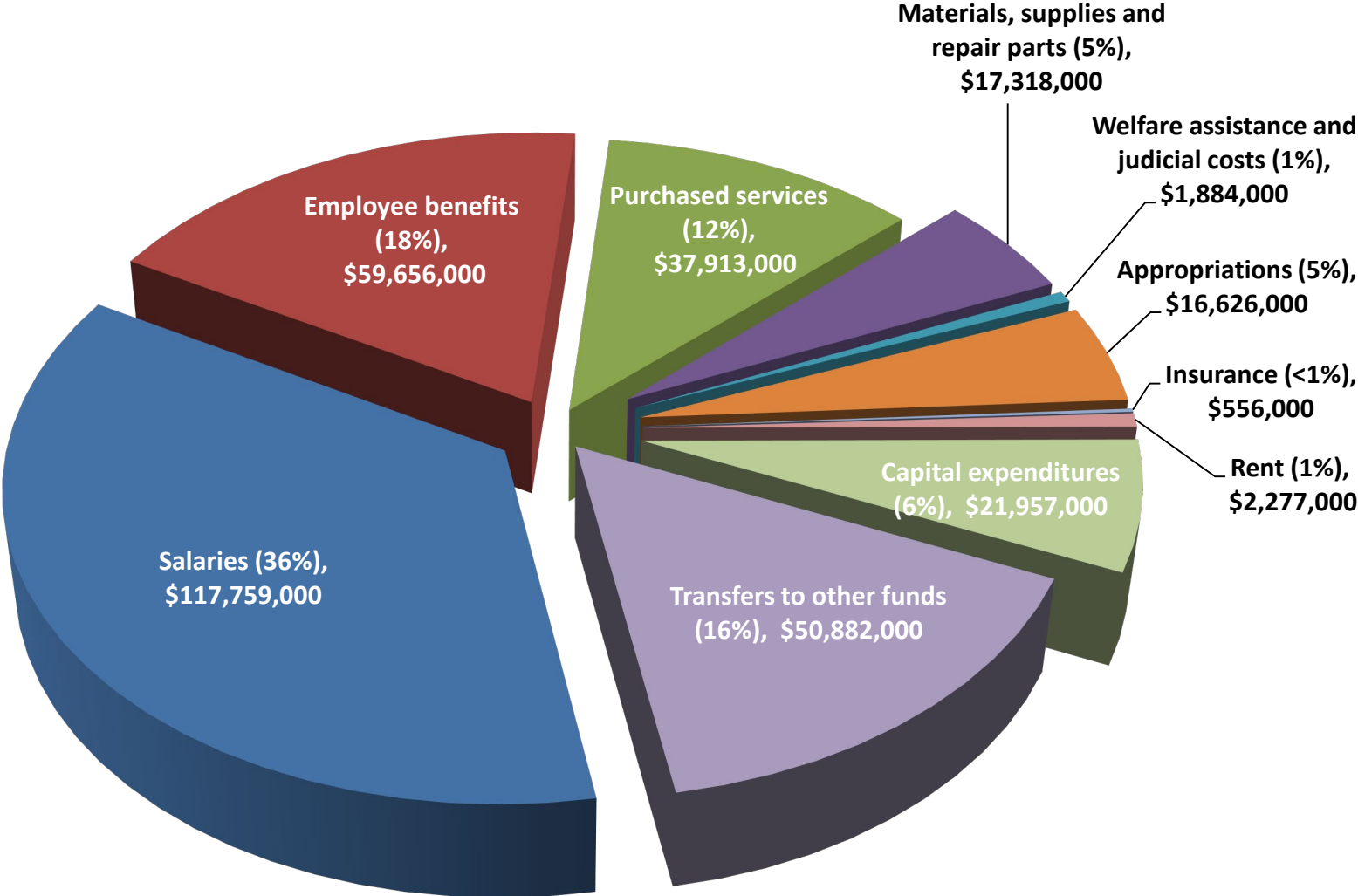
Responsible for the County's human resources, medical insurance and other employee benefits, risk management, wellness and fitness programs, mailroom, etc.

