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Hamilton County Financial & Operational Assessment

Hamilton County, Ohio • Cincinnati Regional Business Committee •
Cincinnati Business Committee
October 2019

Topics



Introduction



Financial Assessment



Operational Assessment



Potential Opportunities Based on Assessment Observations



Appendix



Introduction

Introduction | About Hamilton County



Hamilton County, located in the southwest corner of the state covering over 400 square miles, was the second county formed in Ohio in 1790. The county includes 49 municipal components – 20 cities, 17 villages and 12 townships – including the City of Cincinnati, which is the largest entity and the county seat. **Hamilton County is the third largest county in Ohio** based on population.

By Ohio statute, Hamilton County is **governed by an elected three-member Board of County Commissioners** which serves as the primary legislative and executive body. The County has **8 additional elected administrative positions**: County Auditor, County Treasurer, County Engineer, Clerk of Courts, Coroner, Prosecutor, Recorder and Sheriff. In addition, **judges are elected** in Hamilton County for the Common Pleas, Appeals and Municipal courts.

Hamilton County provides **core services** to residents including:



In addition to providing the core services, the county maintains enterprise funds for operations of the stadia, parking garages and communications center, riverfront development and the county-owned and City of Cincinnati operated Metropolitan Sewer District.

Introduction | Document Purpose



As the Hamilton County Board of County Commissioners begins the 2020 budget process, the Board of County Commissioners, Cincinnati Regional Business Committee (CRBC) and Cincinnati Business Committee (CBC) engaged Crowe LLP (Crowe) to **review Hamilton County's current financial and operational state.**

The purpose of the review is to provide an independent **assessment of the causes of the County's structural deficit, and identify opportunities to enhance revenue, reduce costs and create efficiencies.** The focus of the assessment and report is on the chief operating fund of the county – the county's **general fund** – although the analysis will consider broader, restricted funds.

Crowe provides a **Financial and Operational Assessment** herein, detailing trends among the county's revenues, expenditures, personnel and department operations.

Crowe will provide a **Recommendations Report** providing further insight into the County's opportunities to improve their short-and-long term financial stability.

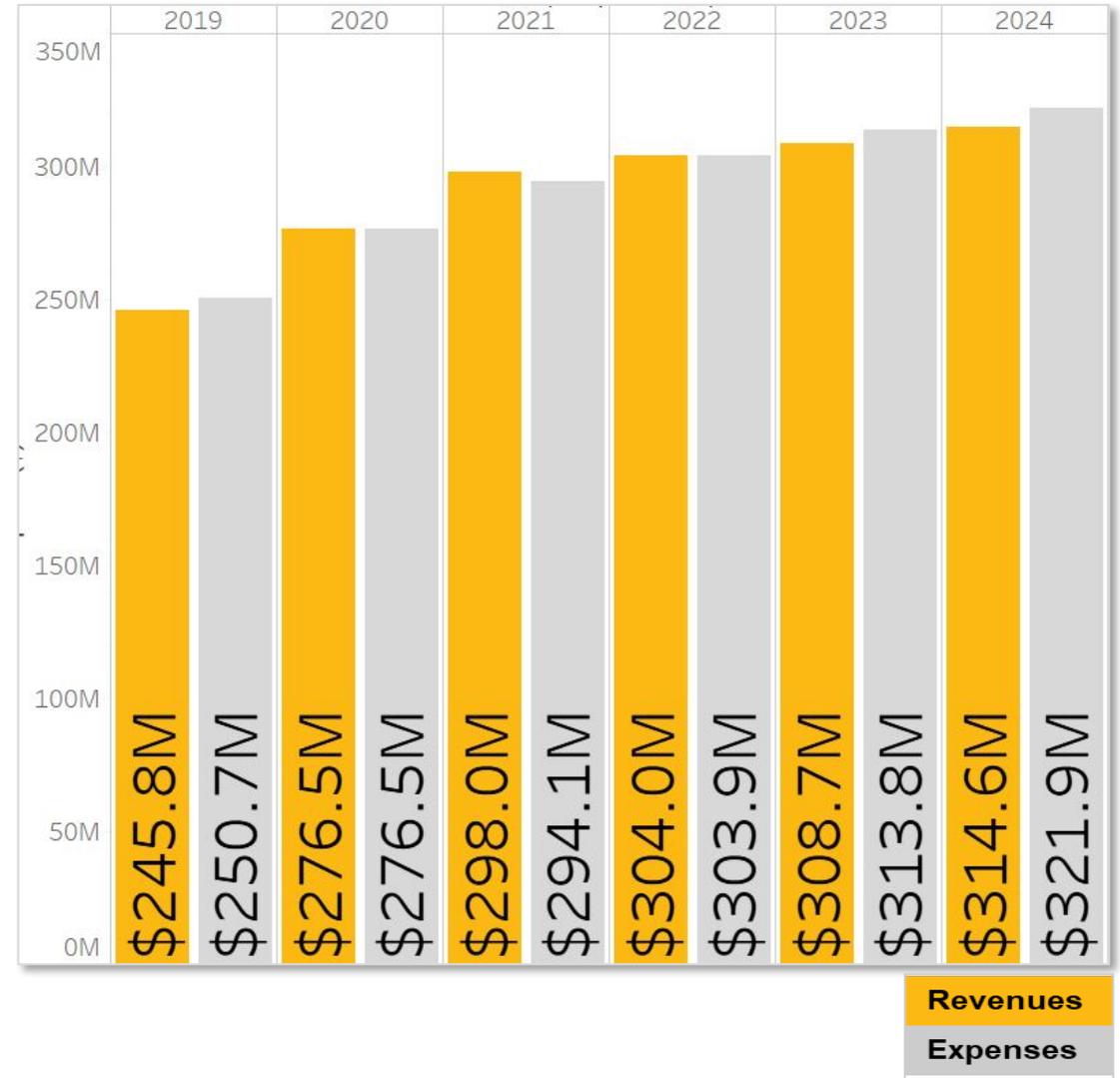
Introduction | Background & Projected Structural Imbalance



Hamilton County, similar to many other communities across the nation, experienced **declining revenues** beginning with the financial crisis of 2008, which have yet to fully recover.

During this past decade, Hamilton County has made **cuts in personnel and non-mandated services and programs** while **deferring capital purchases and delaying maintenance** costs to buildings, equipment and infrastructure to align available revenues with expenses. Today, Hamilton County is at a **critical juncture**. The county has already made cuts in the typical areas to realize cost savings yet **projects a structural imbalance in the 5-year pro forma for the general fund** even with an assumed sales tax of .25% transferred to the general fund starting in mid-2020 (the pro forma budget assumes .25% currently dedicated to the Cincinnati Museum Center (Union Terminal) will be approved to support the general fund in 2020).

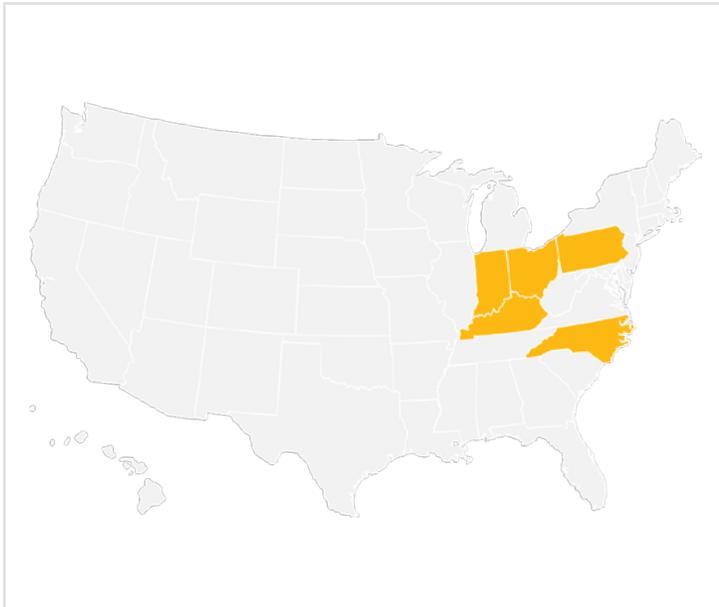
General Fund Pro Forma: 2019 – 2024



Introduction | Peer Analysis



To provide further context to the county's financial and operational state, Crowe conducted reviews of the revenues, expenditures and structures of like-counties within-and-outside of Ohio, where information was publicly available. Crowe's Phase I peer analysis consisted primarily of analyzing Ohio counties, as all are subject to the State of Ohio's statutory requirements, and therefore have similar expectations and constraints as it relates to providing services and allowable expenditures and revenues.



Peer Comparison Counties

- Montgomery County, Ohio (Dayton)
- Franklin County, Ohio (Columbus)
- Cuyahoga County, Ohio (Cleveland)
- Summit County, Ohio (Akron)
- Marion County, Indiana (Indianapolis)
- Jefferson County, Kentucky (Louisville)
- Allegheny County, Pennsylvania (Pittsburgh)
- Mecklenburg County, North Carolina (Charlotte)



Financial Assessment



Introduction to Financial Assessment

Financial Assessment | About the Analysis



This section provides an overview of **Hamilton County revenues and expenses**, exploring trends and identifying similarities and differences to peer communities.

The analysis explores **financial trends since 2008**, based on available data. The analysis is based on an extract of information from the county's financial management system, provided by the County Administrator's office.

Crowe made the following assumptions with the data provided from the county's financial management system during the course of this analysis:

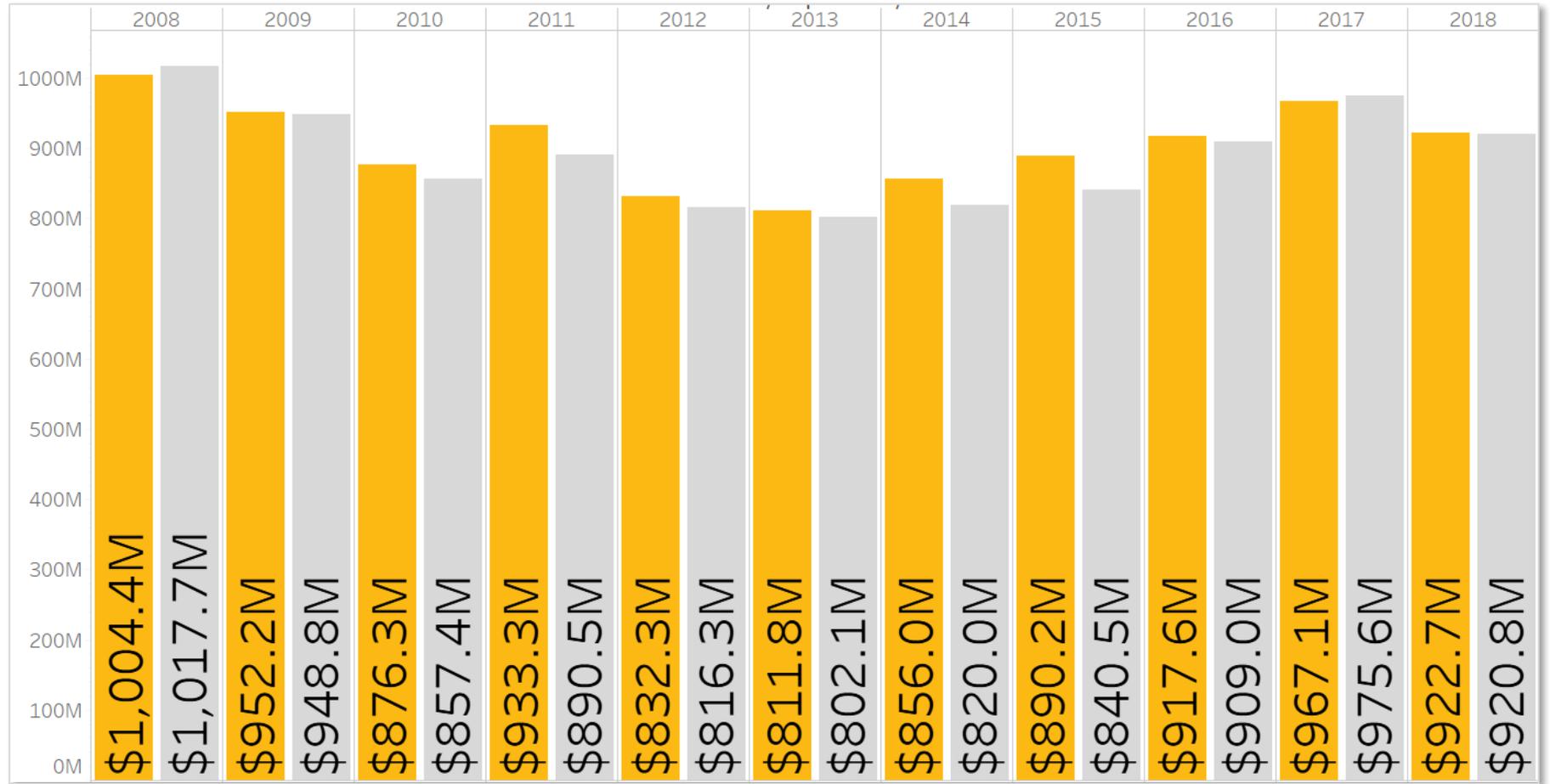
- Removed all 921 funds, which are various bond proceeds,
- Removed fund 946-001, which is Metropolitan Sewer District, and
- Removed escrow payments, which are associated with Paul Brown Stadium and Great American Ballpark's bond proceeds.

Following this high-level analysis is a more detailed assessment of revenues and expenses for the general fund.

Financial Assessment | Historical Revenue & Expenses – All Funds



An eleven-year look back demonstrates a shrinking budget for Hamilton County, **dropping from over \$1 billion in 2008 to \$922 million in 2018**. This view demonstrates the fluctuation in the county's revenue and expenses for all general and restricted funds.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues	-5.2%	-8.0%	6.5%	-10.8%	-2.5%	5.4%	4.0%	3.1%	5.4%	-4.6%
Expenses	-6.8%	-9.6%	3.9%	-8.3%	-1.7%	2.2%	2.5%	8.1%	7.3%	-5.6%

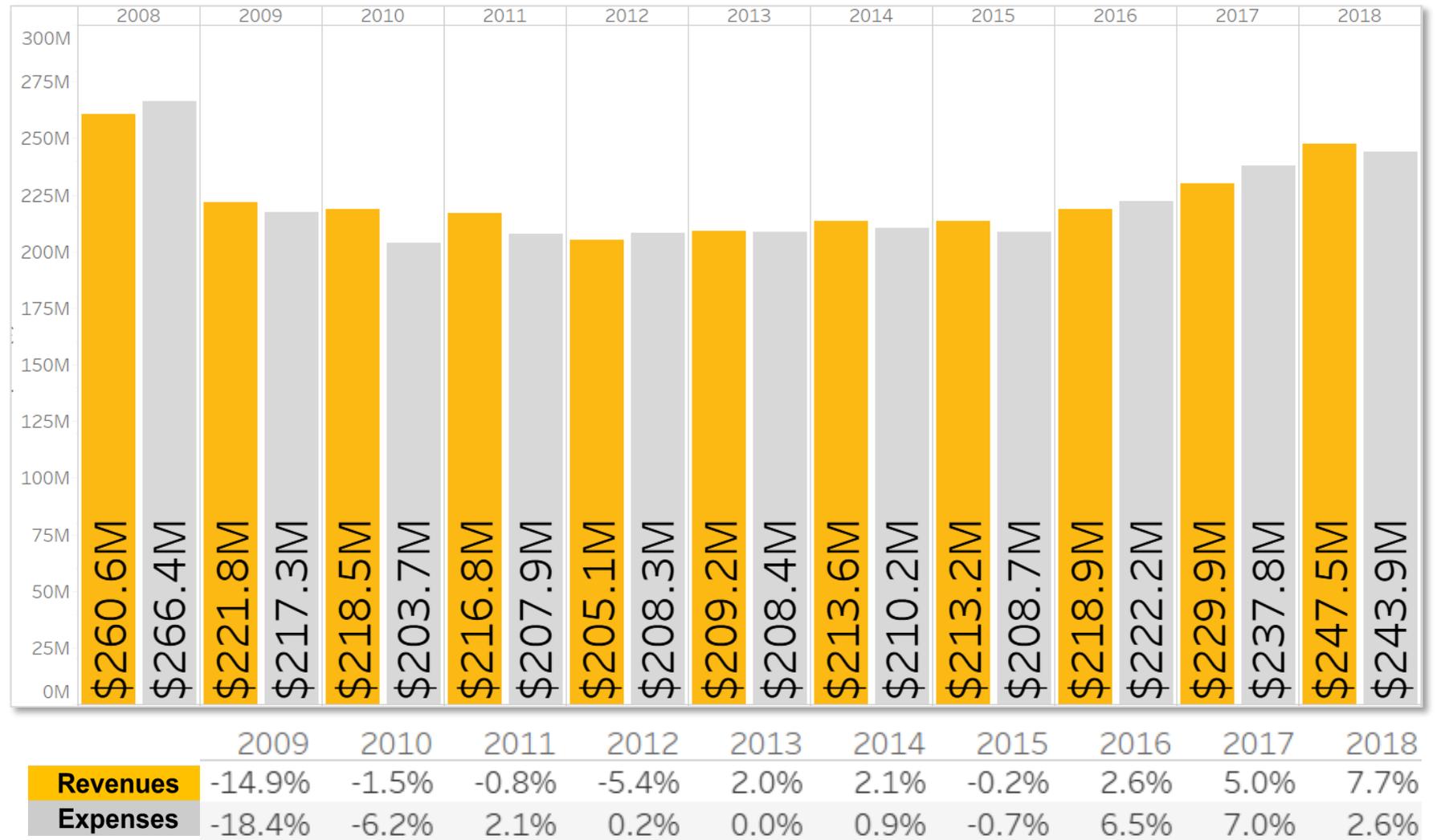
Percent Change from Prior Year

Financial Assessment | Historical Revenue & Expenses – General Fund



The eleven-year look back demonstrates a shrinking **general fund** budget for Hamilton County, **dropping from \$260.6 million in 2008 to \$247.5 million in 2018.**

General fund revenues and expenses have been increasing at a faster pace since 2015.

