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2014 Hamilton County General Fund Budget

Commission President Chris Monzel

Over the past five years, Hamilton County elected officials, county administration and taxpayers have worked together as a cohesive team, managing the county's declining financial resources – a situation brought on by many factors beyond the county's fiscal control. Despite county government and Hamilton County residents having to wrestle with a myriad of issues during these tough economic times, the administration and county officials have worked as a team to promote economic development and improve the county's quality of life, while striving to meet the needs of the area's less fortunate.

Throughout tough economic times, those involved in this process have worked to right size county government. Despite these challenges, a collaborative effort has provided our community with the right quantity as well as quality of services. The 2014 General Fund Budget process continues that effort with prudent fiscal oversight and a steadily improving outlook for the near term. A 2014 budget of \$204.1 million represents effectively no change from the projected general fund expenditures in 2013.

Projected increases in sales tax revenues should result in a modest increase in General Fund reserves, providing an improved margin of financial safety in the next budget cycle. The administration welcomes the encouraging projection, but continues to move forward in the 2014 budget process with caution. Signs of an economic turnaround are sporadically evident throughout the United States, the state of Ohio, Southwestern Ohio, and most notably Hamilton County. For the first time in years, we proceed with a balanced General Fund budget that shows no immediate need for additional county employee reductions or countywide departmental budget cuts.

This budget proposal is in general agreement with the recommended budget presented by the county administration. The primary focus is a conservative fiscal approach to county spending so the county does

not find itself in a financial bind should the nation's, as well as our state and our local economies unexpectedly shift in direction and take a sharp downturn.

The 2014 budget is structurally balanced and includes improved customer services, support for economic development and public safety. Highlights include:

- No increases in taxes. An improving local economy, resulting in job creation and increased revenue from current streams will result in sales tax rates and other fees remaining the same for 2014.
- No anticipated employee layoffs for 2014, whereas, in past years such reductions were either probable or a certainty.
- Begin implementing changes to the Board of Elections funding to curb the four-year cycle variances. With that in consideration, there will be an established average expense amount for the years 2014-2016 and for 2017-2020. This change will provide for more stable budget projections in the upcoming years.
- Continue to expand shared services such as the co-locating of Hamilton County's and the City of Cincinnati's Planning and Development Departments resulting in improved customer service.
- The 2014 budget includes allocations for Hamilton County to begin to offer a Wellness Program and Transparency Services for our employees. Providing employees access to information on the cost and quality of healthcare should result in cost-savings to the employee and the County.
 - *Wellness Program* – We are pleased to offer voluntary on-site health risk assessment and biometric testing for all County employees and their enrolled spouses in 2014. This program is the first step in a broader wellness program. These assessments will provide information to help administration with health insurance plan design, as well as aid in the development of the Wellness Program in 2015 and beyond.
 - *Transparency Services* – We are excited to be the first local public employer to provide employees with easily accessible cost and quality information so they can make informed decisions regarding their healthcare. It is estimated that 10% employee participation and behavior change could result in a two-to-one return on investment.
- The recent sale of the initial private investment in apartments and retail space at The Banks mixed-use development fulfills the promise of private development enabled by public infrastructure. Based on the development agreement, the County and City of Cincinnati was paid a deferred purchase price for the air lots sold. These resources will allow for further infrastructure development on the western side of the project near Paul Brown Stadium to emulate the success in the first phase of the project.
- Continuing our focus on public safety, the 2014 budget appropriates approximately 70% of the General Fund budget toward services for the Courts, Prosecutor's Office, the Public Defender and the Sheriff's department. Keeping our residents safe while ensuring the Sheriff's department has adequate resources to meet the needs of managing county detention facilities remains a primary focus as the jail continues to operate near inmate capacity. This general fund budget supports an increase of \$6.7 million dollars or a 12% increase to the Sheriff's department.

In 2014, \$6.65 million in general fund expenses for the Probate Court mental health commitment hearings and the Sheriff's department for mandated indigent care will be transferred to the Indigent Care Levy. To provide a potential measure of relief to the reduction in levy funding to the University of Cincinnati Medical Center (UCMC), I propose designating residual levy proceeds at the end of the current levy cycle for indigent care medical services provided by UCMC.

Furthermore, to the extent that federal health care reform results in expenses for inmate medical services within the Justice Center and Youth Detention Center below the 2014 budgeted amounts due to the potential for Medicaid reimbursement eligibility, we will designate these additional 2014 resources to indigent care medical services provided by UCMC up to the amount contemplated for UCMC 2014 support in the original 2012-2014 levy plan.

This budget proposal projects a more positive immediate economic forecast for Hamilton County, and as a result, encouraging news that with common-sense management practices, 2014 will see Hamilton County government continue to provide excellent customer services without duress to employees and taxpayers.

In closing, I wish to express my appreciation to all the elected officials and staff that worked with Commissioners and our Administration throughout the budget process as well as those residents of Hamilton County who provided input at community budget hearings.

I look forward to input from my fellow Commissioners as we craft a balanced budget for 2014.