General Fund Expenditure Requests Sheriff Division (20%)

- Total Expenditure Requests: **\$66,965,000**
 - Increase over FY 2022: \$6,459,000 (10.7%)
- Major changes:
 - Administration (salary adjustments) + \$ 5,925,000
 - Corrections +\$ 678,000

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:
 - » Net decrease of 2 FT Positions
 - - 27 Health Department (Coronavirus)
 - +17 EMS (absorbing East Ridge area)
 - + 5 Parks & Recreation
 - + 2 County Commission
 - » No increase in health insurance costs

Employee Salaries

(36% of Budget Requests)

- Full-Time County employees:
 - 2,015 in FY 2022 budget
 - 2,013 in FY 2023 requests
- Average salary of a County full-time employee:
\$48,778
- Median salary of a County full-time employee:
\$43,211

Employee Salaries

(36% of Budget Requests)

- The Major Challenge in FY 2023 Budget
 - Issues with recruitment and retention
 - Requests include > \$13 million to address salary shortfalls (not including annual raise requests)
 - Corrections, EMS, Nursing, Highway Department
 - We are currently working on a plan to address these issues, but they cannot be completely resolved without additional revenues.

Employee Salaries

9-Year History of Employee Salary Increases

– 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- %
– FY 2022	4.0% (with floor of \$2,000)

Employee Health Benefits

(10.2% of Budget Requests)

- Total FY 2023 requests: **\$33,382,000**
- 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 2023 Budget

- Claims experience for FY 2022 is in line with budget
- No changes are proposed to Health Insurance coverage
- No increase in FY 2023 premiums to employees