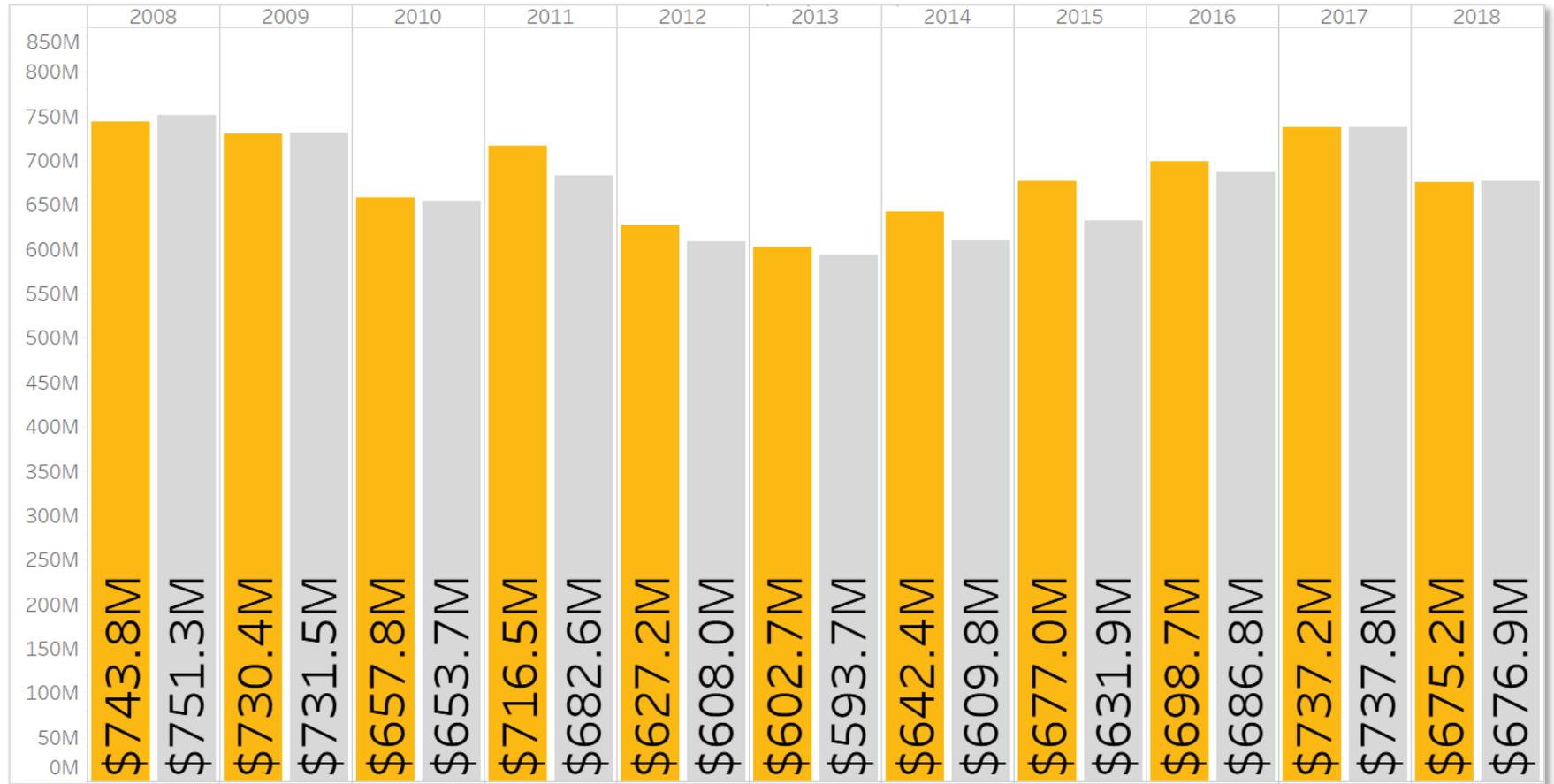


Percent Change from Prior Year

Financial Assessment | Historical Revenue & Expenses – Restricted Funds



An eleven-year look back demonstrates that **restricted fund revenues have outpaced expenses** year over year until leveling off in 2017.

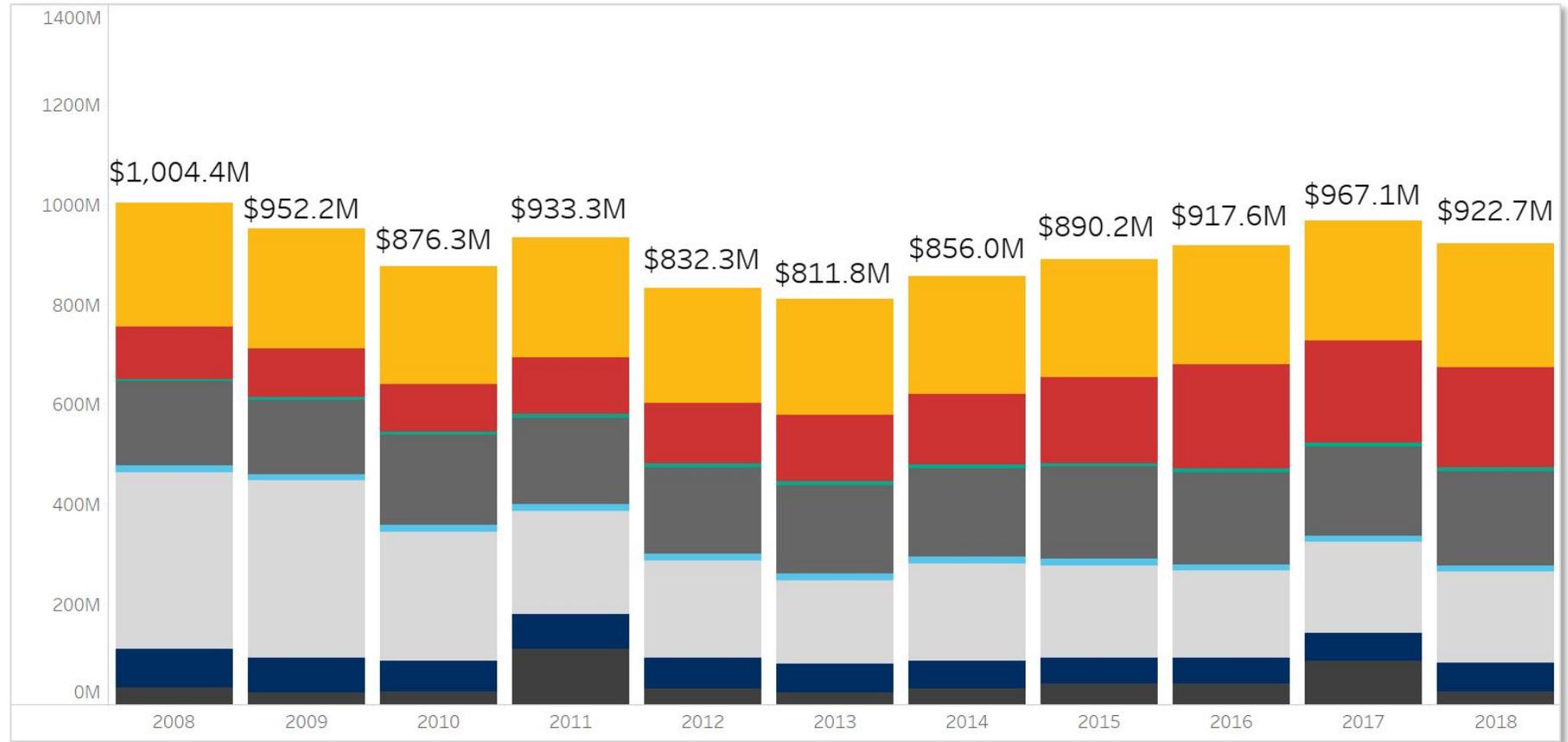


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues	-1.8%	-9.9%	8.9%	-12.5%	-3.9%	6.6%	5.4%	3.2%	5.5%	-8.4%
Expenses	-2.6%	-10.6%	4.4%	-10.9%	-2.3%	2.7%	3.6%	8.7%	7.4%	-8.3%

Financial Assessment | Revenues by Type – All Funds



Hamilton County's revenue is derived from seven different sources, as depicted below. Each revenue type is explored in detail in this assessment.

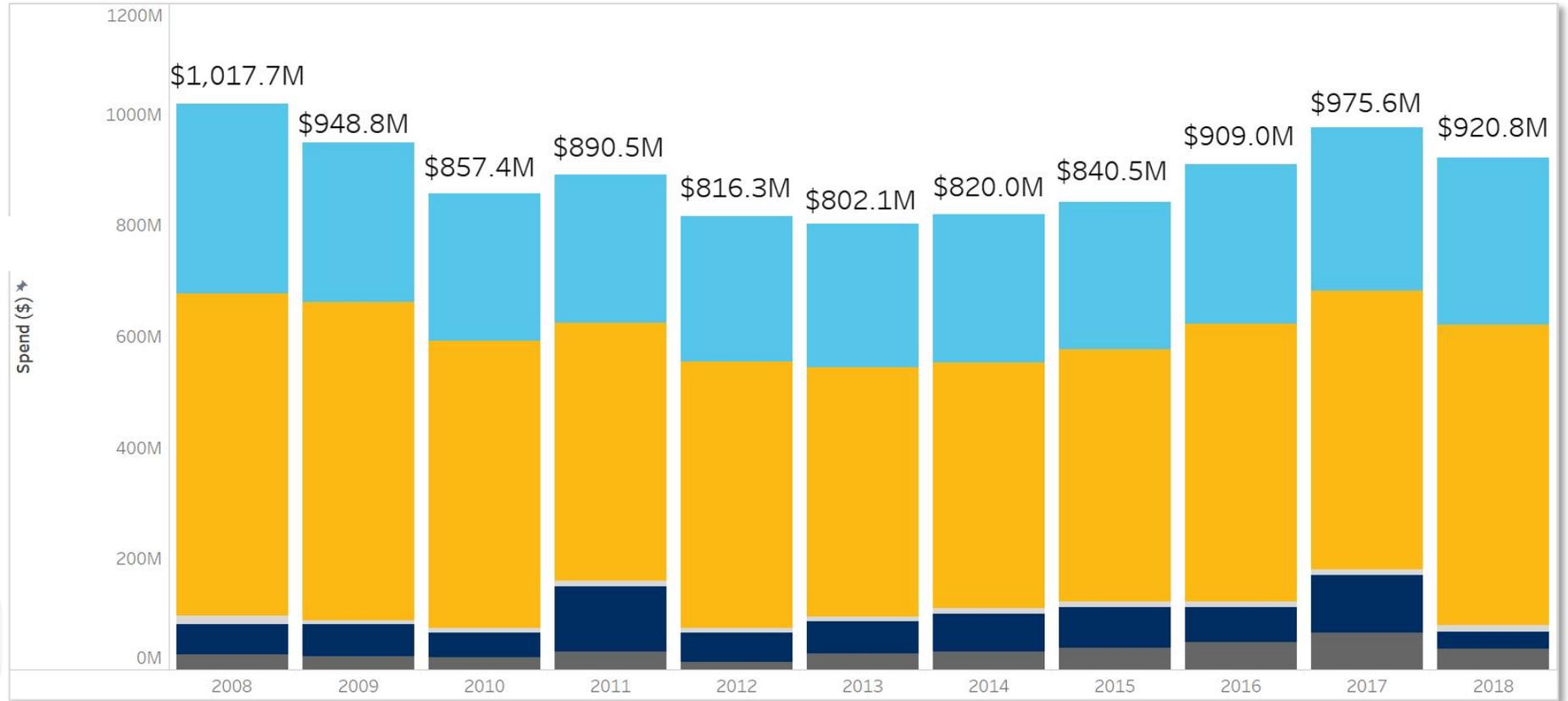


Financial Assessment | Expenses by Type – All Funds



Hamilton County's expenditures are categorized in four key areas, as outlined below. Each expenditure type is explored in detail in this report.

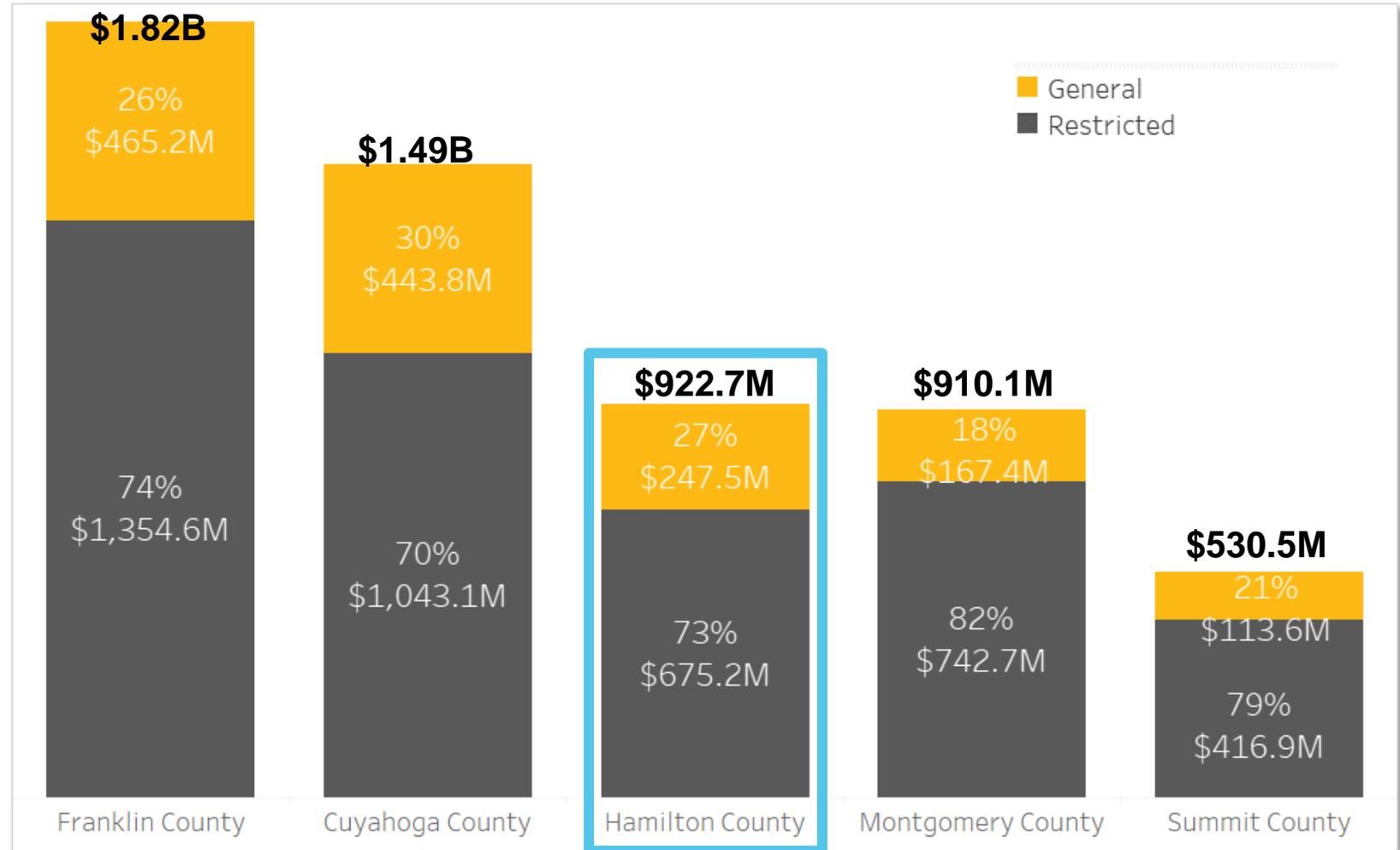
Expenditure Type



Financial Assessment | Peer Comparisons: General and Restricted Funds



For peer analysis, Hamilton County is in the middle of the five selected Ohio counties related to budget size.



Sources: Cuyahoga 2018 Results of Operations, Hamilton County 2018 Budget Office data, Franklin County 2019 Budget – 2018 year end budget projections, Montgomery 2019 adopted budget and plan – Revenues and expenditures by source and use all funds, Summit 2019 Operating Budget – All Funds Sources and Uses – Summary of revenues and expenditures 2016 – 2019 (2018 Actuals)



Financial Assessment: Analysis of General Fund Revenues

General Fund Revenues | About the Analysis



This section provides an **analysis of Hamilton County general fund revenues**, exploring trends and identifying similarities and differences with peer communities in Ohio given the similarities with allowable tax and revenue structures.