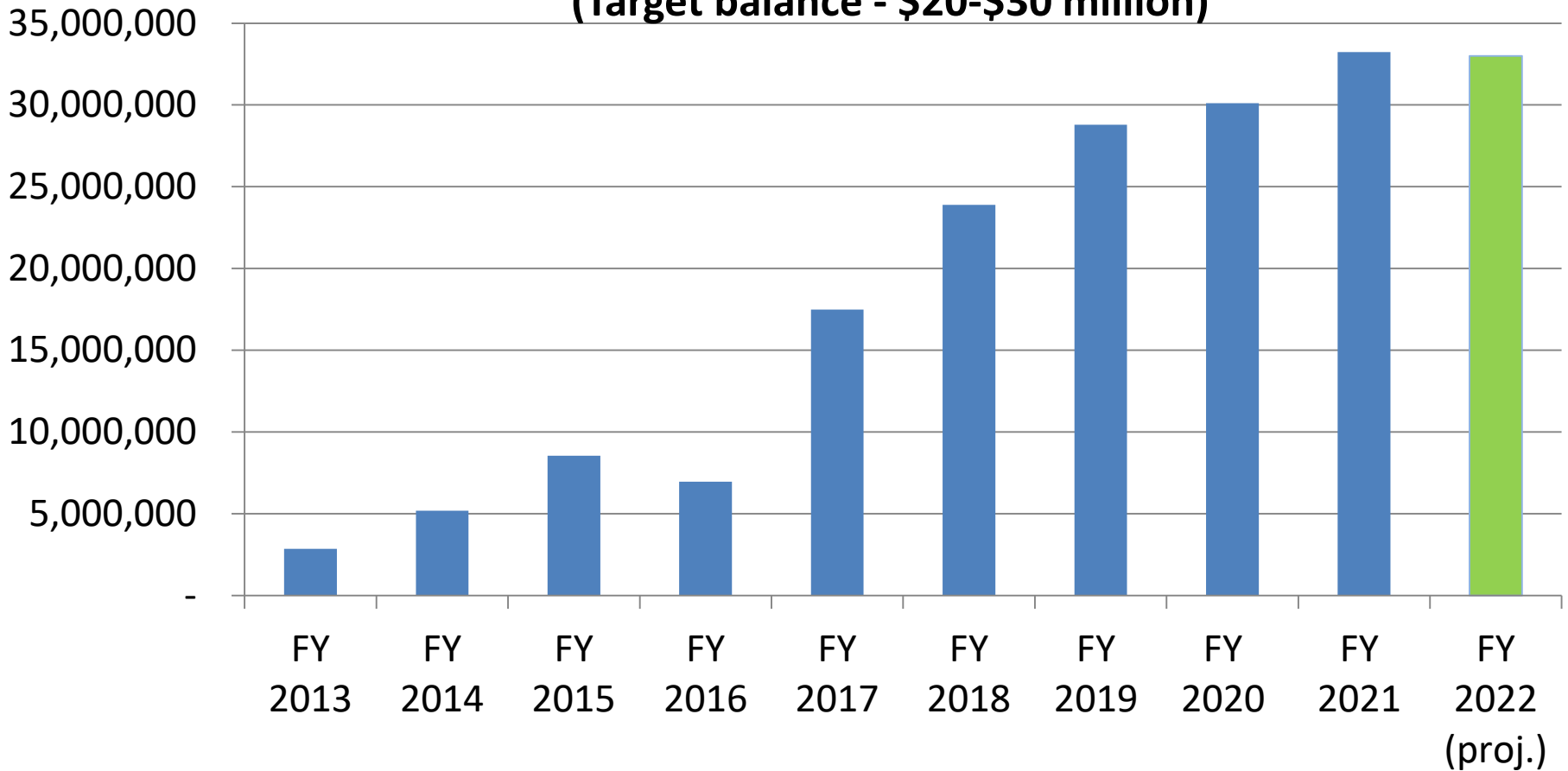
Employee Health Benefits

Self-Insurance Fund

FY 2013 – 2021 (actual); FY 2022 (projected)

Fund Balance

(Target balance - \$20-\$30 million)



Employee Pension Benefits

(4.4% 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 2023 request - \$10,814,000
- Rate remains at 14.7% of covered payroll

TCRS Hybrid Plan

- Total FY 2023 request - \$3,344,000
- Rate increased from 7.04% to 7.59% of covered payroll

TCRS Bridge Plan

- Total FY 2023 request – \$274,000
- Rate remains at 3.5% of covered payroll (legacy)
- Rate increased to 0.90% of covered payroll (hybrid)

General Fund

Other Significant Operating Costs

Housing of Corrections Inmates

- Request in FY 2023 budget (8.7%) \$28,148,000
- Cost is requested to increase \$678,000 from FY 2022.
- Population at Silverdale is starting to grow again
 - From 1,002 inmates/day in FY 2021 to 1,040/day CYTD
- Two major renovation projects (total cost of \$30 million) continue at Silverdale

General Fund

Capital Outlay Requests

- Capital Outlay requests: **\$22,177,000**
 - EMS **\$ 7,185,000**
 - Parks and Recreation **\$ 5,405,000**
 - Sheriff **\$ 3,916,000**
 - Fleet Management (leased vehicles) **\$ 1,472,000**
 - Highway **\$ 940,000**
- Examples:
 - Vehicle replacement
 - Computers
 - Repairs & maintenance to buildings
 - Office furniture and equipment, etc.

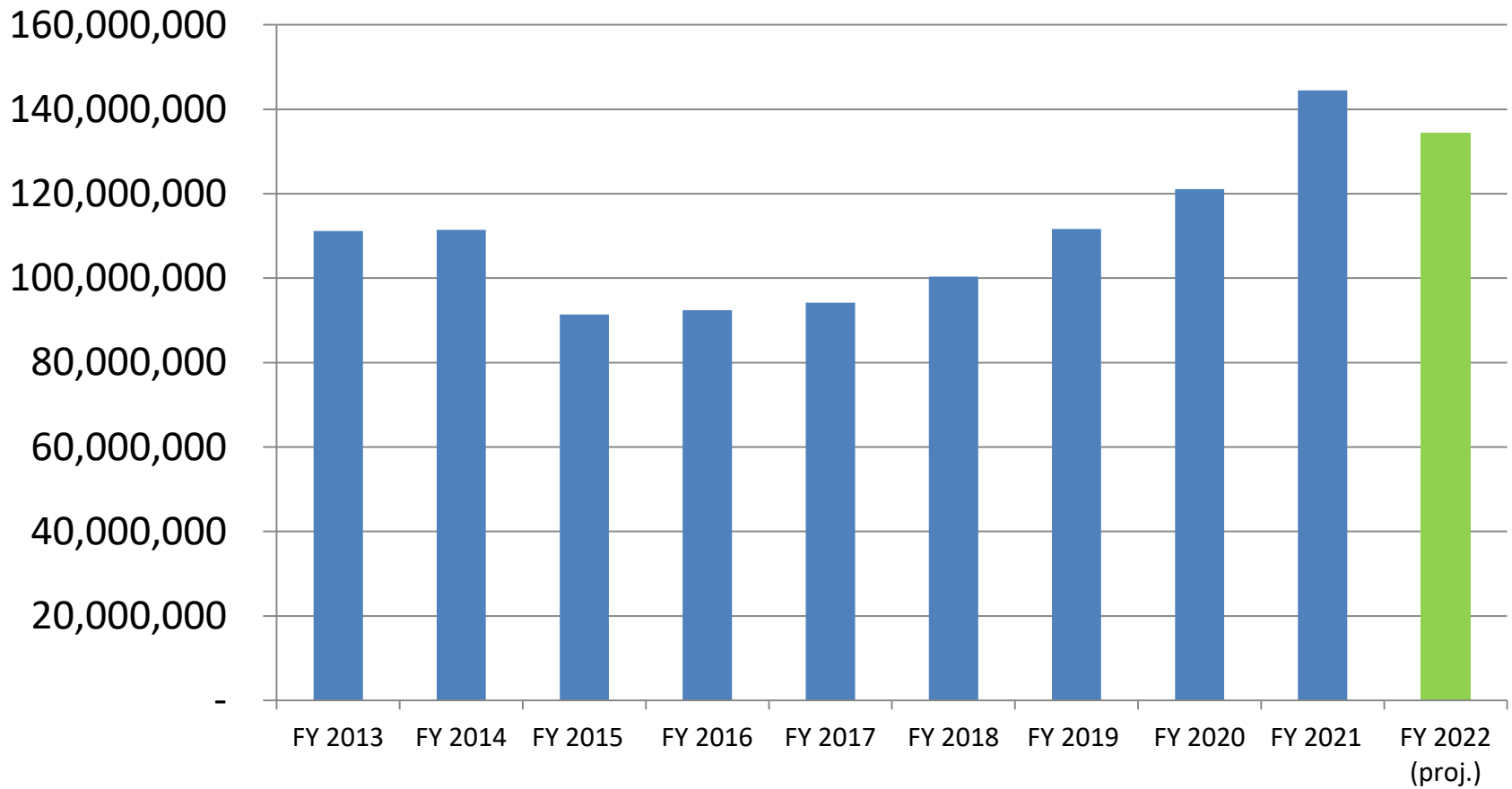
General Fund

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.