The general fund revenue analysis explores **trends over the past 5-11 years**, based on available data. The analysis is based on data provided by Hamilton County and other reliable sources, as cited through the assessment.

General Fund Revenue Sources Explored



General Fund Revenues | All Sources

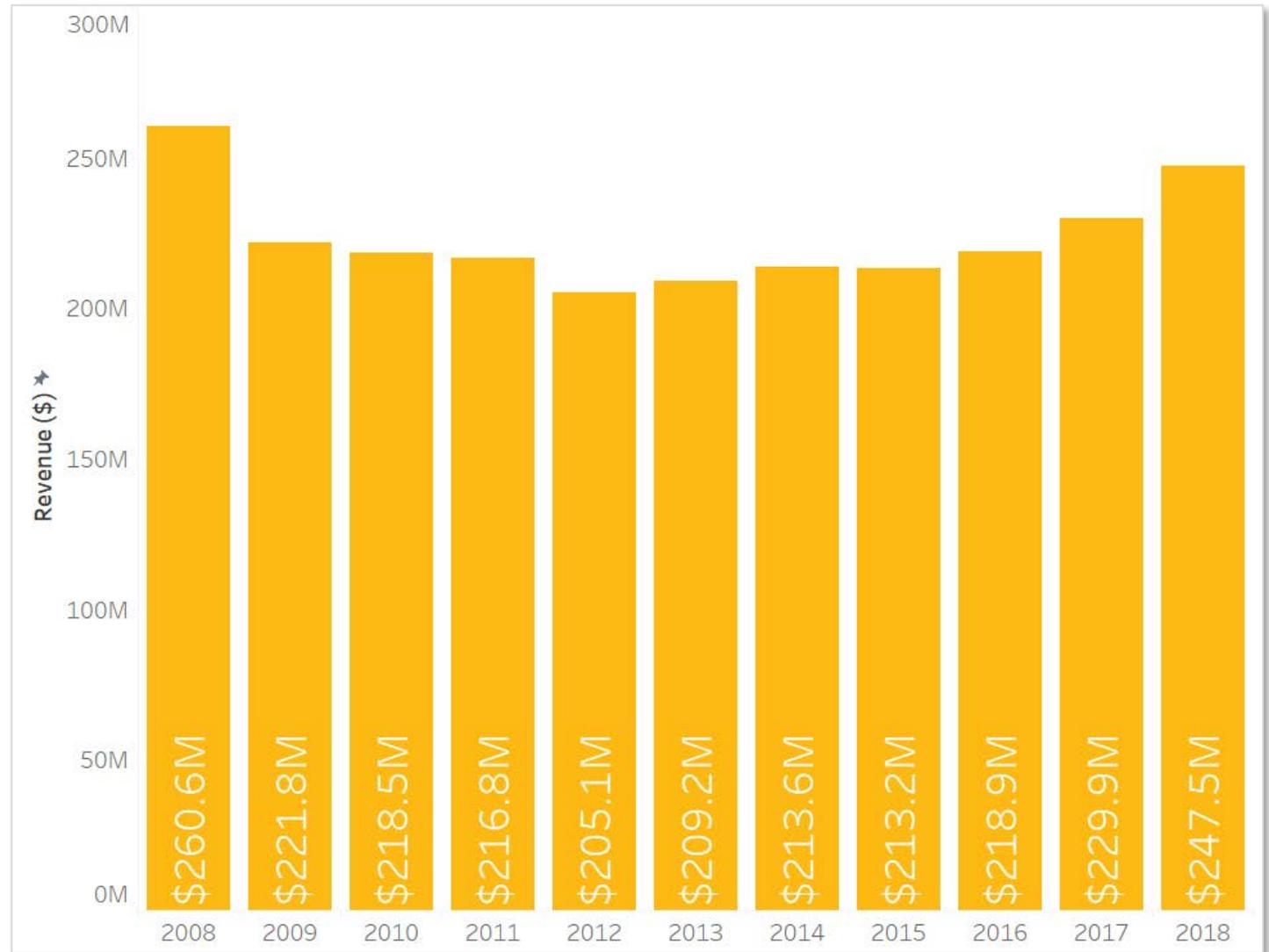


General fund **revenues declined in 2008** at the start of the financial crisis.

Revenues have slowly increased since 2015, returning to near-2008 levels for the first time in 2018.

However, when inflation is factored in, \$260.6M in 2008 is approximately \$306.0M in 2018 dollars.

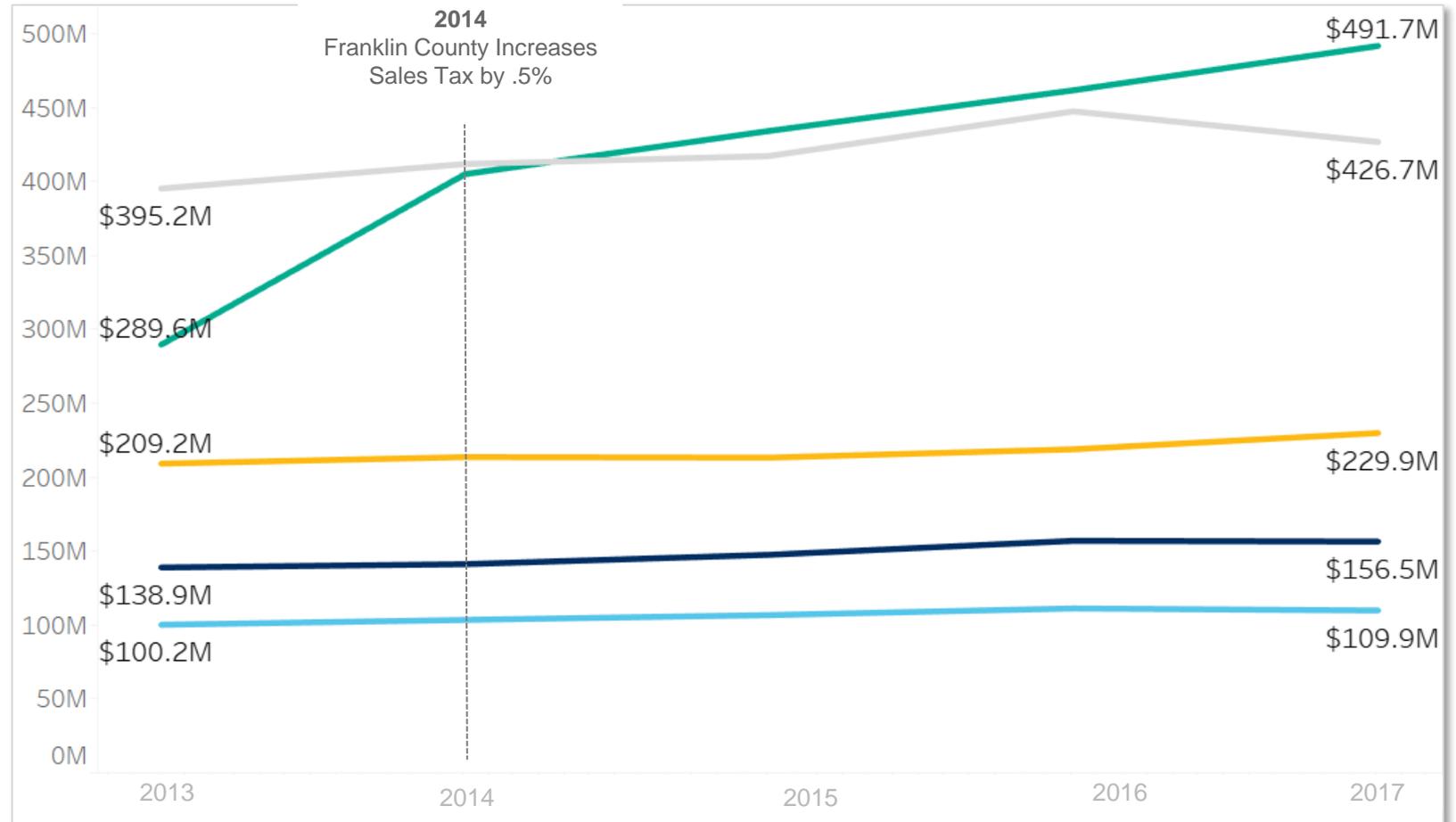
(Inflation data source: U.S. Bureau of Labor Statistics, CPI index, January 2008 and January 2018 comparison)



General Fund Revenues | Peer Comparisons: All General Fund Revenue



Like two peer counties (Montgomery and Summit), **Hamilton County's general fund revenues have remained relatively flat between 2013 – 2017.** Franklin has experienced growth in this timeframe, with Cuyahoga's revenues showing fluctuation.



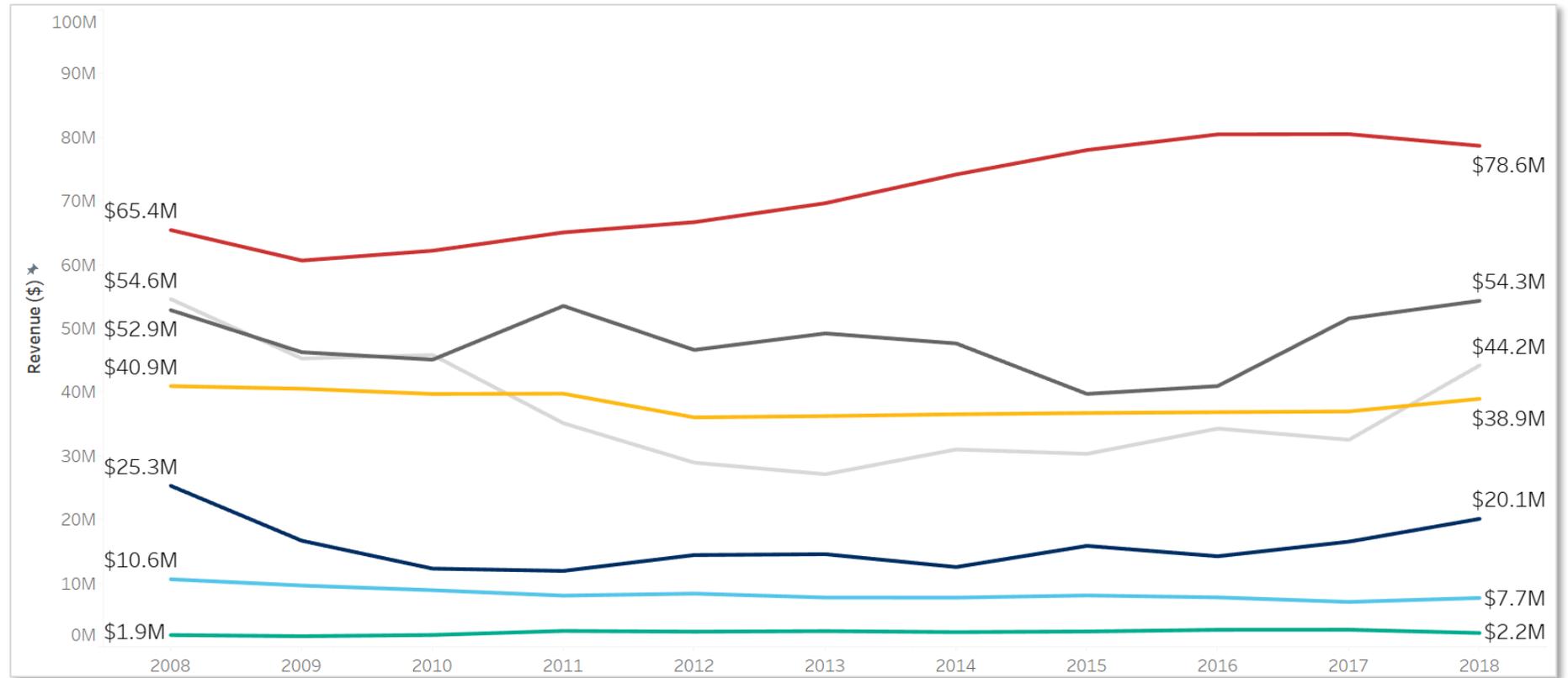
Note: The five-year look in peers excludes 2018 revenues due to the availability of data. Further information may be gathered in Phase II as information becomes publicly available.



General Fund Revenues | Revenue by Type



Sales & Use Taxes comprise the majority of general fund revenue, followed by Service Fees, Intergovernmental and Property Taxes.



Key	
Property Taxes	Service Fees
Sales & Use Taxes	Fines & Forfeitures
Licenses	Intergovernmental
	Misc. Revenue

General Fund Revenues | Year-Over-Year Percent Change by Source



All revenues experienced a decline in 2009 from the prior year, with only license revenues growing in 2010 and 2011; other revenue sources continued to decline or remain relatively flat. 2015 was a turning point with most revenues increasing, except for service fees.

Service Fees, Misc. Revenue and Intergovernmental were inconsistent throughout, fluctuating over the 11-year time period. Property taxes remained the most constant until 2018 where it rose significantly due to increased assessed values from the 2017 reassessment.

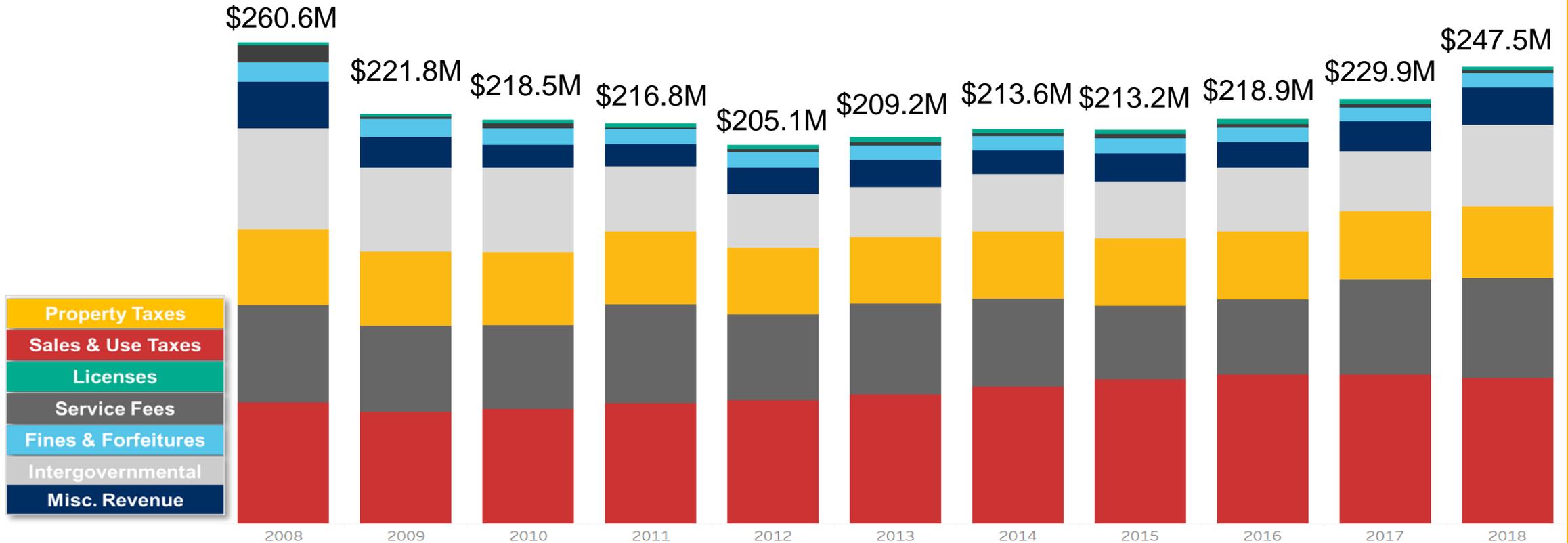
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Property Taxes	-1.0%	-2.0%	0.1%	-9.4%	0.6%	0.8%	0.6%	0.4%	0.3%	5.3%
Sales & Use Taxes	-7.3%	2.5%	4.6%	2.5%	4.5%	6.5%	5.2%	3.2%	0.0%	-2.3%
Licenses	-10.1%	11.8%	33.6%	-4.7%	3.8%	-6.5%	4.4%	10.8%	0.6%	-19.1%
Service Fees	-12.5%	-2.5%	18.7%	-12.9%	5.6%	-3.2%	-16.6%	3.1%	25.9%	5.4%
Fines & Forfeitures	-9.2%	-7.6%	-9.6%	3.9%	-7.4%	-0.2%	4.4%	-3.8%	-9.2%	8.8%
Intergovernmental	-17.1%	1.2%	-23.4%	-17.6%	-6.3%	14.4%	-2.2%	13.1%	-5.1%	36.0%
Misc. Revenue	-34.1%	-26.3%	-2.9%	20.9%	0.9%	-13.9%	26.5%	-10.3%	16.1%	21.7%

General Fund Revenues | All Sources by Type



7 primary revenue sources exist within the general fund:

- Property
- Sales & Use Taxes
- Licenses
- Service Fees
- Fines & Forfeitures
- Intergovernmental
- Misc. Revenues



General Fund Revenues | All Sources by Type



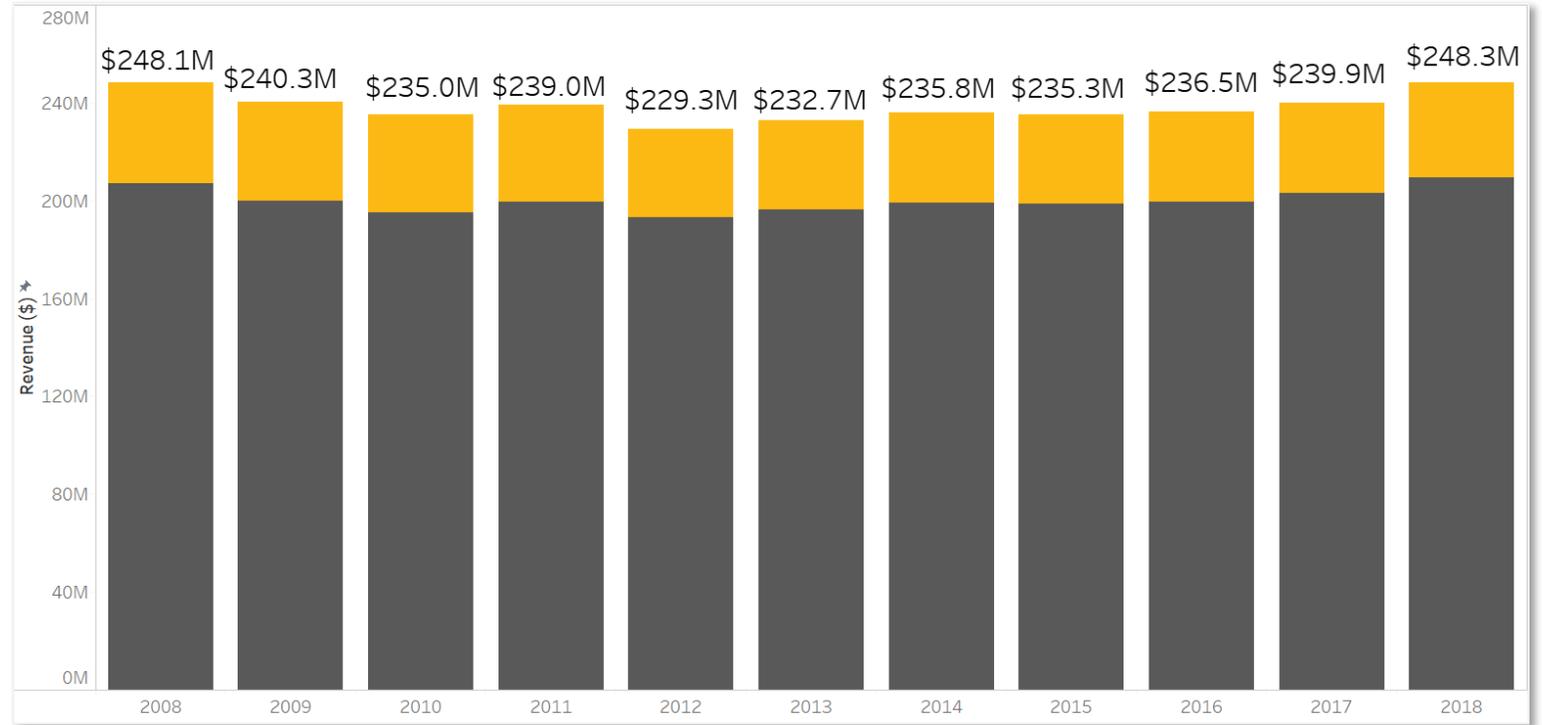
The mix of revenue has shifted slightly by source between 2008 and 2018, as explored in greater detail on the forthcoming slides.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Licenses	\$1.9M 0.7%	\$1.7M 0.8%	\$1.9M 0.9%	\$2.5M 1.2%	\$2.4M 1.2%	\$2.5M 1.2%	\$2.3M 1.1%	\$2.4M 1.1%	\$2.7M 1.2%	\$2.7M 1.2%	\$2.2M 0.9%
Fines & Forfeitures	\$9.0M 3.5%	\$1.2M 0.5%	\$2.6M 1.2%	\$0.9M 0.4%	\$1.7M 0.8%	\$2.2M 1.1%	\$1.7M 0.8%	\$2.2M 1.0%	\$1.7M 0.8%	\$2.1M 0.9%	\$1.4M 0.6%
Other Financing	\$10.6M 4.1%	\$9.6M 4.3%	\$8.9M 4.1%	\$8.0M 3.7%	\$8.4M 4.1%	\$7.8M 3.7%	\$7.7M 3.6%	\$8.1M 3.8%	\$7.8M 3.6%	\$7.1M 3.1%	\$7.7M 3.1%
Misc. Revenue	\$25.3M 9.7%	\$16.7M 7.5%	\$12.3M 5.6%	\$11.9M 5.5%	\$14.4M 7.0%	\$14.6M 7.0%	\$12.5M 5.9%	\$15.9M 7.4%	\$14.2M 6.5%	\$16.5M 7.2%	\$20.1M 8.1%
Intergovernmental	\$54.6M 20.9%	\$45.3M 20.4%	\$45.8M 21.0%	\$35.1M 16.2%	\$28.9M 14.1%	\$27.1M 13.0%	\$31.0M 14.5%	\$30.3M 14.2%	\$34.3M 15.7%	\$32.5M 14.1%	\$44.2M 17.9%
Property Taxes	\$40.9M 15.7%	\$40.5M 18.3%	\$39.7M 18.2%	\$39.7M 18.3%	\$36.0M 17.6%	\$36.2M 17.3%	\$36.5M 17.1%	\$36.7M 17.2%	\$36.8M 16.8%	\$37.0M 16.1%	\$38.9M 15.7%
Service Fees	\$52.9M 20.3%	\$46.2M 20.8%	\$45.1M 20.6%	\$53.5M 24.7%	\$46.6M 22.7%	\$49.2M 23.5%	\$47.6M 22.3%	\$39.7M 18.6%	\$40.9M 18.7%	\$51.5M 22.4%	\$54.3M 22.0%
Sales & Use Taxes	\$65.4M 25.1%	\$60.6M 27.3%	\$62.2M 28.5%	\$65.1M 30.0%	\$66.7M 32.5%	\$69.6M 33.3%	\$74.1M 34.7%	\$78.0M 36.6%	\$80.4M 36.8%	\$80.5M 35.0%	\$78.6M 31.8%

General Fund Revenues | Property Taxes



Property tax, the County's largest revenue source, supports both the county's general and restricted funds. **Hamilton County levies nine property taxes, totaling an effective millage rate in 2019 of \$15.10 for every \$1,000 of assessed value (\$2.26 supports the general fund).** In addition to property taxes levied by the County, Hamilton County residents may be subject to additional property taxes levied by townships or school districts.



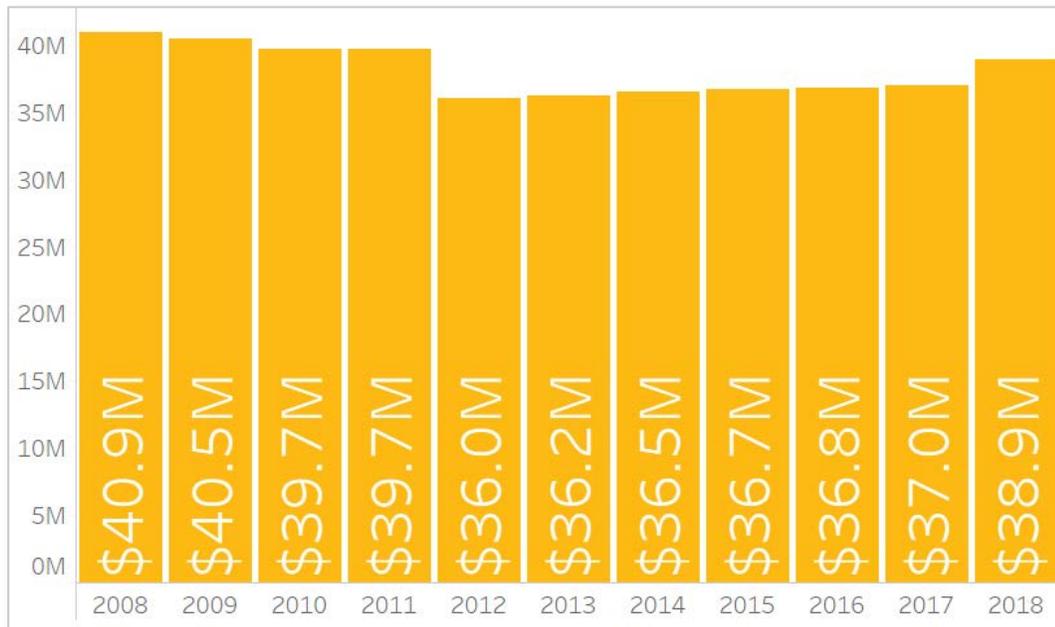
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General	\$40.9M	\$40.5M	\$39.7M	\$39.7M	\$36.0M	\$36.2M	\$36.5M	\$36.7M	\$36.8M	\$37.0M	\$38.9M
Restricted	\$207.2M	\$199.7M	\$195.3M	\$199.3M	\$193.3M	\$196.5M	\$199.3M	\$198.6M	\$199.7M	\$203.0M	\$209.3M

General Fund Revenues | Property Taxes – Revenues & Assessed Valuations

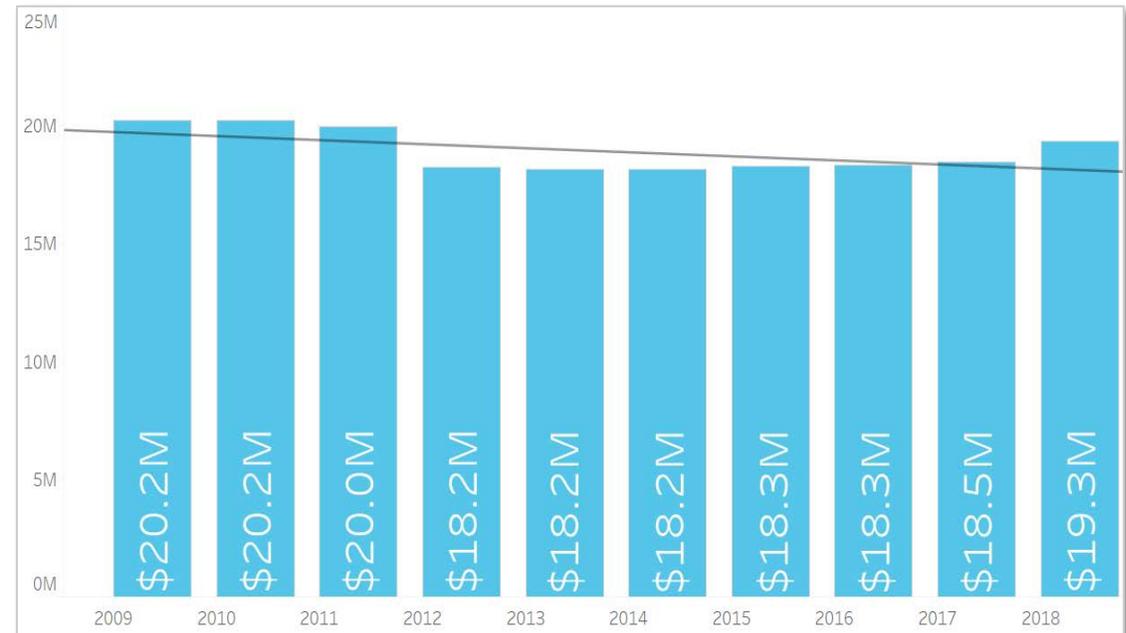


Property tax **revenues has remained stable since 2008** at approximately \$36M - \$40M annually. Revenues increased in 2018 due to the reassessment of property values in 2017.

Property Tax Revenues



Assessed Valuation

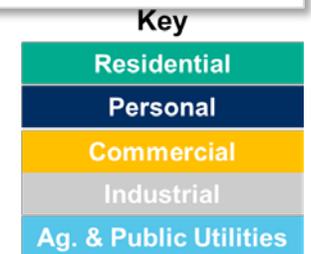
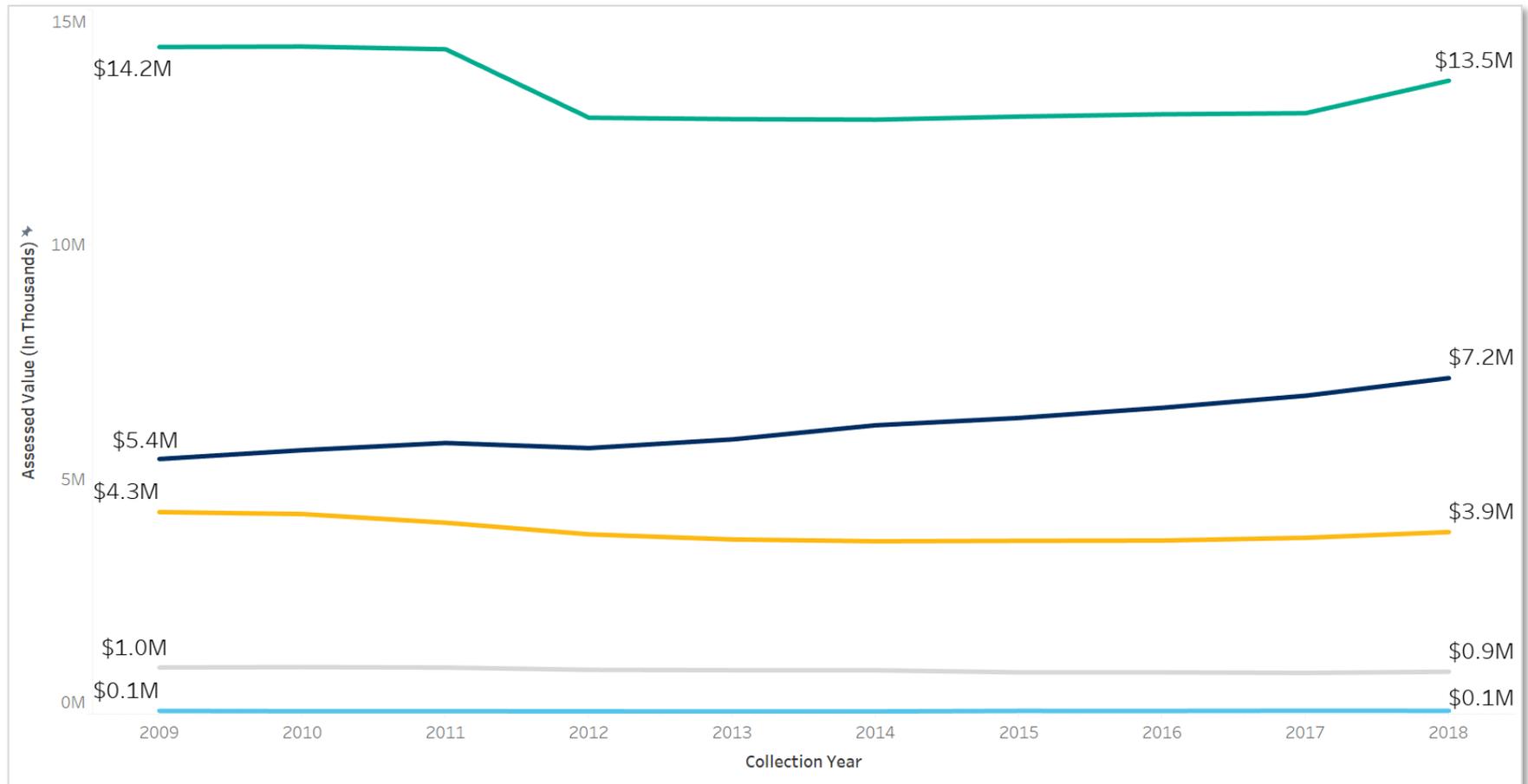


Note: Stable property tax revenue is expected as Ohio countywide levies are calculated to generate a set revenue amount annually. For example, if property values increase, the effective millage decreases, and therefore revenues remain level. Hamilton County has only increased one levy since 2008 (Children's Services in 2017).

General Fund Revenues | Property Taxes – Assessed Valuations



Fluctuations in assessed valuations vary by property types. Residential decreased in 2012, but has steadily increased through 2018. Commercial decreased in 2012, remaining fairly flat over the past 6 years.