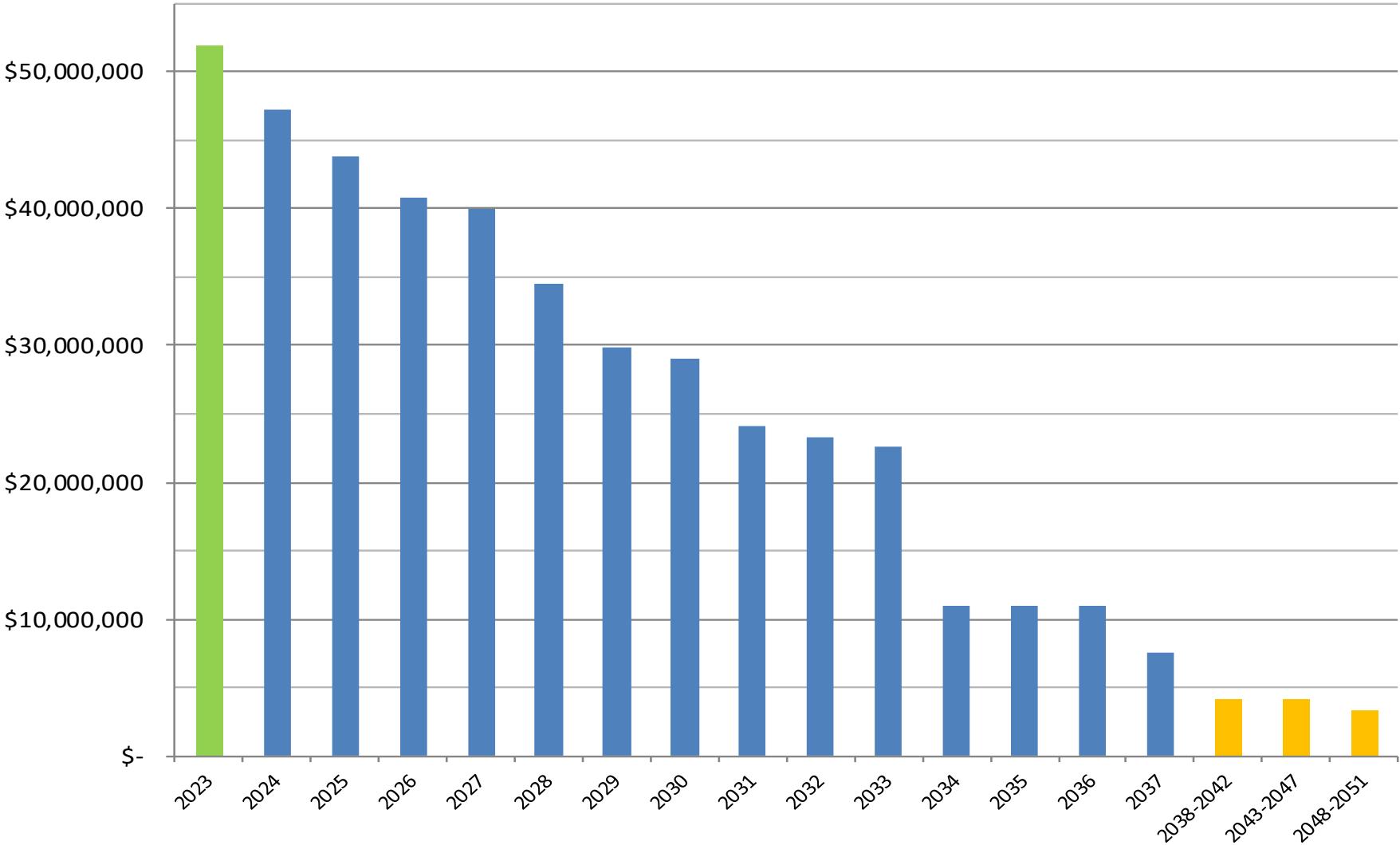
General Fund Fund Balance

FY 2013 – 2021 (Actual), 2022 (Projected)