General Fund Revenues | Property Taxes (continued)



Hamilton County's current property tax levies include:

- County General Fund Levy
- Family Services and Treatment Levy
- Health and Hospital Care – Indigent Care Levy
- Mental Health Levy
- Developmental Disabilities Services Levy
- CLEAR (Countywide Law Enforcement Applied Regionally) Levy
- Children Services Levy
- Senior Services Levy
- Cincinnati Zoo and Botanical Gardens Levy

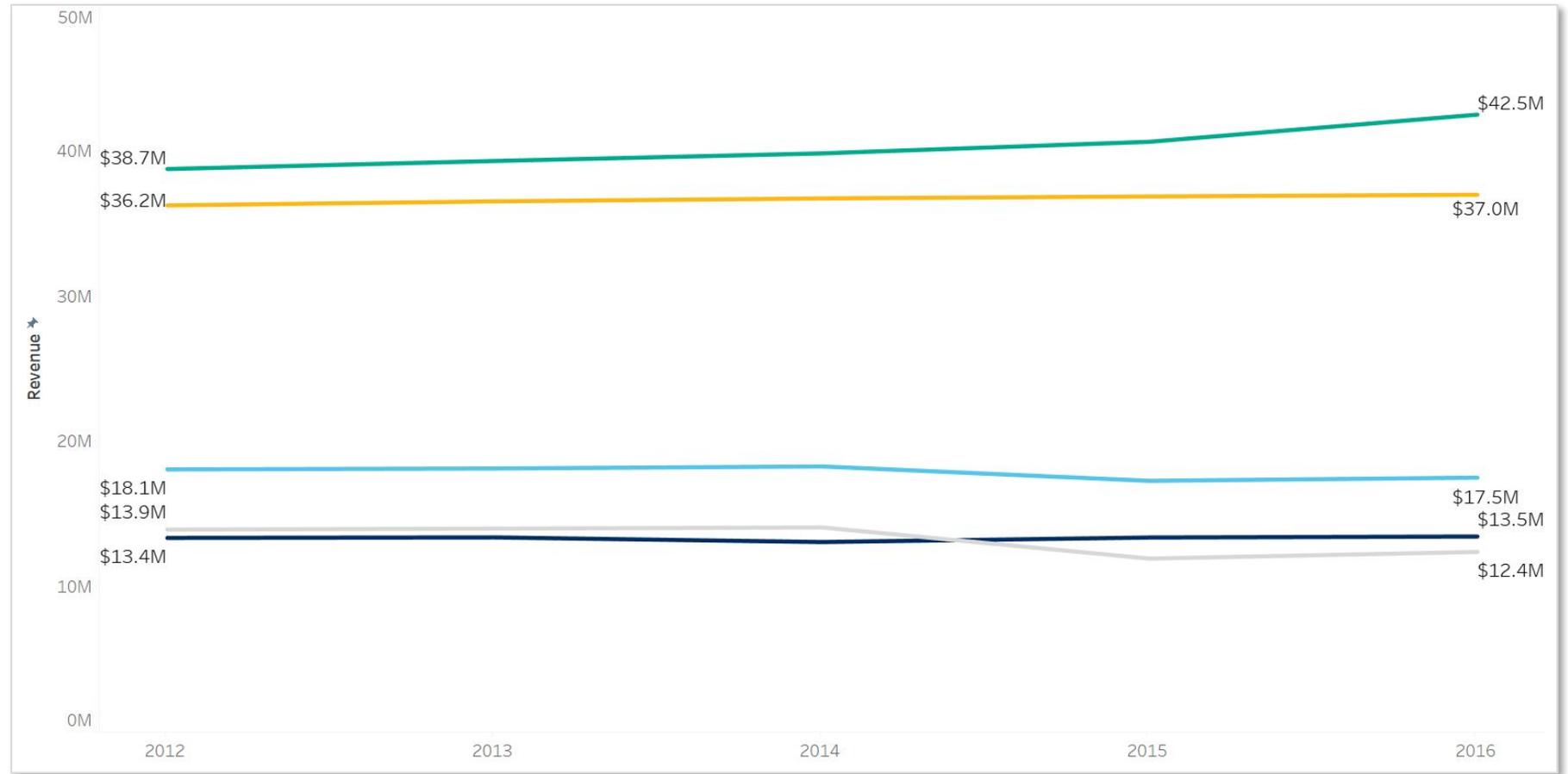
Since 2008, the county's property tax revenue generation has remained stagnant with an annual average growth rate below 1%. Stagnant property tax revenues are consistent with relatively flat assessed values evident among each of the county's property types.

In 2018, the County collected approximately \$248 million in property taxes, 15% of which supported the county's general fund (\$38.9 million). The county's 2018 property tax revenue, for both restricted and general funds, is consistent with historical averages.

General Fund Revenues | Peer Comparisons: Property Taxes – Revenue



Hamilton County's property tax revenue has remained fairly consistent, compared to Summit and Cuyahoga which declined. Montgomery and Franklin have seen recent increases in revenues.



Note: The five-year look in peer revenues excludes 2018 data due to the availability of data. Further information may be gathered in Phase II as information becomes publicly available.



General Fund Revenues | Peer Comparisons: Property Taxes – Rate



Hamilton County's 2019 effective millage rate falls in the middle of all peer counties. See the following slide for a comparison of all the property tax levies in each county.



Montgomery County
16.94



Franklin County
16.15



Hamilton County
15.10



Cuyahoga County
13.88



Summit County
12.70

General Fund Revenues | Peer Comparisons: Property Taxes (continued)



Aside from the general fund millage rate, Hamilton County utilizes similar property tax levies to its peers.

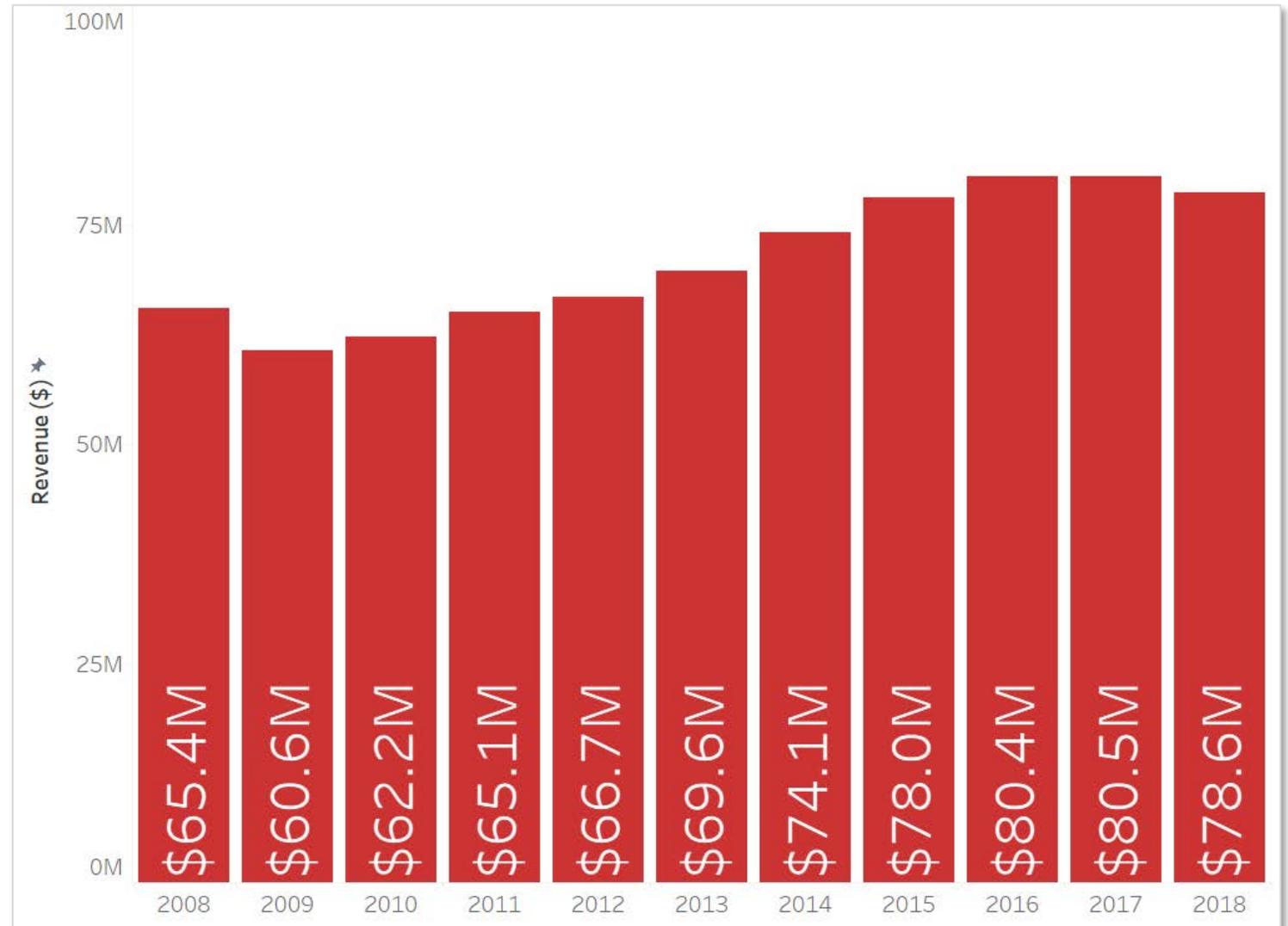
Tax Type	Hamilton	Cuyahoga	Franklin	Montgomery	Summit
General Fund / Operation	2.26	0.50	1.47	1.70	1.46
Child Services	3.78		4.32		2.25
Mental Health	1.58	8.58	1.96		2.95
Family Services & Treatment	0.33				
Bond Retirement		0.95			0.74
Developmental Disabilities	3.78		6.22	1.00	4.50
Zoo	0.34		0.62		0.80
Health & Welfare / Human Svc.	1.63	3.85		14.24	
Senior Services/Aging	1.25		1.56		
Information Center	0.16				
Total	15.10	13.88	16.15	16.94	12.70

General Fund Revenues | Sales & Use Taxes



Sales tax in Hamilton County is currently 7.0%. The 7% includes the following levies:

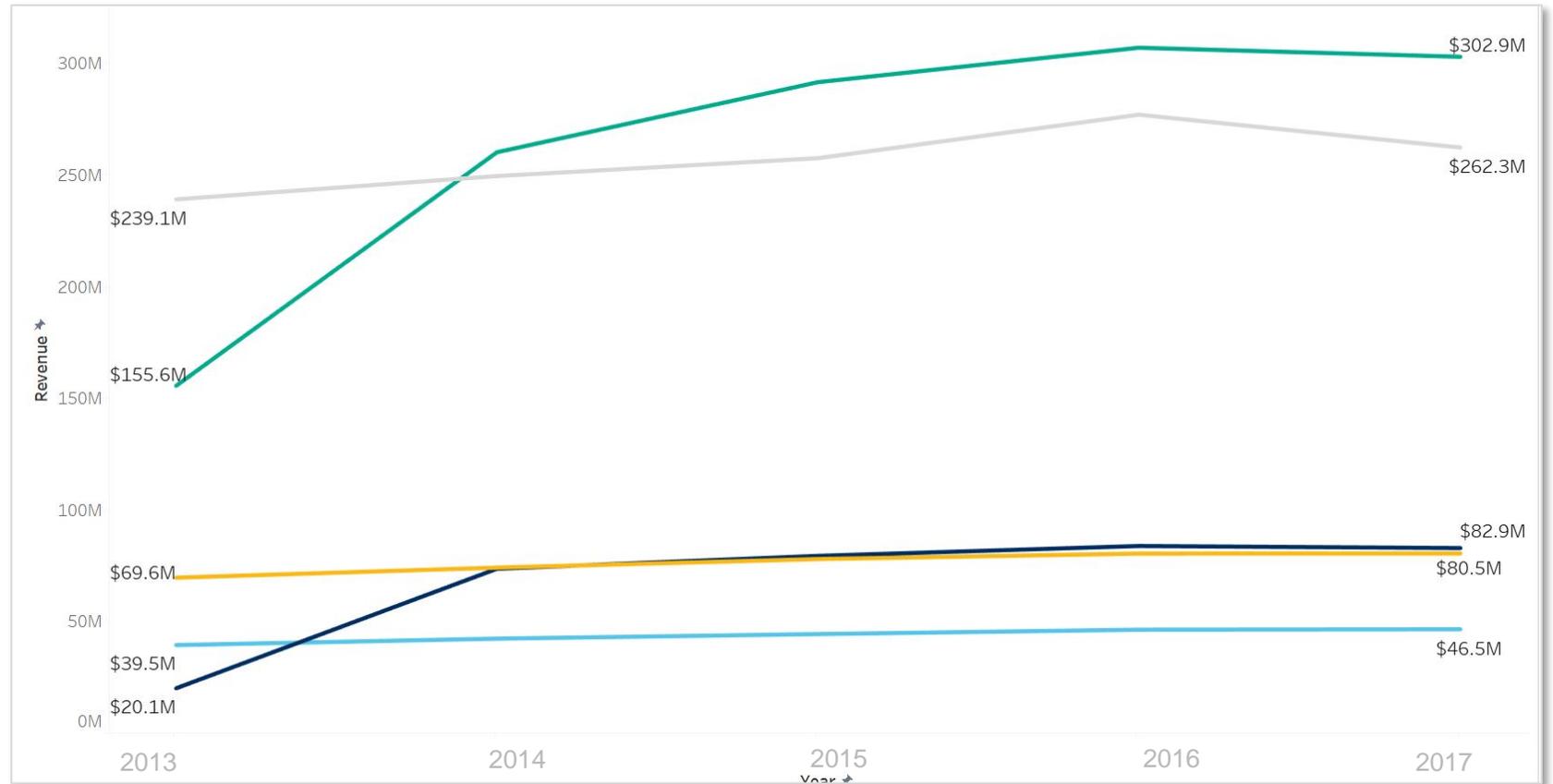
- 5.75% to the state
- 0.50% to the county general fund
- 0.50% to stadia
- 0.25% to Union Terminal



General Fund Revenues | Peer Comparisons: Sales Tax



Sales tax revenue has remained relatively flat for Hamilton County, while **peer counties experienced some growth in 2013-2014, with a recent decline from 2016-2017.**



Note: The five-year look in peers excludes 2018 revenues due to the availability of data. Further information may be gathered in Phase II as information becomes publicly available.



General Fund Revenues | Peer Comparisons: Sales Tax



The Sales Tax rate in Hamilton County is 7.0%, which is at the lower end of all peer counties and is in the **bottom 37.5% of all Ohio counties** (55 counties have a higher total sales tax). Please see **Appendix: Ohio Sales Tax Rates** for a listing of rates for each county.

Ohio County	State Sales Tax Rate	Local Sales Tax Rate	Local Transit Tax Rate	Total Sales Tax Rate	% of Sales Tax Allocated to General Fund	2018 General Fund Sales Tax Revenue	2018 General Fund Revenue	% of Sales Tax to Total General Fund	Per Capita General Fund Sales Tax Revenue
Hamilton	5.75%	1.25%	-	7.00%	0.50%	\$78.6M	\$246.1M	32%	\$97
Franklin	5.75%	1.25%	0.50%	7.50%	1.25%	\$303.3M	\$484.7M	63%	\$232
Cuyahoga*	5.75%	1.25%	1.00%	8.00%	1.25%	\$262.3M	\$426.7M	62%	\$211
Montgomery	5.75%	1.25%	0.50%	7.50%	1.25%	\$80.8M	\$162.9M	50%	\$152
Summit*	5.75%	0.50%	0.50%	6.75%	0.50%	\$44.8M	\$113.6M	39%	\$210

Source: 2018 Hamilton County Comprehensive Annual Financial Report (CAFR), 2018 Franklin County CAFR, 2018 Montgomery County CAFR, 2017 Cuyahoga County CAFR, 2017 Summit County CAFR.

*Note: Due to availability of information, 2017 CAFR's were used for Cuyahoga and Summit County.



What sales taxes may be levied by an Ohio County?

The ability to levy taxes is subject to the Ohio Revised Code. Below is a summary of sales taxes the county is able to levy.

Sales tax: In total, a county may levy up to 2 ½ percent in sales tax, as outlined below:

- Section 5739.021 of the Ohio Revised Code allows the **county to levy up to a 1 percent sales tax** on retail sales.
 - The County levies $\frac{3}{4}$ of a percent; $\frac{1}{2}$ of a percent to fund the general fund and $\frac{1}{4}$ of a percent directed to Union Terminal through April 2020.
 - The county has the ability to levy an additional $\frac{1}{4}$ percent today, and may extend the $\frac{1}{4}$ percent that ends in April 2020 (and redirect the funds).
- Section 5739.026 of the Revised Code allows the **county to levy an additional ½ percent sales tax** for limited use, to finance a convention center, provide revenue for a county transit authority, finance a sport facility, for general fund revenue, or improvements, implementation of a 911 system, etc.
 - The County has levied this additional $\frac{1}{2}$ percent since 1996 to support the development of the riverfront area and the construction of two sports arenas.
- Effective July 1, 2018, House Bill 49 allows counties to **levy up to 1 percent sales tax to fund regional transportation**.
 - At this time, Hamilton County has not levied a transportation tax.

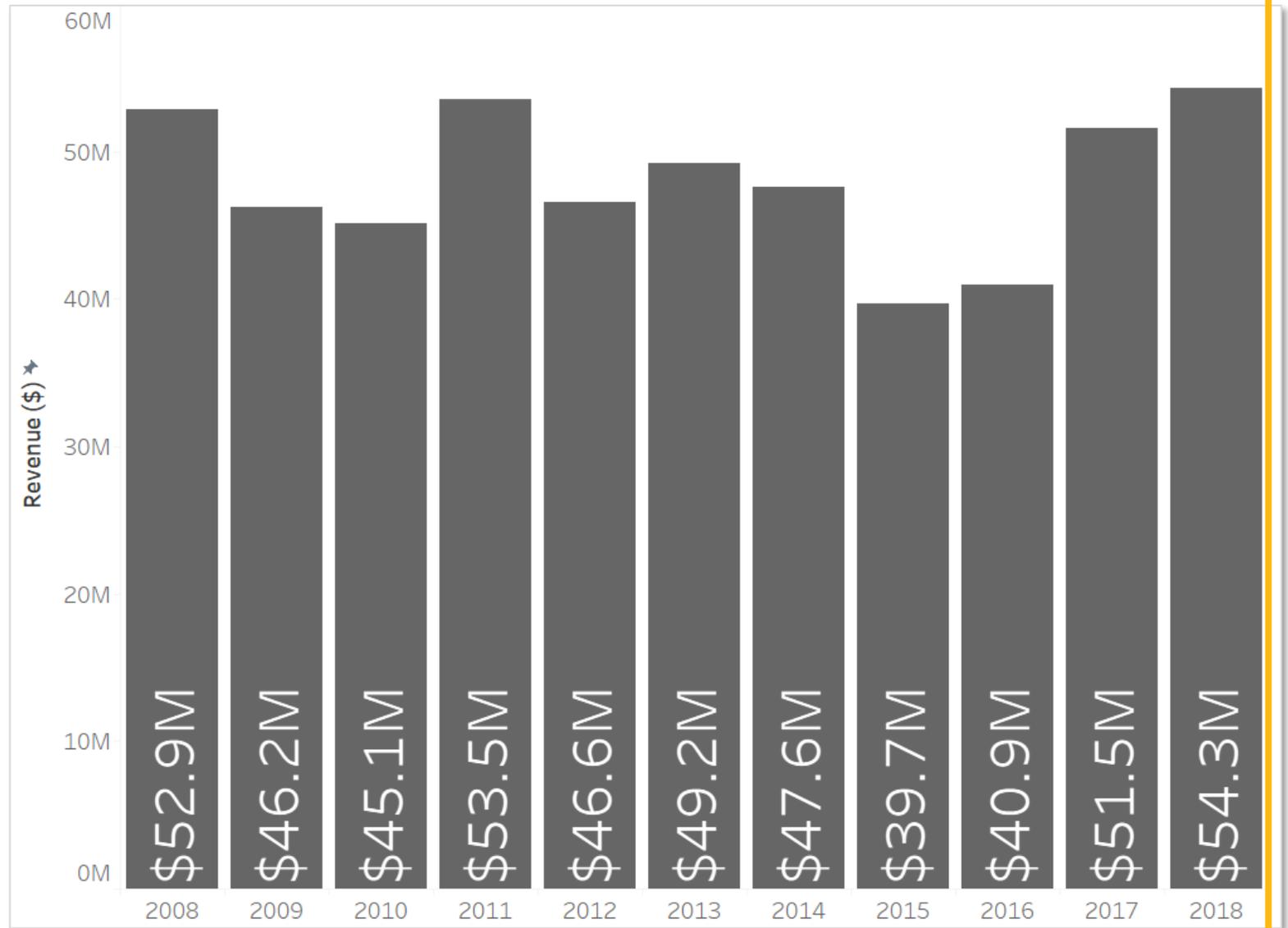
General Fund Revenues | Service Fees



Service Fee revenues have been **growing since 2016**.

Example service fees include:

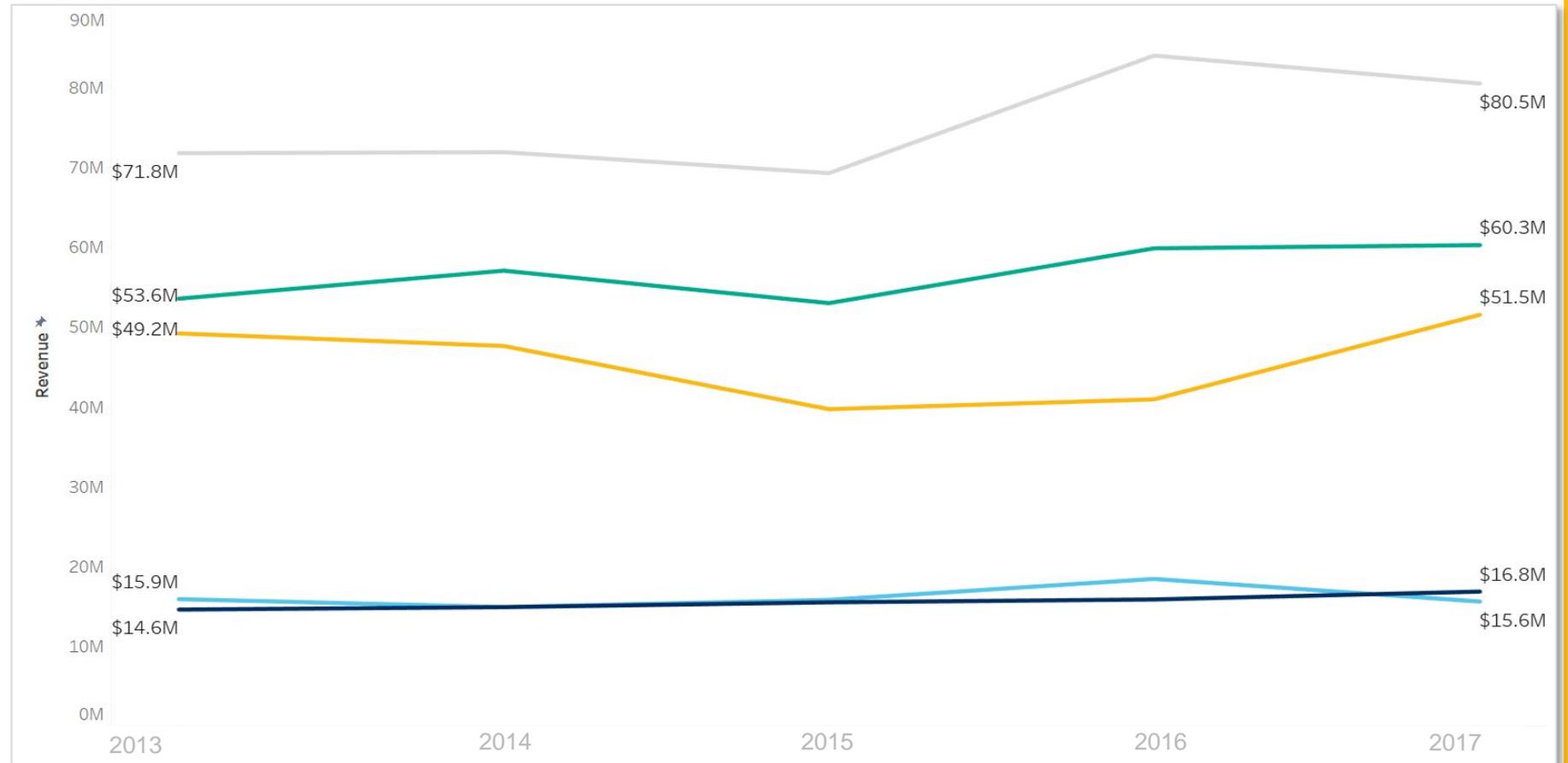
- Sheriff patrol services
- Real estate conveyance
- Real estate transfer
- Recorder
- Real property
- Homestead transactions
- Coroner services
- Laboratory services



General Fund Revenues | Peer Comparisons: Service Fees



While **Service Fees** have fluctuated for Hamilton County with recent growth, **peer counties have experienced a decline or stagnation since 2015.**



Note: The five-year look in peers excludes 2018 revenues due to the availability of data. Further information may be gathered in Phase II as information becomes publicly available.



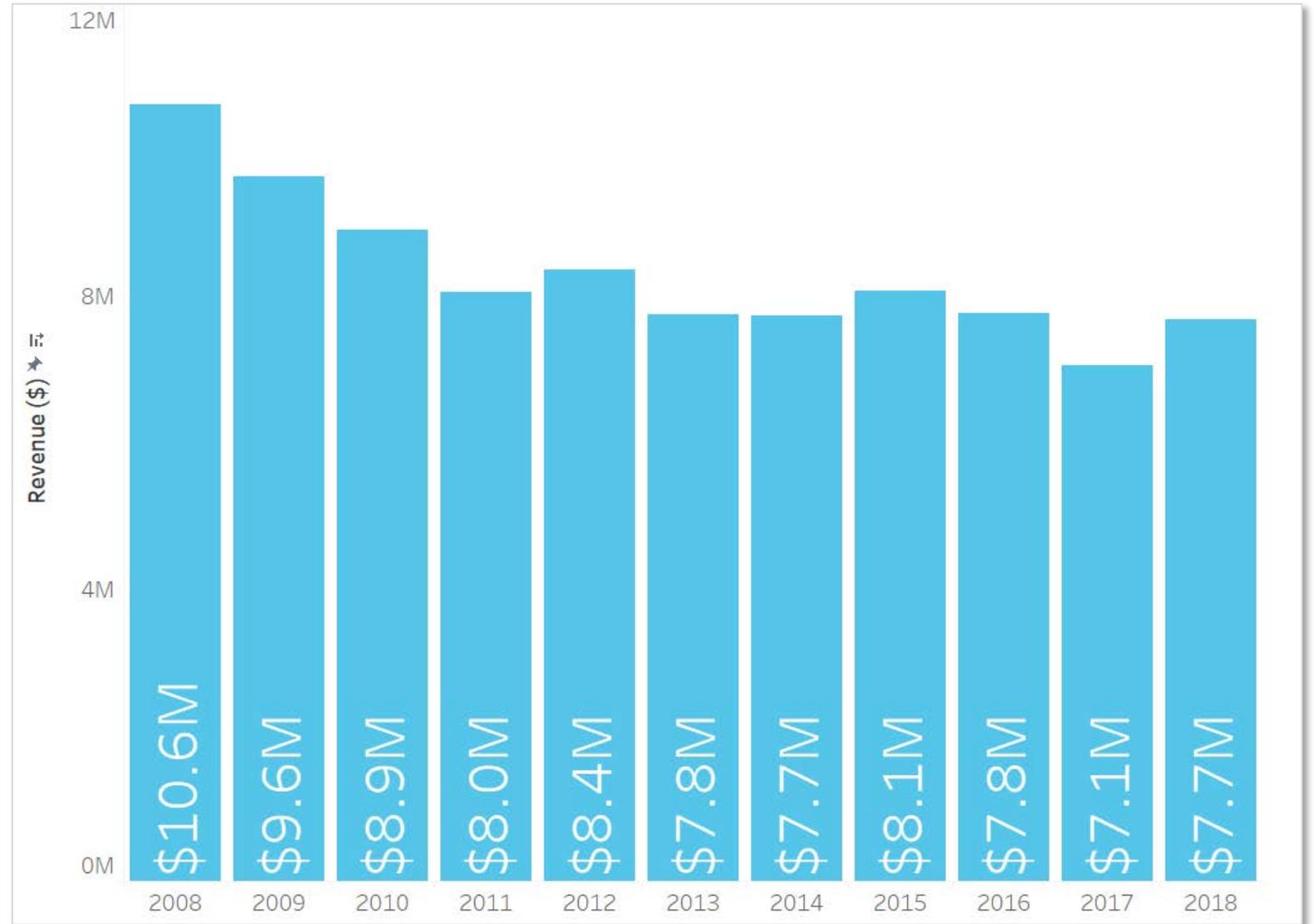
General Fund Revenues | Fines & Forfeitures



Fines and Forfeitures have declined since 2008, and have not fully rebounded.

Fines and Forfeitures types include:

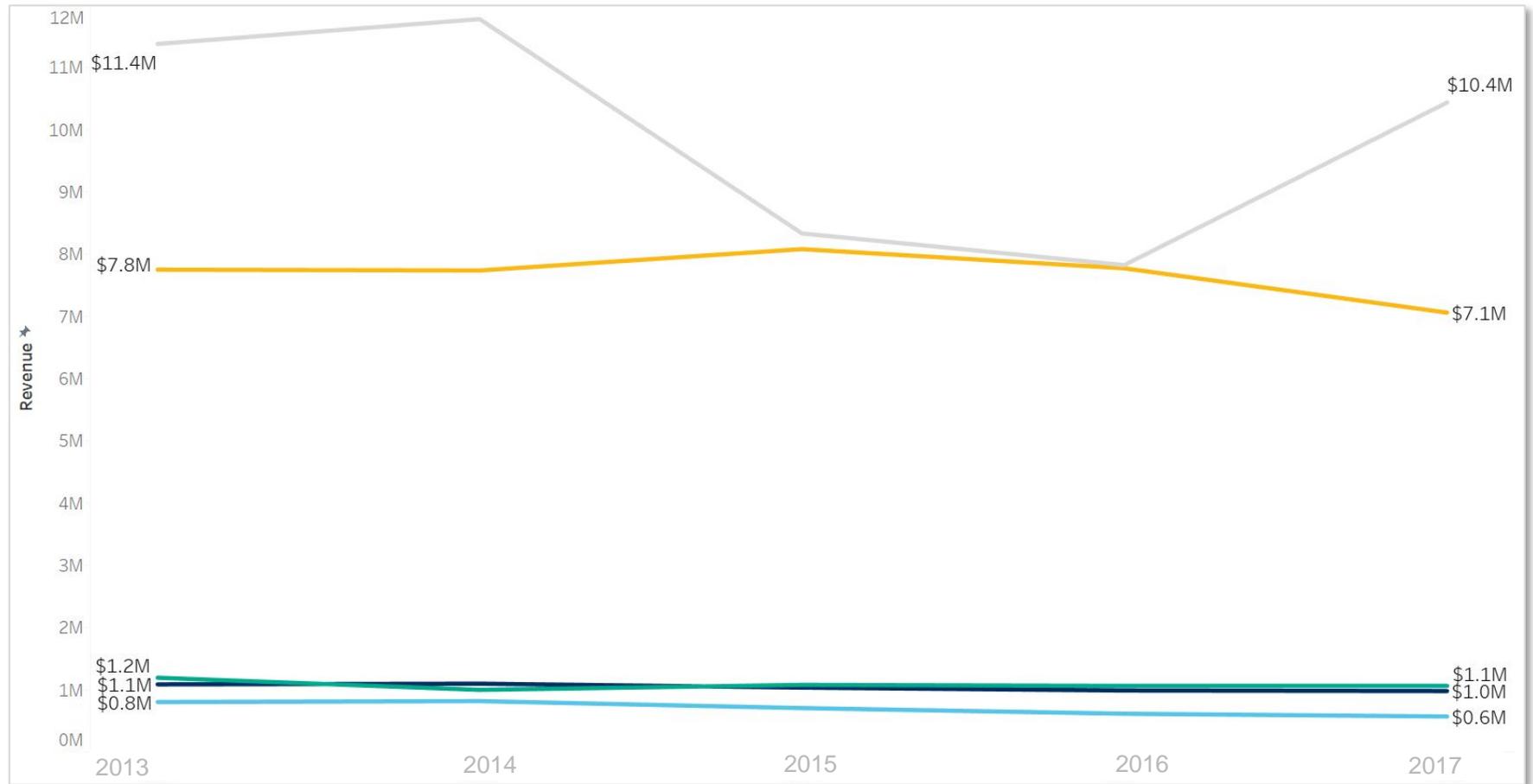
- Court costs
- Forfeited land sales
- Delinquencies
- Bond fees
- Collection agency
- Rental property violations



General Fund Revenues | Peer Comparisons: Fines & Forfeitures



While **Fines & Forfeitures** have declined for Hamilton County, **peer counties are remaining flat or growing** over the 5 year period.



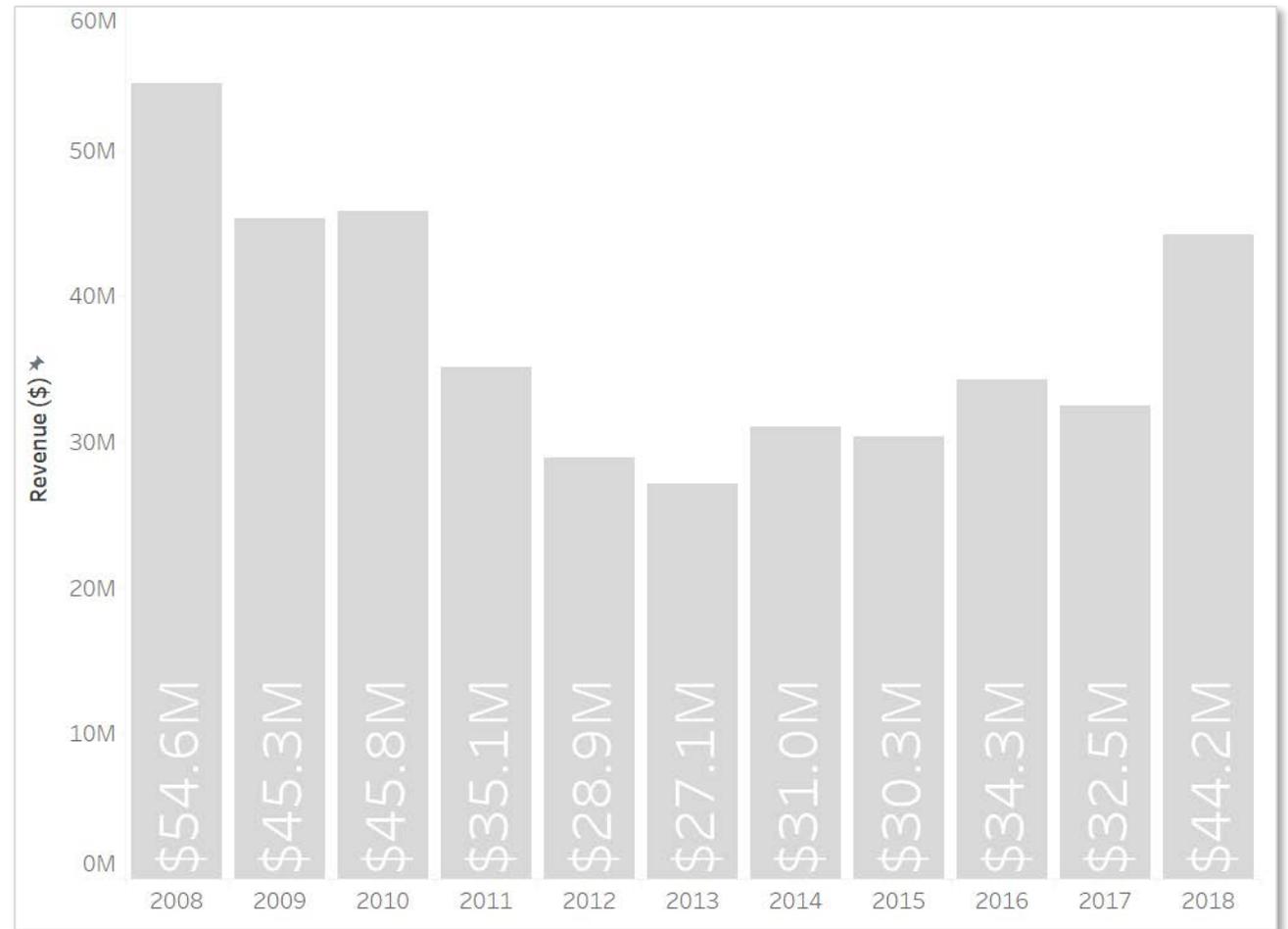
Note: The five-year look in peers excludes 2018 revenues due to the availability of data. Further information may be gathered in Phase II as information becomes publicly available.