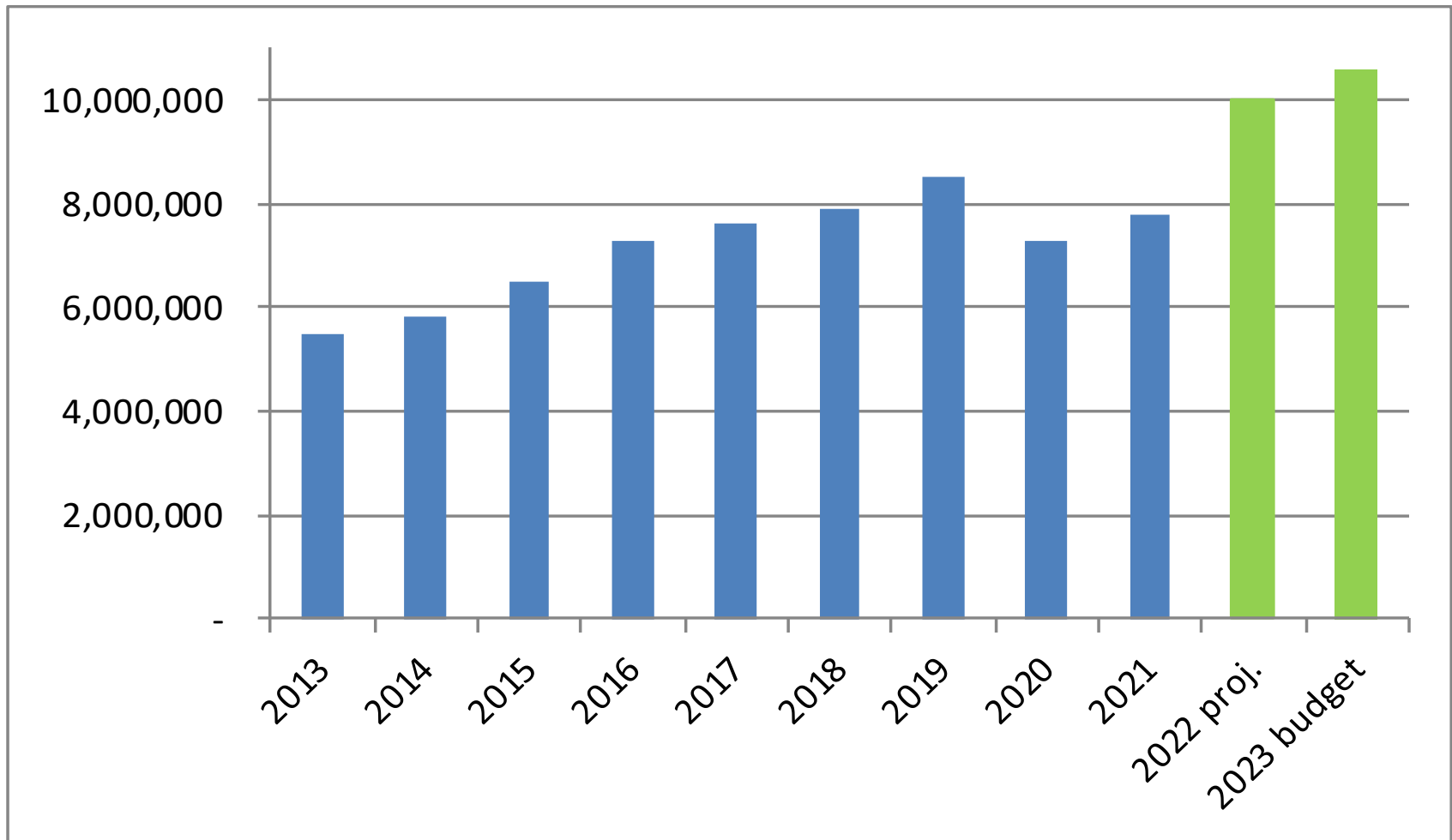


Debt Service Fund

Scheduled Debt Service Payments



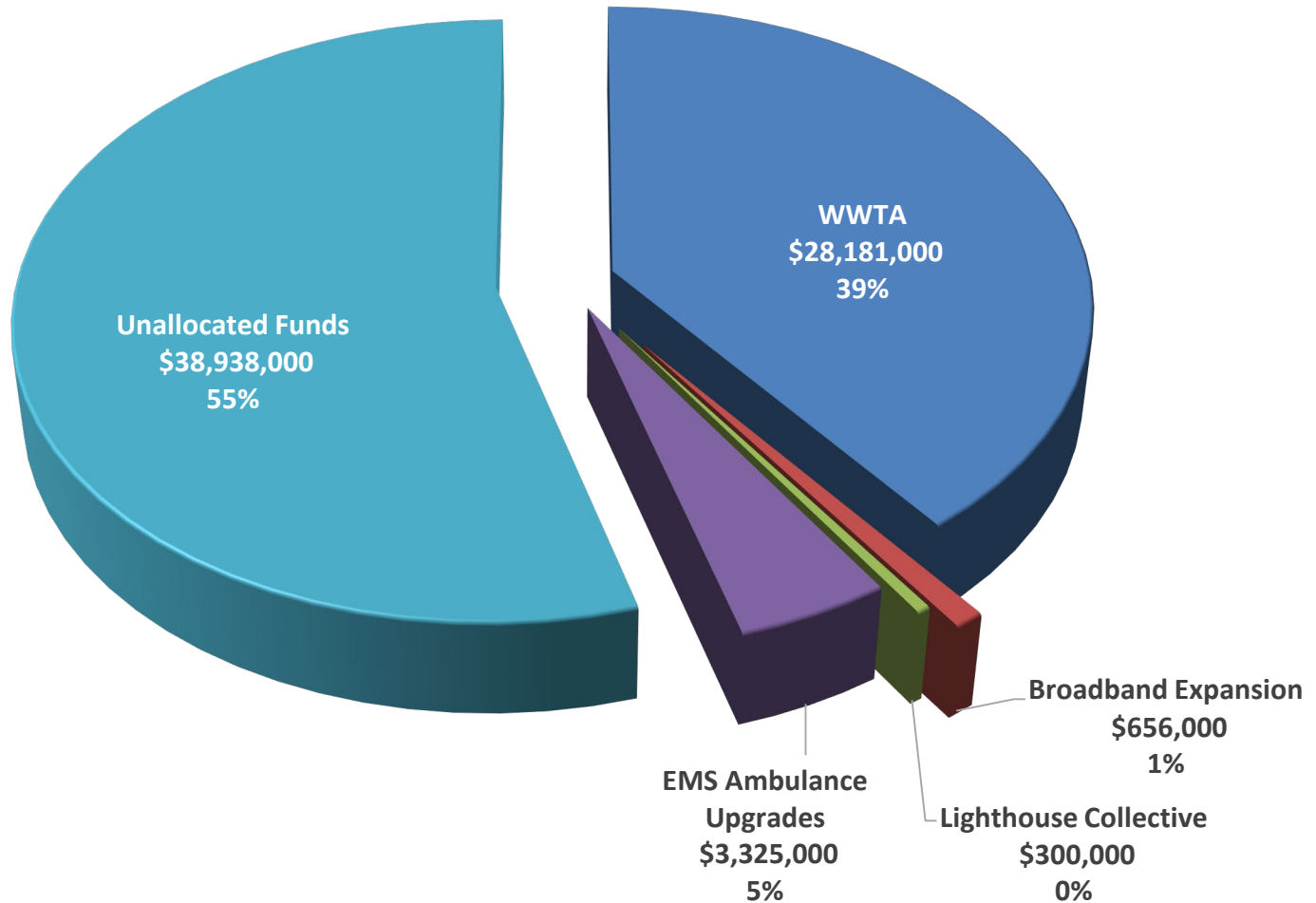
Other Budgeted Funds Hotel Motel Fund History of Collections



American Rescue Plan (ARP)

- Awarded \$71.4 million in proceeds
 - Final payment of \$35 million to arrive this month
- ARP revenues/expenditures are NOT included in the FY 2023 budget
- Commission has appropriated spending to date - \$32.5 million
- Balance remaining - \$38.9 million

American Rescue Plan (ARP) Total Awarded - \$71.4M



FY 2023 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. Employee Compensation challenges
3. Maintain sound financial position

Hamilton County Budget Workshop

QUESTIONS

Hamilton County Budget Workshop



NEXT STEP
Budget Workshop –
Overall Budget for FY 2023
May 24, 2022