General Fund Revenues | Intergovernmental



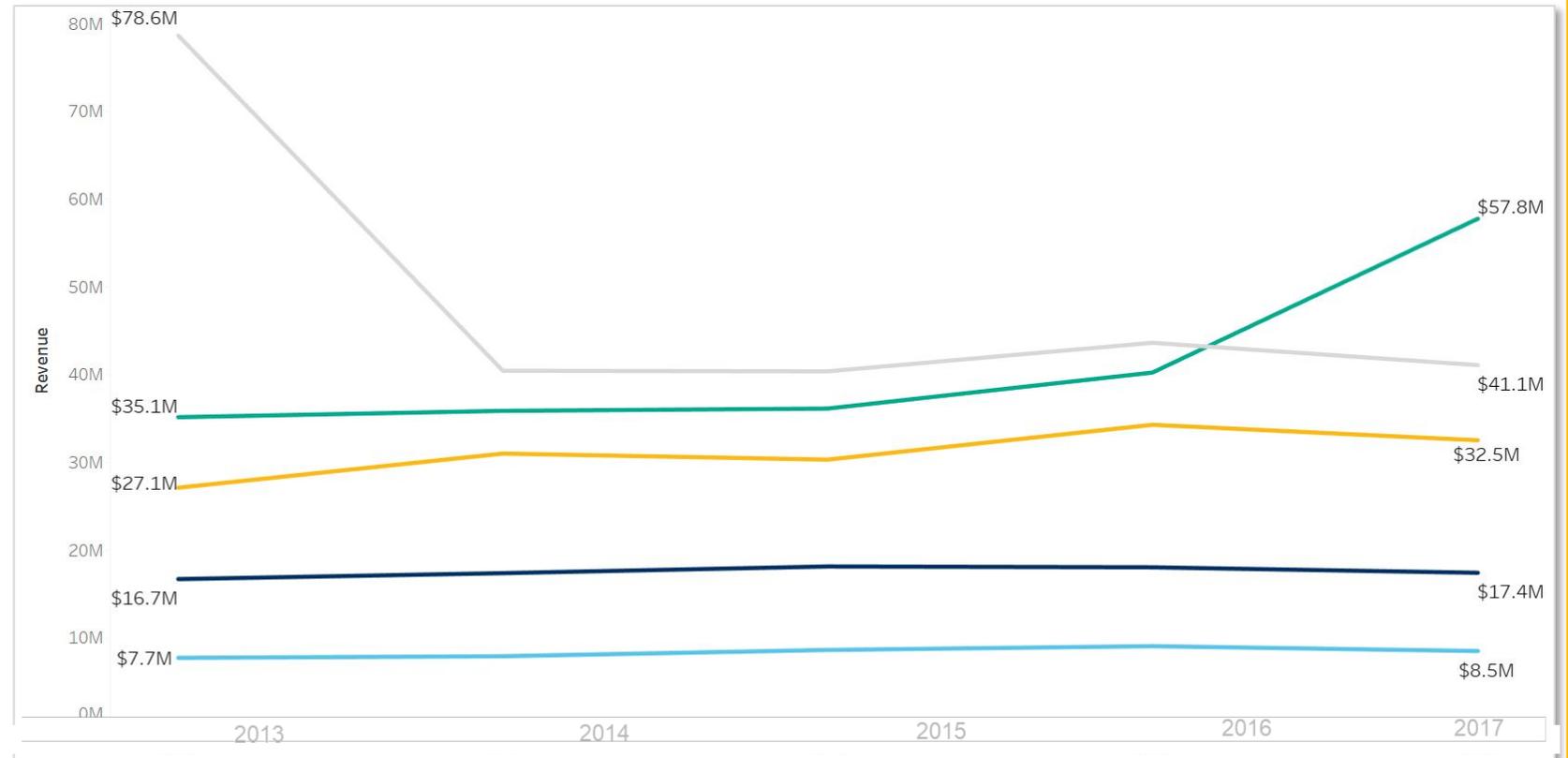
Intergovernmental revenues have declined since 2008 due to changes in the state no longer providing funding to local communities, or reduced funding. For example, the state changed the distribution of the Local Government Fund in the 2012-2013 biennium state budget, which resulted 50% less money in FY2013. In 2018 revenue began to increase, growing 36% from the prior year. This was due to the one time state-provided funding to transition aid for Medicare.



General Fund Revenues | Peer Comparisons: Intergovernmental



While **Intergovernmental Revenues** fluctuated for Hamilton County, they **fluctuated less or the same as their peer counties** over the 5 year period.



Note: The five-year look in peers excludes 2018 revenues due to the availability of data. Further information may be gathered in Phase II as information becomes publicly available.



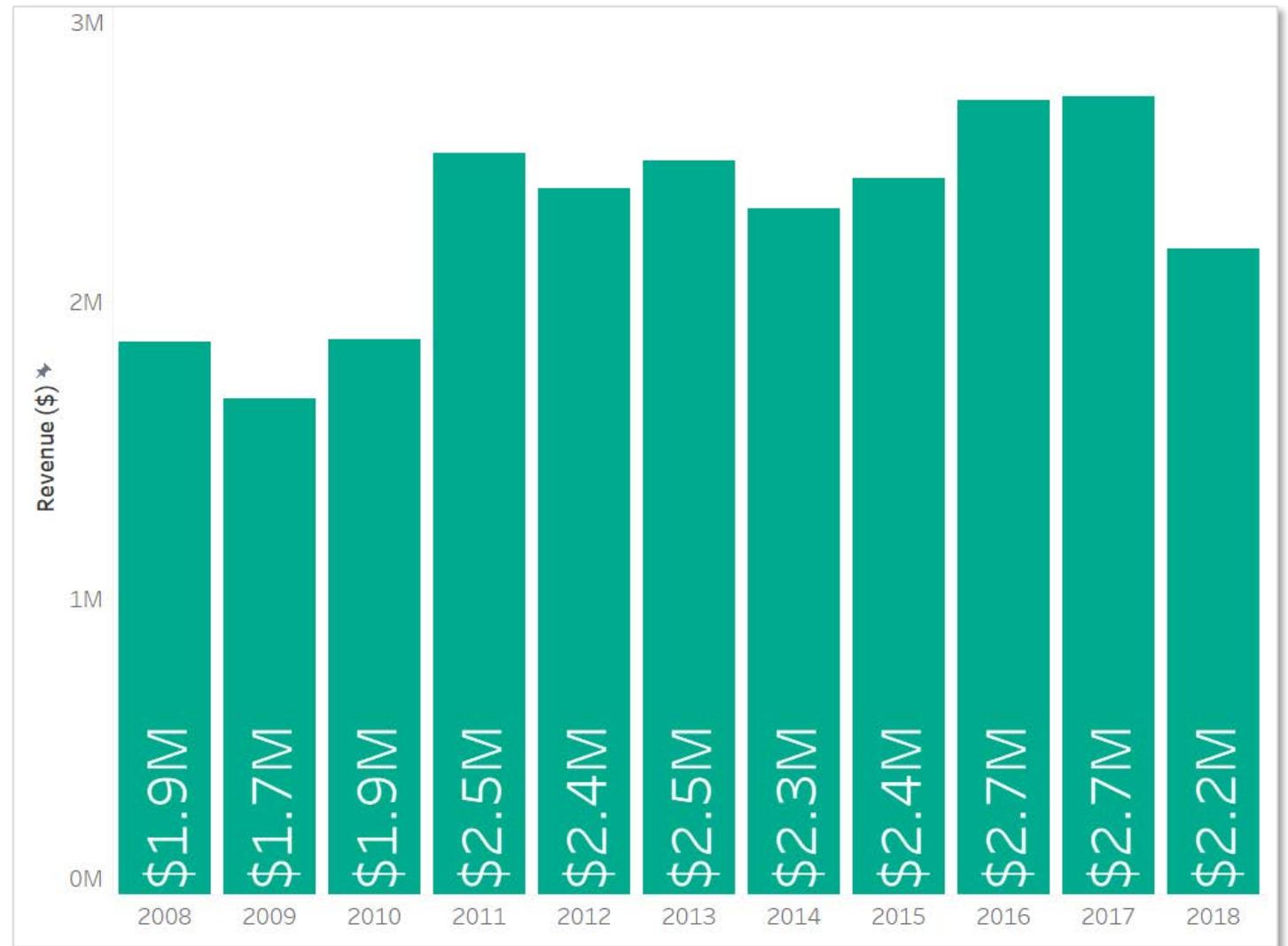
General Fund Revenues | Licenses



While only collecting between \$1.7M - \$2.7M annually, license revenues fluctuate significantly over the 11-year time period.

Common license fees include:

- Building permits
- Vendor
- Cigarette
- Junkyard

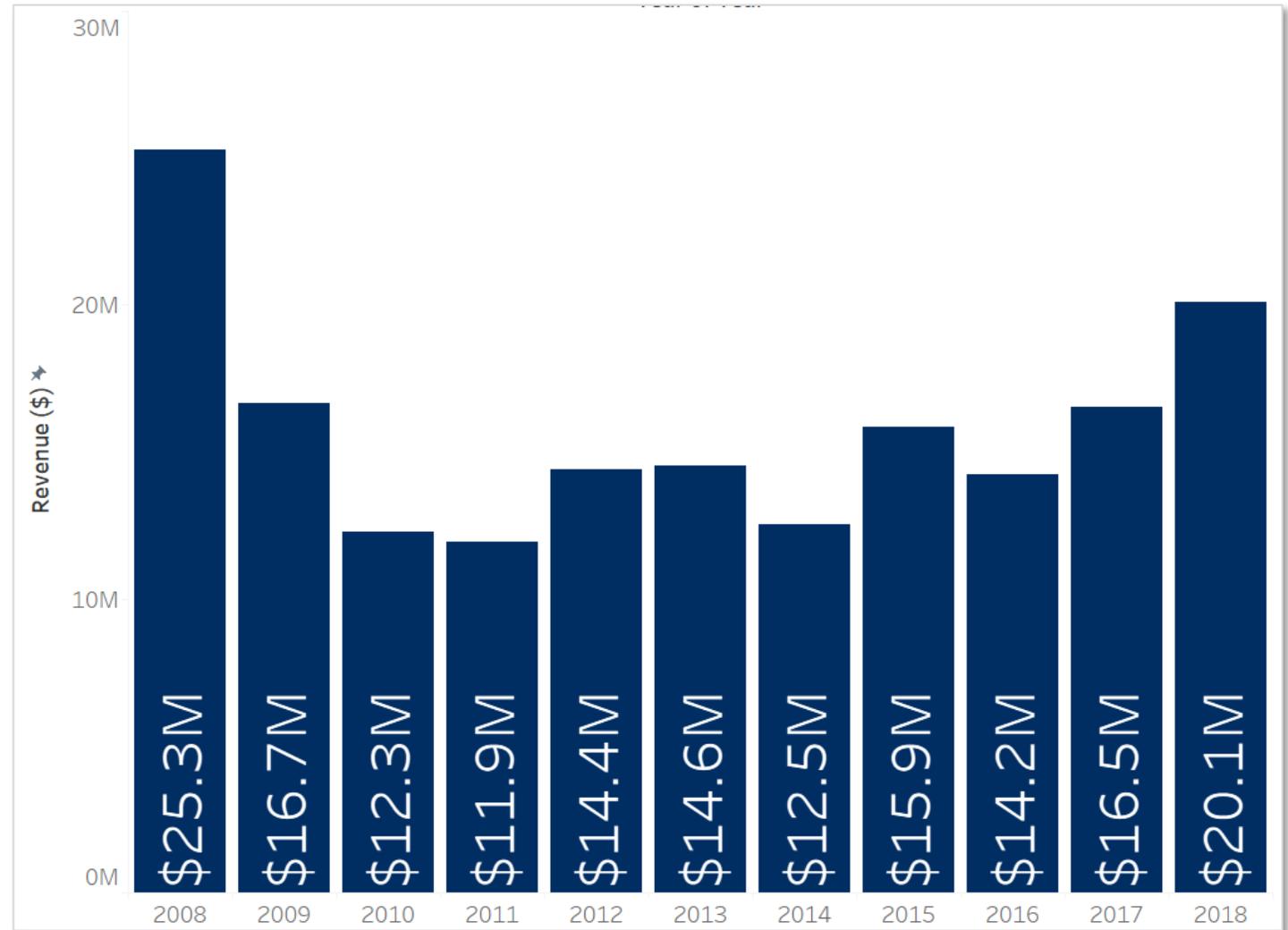


General Fund Revenues | Miscellaneous



Miscellaneous (Misc.) revenues, which includes interest earnings and other taxes, have also fluctuated over the 11 year look-back period.

After the dip in 2008, **Misc. Revenues have never fully rebounded.**



Financial Assessment | Ohio Peer Comparisons: All Revenue Sources



Based on 2018 data, Ohio peer counties have at least **one revenue source that comprises close to 40% or more of the general fund's total revenues except Hamilton County**. Given the difference in general fund revenue composition, Hamilton County is potentially more reliant on the revenues of smaller revenue sources to support core operations.

	Hamilton County, OH	Franklin County, OH	Cuyahoga County, OH	Montgomery County, OH	Summit County, OH
Property Tax	16%	10%	3%	8%	19%
Sales Tax	32%	63%	54%	46%	39%
Charge for Services	22%	11%	15%	11%	13%
Fines and Forfeitures	3%	1%	2%	1%	0%
Intergovernmental	18%	8%	9%	11%	8%
Misc. Revenue	9%	7%	17%	23%	21%

Note: Summit Miscellaneous includes interest, miscellaneous and other taxes, Franklin Miscellaneous includes Investment Earnings, Other Financing Sources, Interfund, Cuyahoga Miscellaneous includes Other Taxes, Investment Earnings and Miscellaneous. Montgomery Miscellaneous includes Miscellaneous, Licenses and Permits, Other Taxes and Miscellaneous.

General Fund Revenues | Peer Comparisons: Total Tax Environment



Hamilton County has maintained a **comparison** of revenues to monitor overall tax rates relative to peer counties. The following table presents the current comparison based on available market data. Hamilton County is mid-tier and well below Franklin and Cuyahoga County for **total tax as a percentage of median income**. School district taxation has been excluded from this analysis due to the volume of districts and range of rates.

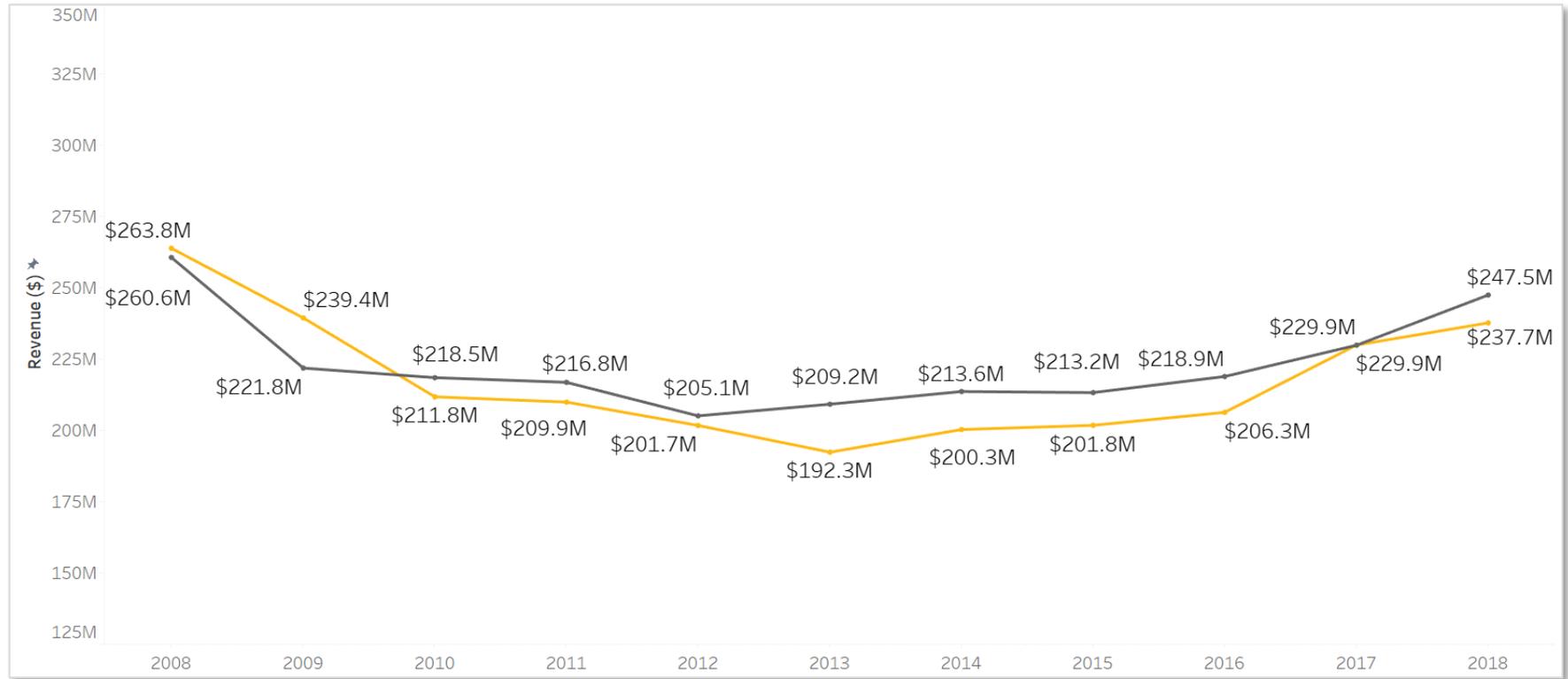
	Hamilton	Franklin	Cuyahoga	Montgomery	Summit
Analysis Inputs					
Median Family Income (2017)	\$48,567	\$58,475	\$34,166	\$37,556	\$46,315
Median Property Value (2017)	\$124,200	\$136,500	\$67,600	\$66,500	\$80,100
Purchases Subject to Sales Tax <i>(estimated)</i>	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Tax Comparison					
Income Tax (Municipalities)	\$1,020	\$1,462	\$683	\$751	\$1,158
Income Tax (State)	\$940	\$1,283	\$505	\$605	\$865
Property Tax (Central City)	\$2,203	\$2,770	\$1,552	\$1,404	\$2,716
Sales Tax	\$700	\$750	\$800	\$750	\$750
Fuel Tax	\$374	\$404	\$356	\$360	\$375
Total Tax	\$5,237	\$6,669	\$3,896	\$3,870	\$5,864
Total Tax as a % of Median Income	10.8%	11.4%	11.4%	10.3%	12.7%

Data sources: Most recent available data from: SmartAsset.com, Factfinder.com, treasurer.franklincountyohio.gov/about-taxes/tax-rates, www.tax-rates.org/ohio/franklin_county_property_tax. SmartAsset.com estimates property tax based on median property taxes. There are typically multiple rates in a given area, because state, county, local schools and emergency responders each receive funding partly through these taxes.

General Fund Revenues | Overall Budget vs. Actuals



General fund **budget to actuals** have been within a **reasonable expected margin** over the past decade, indicating the County has a good understanding of expected revenues each fiscal year and budget appropriately.



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Budget	\$221.8M	\$218.5M	\$216.8M	\$205.1M	\$209.2M	\$213.6M	\$213.2M	\$218.9M	\$229.9M	\$247.5M
Actual	\$239.4M	\$211.8M	\$209.9M	\$201.7M	\$192.3M	\$200.3M	\$201.8M	\$206.3M	\$229.9M	\$237.7M
	\$17.6M	(\$6.7M)	(\$6.9M)	(\$3.4M)	(\$16.8M)	(\$13.3M)	(\$11.5M)	(\$12.6M)	\$0.1M	(\$9.8M)

General Fund Revenues | General Fund Balance & GFOA Comparison



The Government Finance Officers Association (GFOA) recommends, at a minimum, that governments maintain an unrestricted general fund balance of no less than two months of operating revenues.

Based on our analysis of the past 5 years, **Hamilton County is below GFOA's best practice of adequate general fund reserves.**



Source: 2019 Hamilton County Budget in Brief

Note: 2019 uses budgeted revenues and projected fund balances per the Budget in Brief



Financial Assessment: Analysis of General Fund Expenditures

General Fund Expenditures | About the Analysis



This section provides an **analysis of Hamilton County general fund expenditures**, exploring trends and identifying similarities and differences with peer communities in Ohio given the similarities with statutes and ordinances.

The general fund expenditure analysis explores **trends over the past 5-11 years**, based on available data.

The analysis is based on data provided by Hamilton County and other reliable sources, as cited through the assessment.

Personnel

Capital Outlays

Other Expenditures

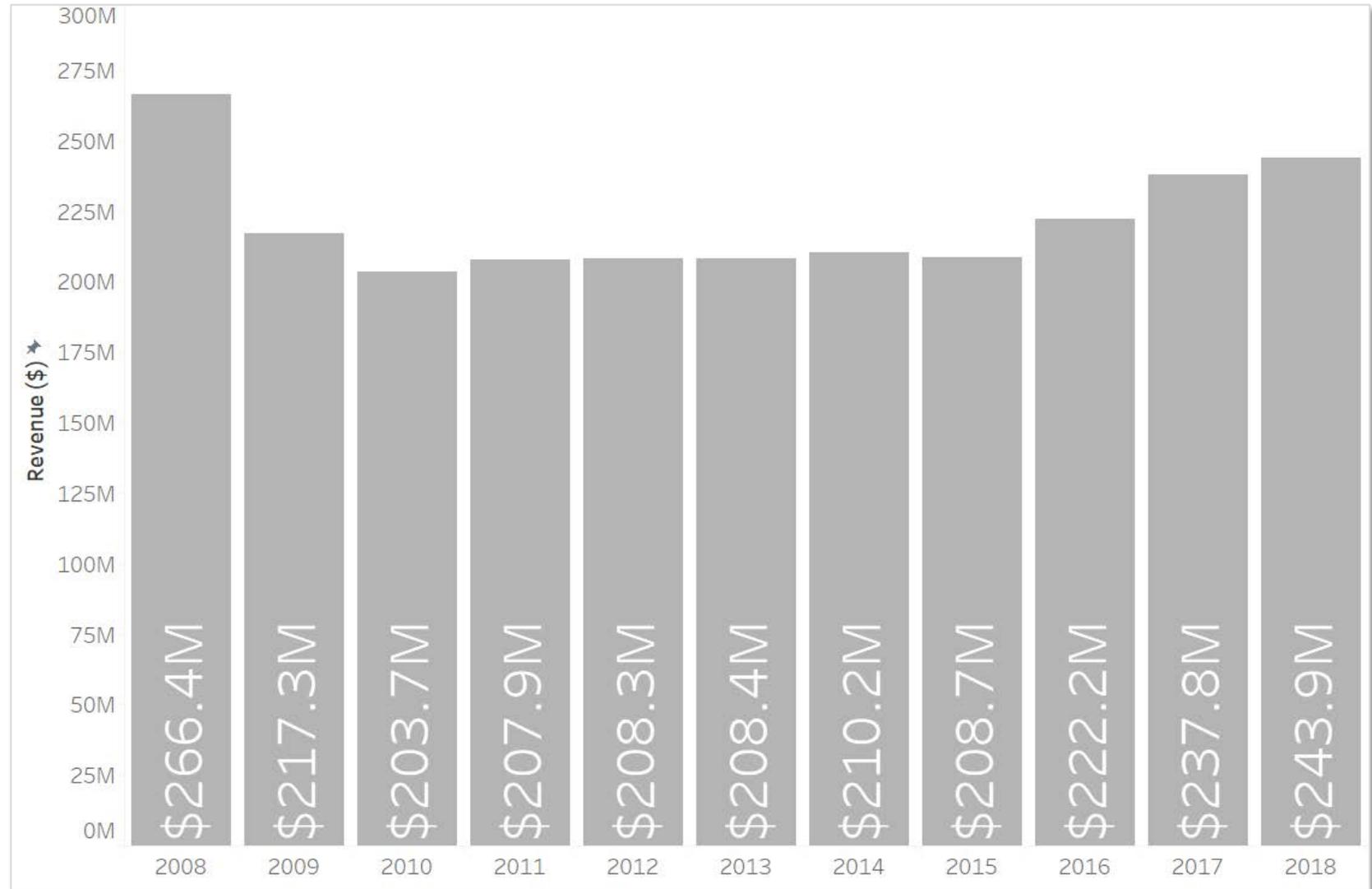
Operating Transfers

General Fund Expenditures | All General Fund Expenditures



General fund expenditures were cut sharply in 2009 and 2010 due to declining revenues. Expenditures remained relatively flat from 2011 – 2015, then began to climb from 2016 – 2018.

Increases in expenditures can be attributed to rising personnel and operating transfers.

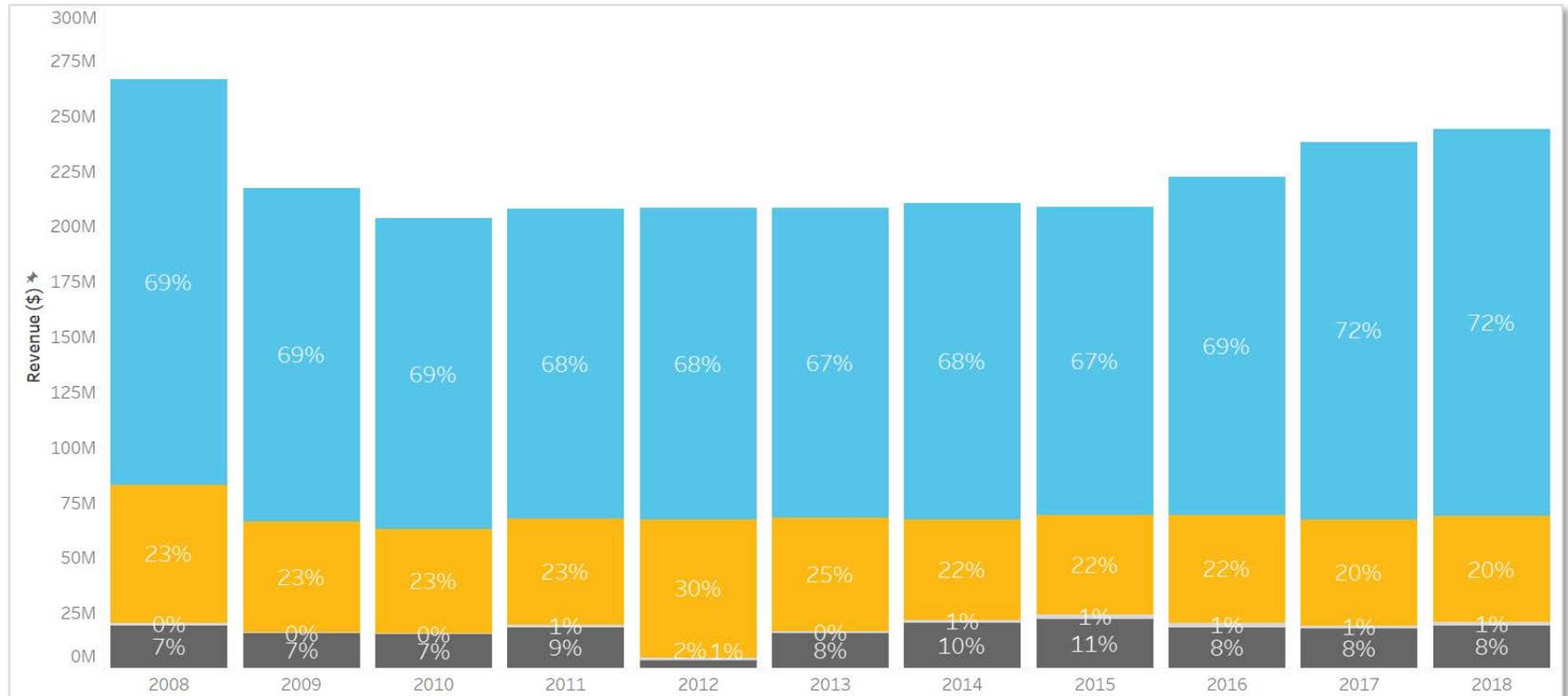


General Fund Expenditures | All General Fund Expenditures



Personnel costs account for approximately **70% of the general fund expenses**, on average over the past 11 years.

Other expenditures, the second largest expense category, accounts for **general operating costs** including supplies and contractual services.

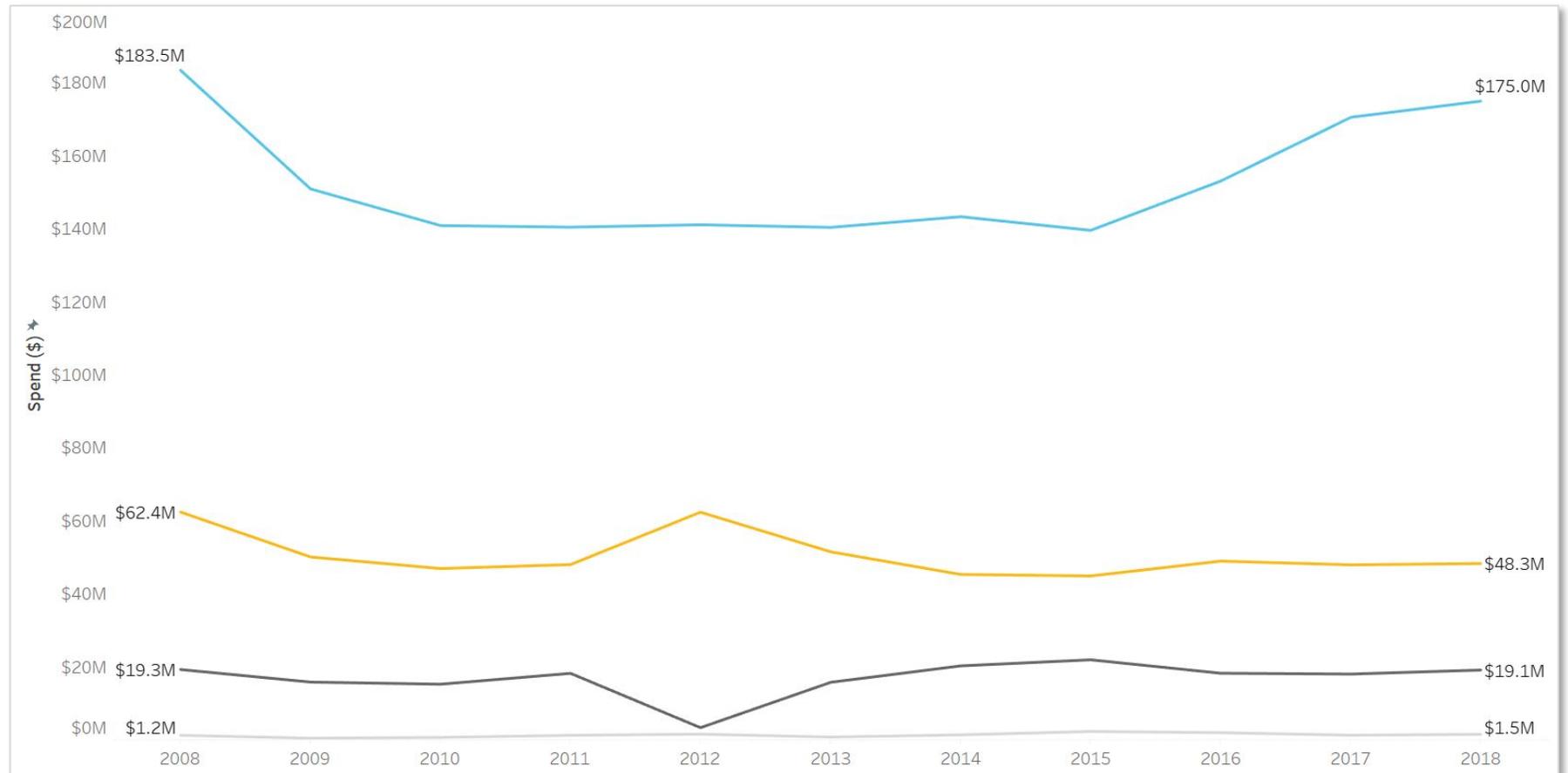


General Fund Expenditures | All General Fund



General fund **expenditures** have **fluctuated** over the years, with capital outlays remaining relatively flat.

Personnel costs are **trending up** since 2015.



General Fund Expenditures | Peer Comparisons: All Expenditures



Hamilton County's general fund expenditures are **budgeted to be less than peer counties** as a percentage of total revenues in 2019. The following slides provide a **functional area breakdown** of general fund expenditures for each county.

2019 Budgeted Expenditures – General Fund vs. Total

County	Total Expenditures	Total General Fund Expenditures	General Fund Expenditures as Percent of Total	General Fund Expenditures Per Capita
Hamilton County, OH	\$1.2B	\$0.2B	16.7%	\$294
Franklin County, OH	\$1.3B	\$0.5B	38.5%	\$356
Cuyahoga County, OH	\$1.5B	\$0.4B	26.7%	\$294
Montgomery County, OH	\$0.9B	\$0.2B	22.2%	\$324
Summit County, OH	\$0.5B	\$0.1B	20.0%	\$212

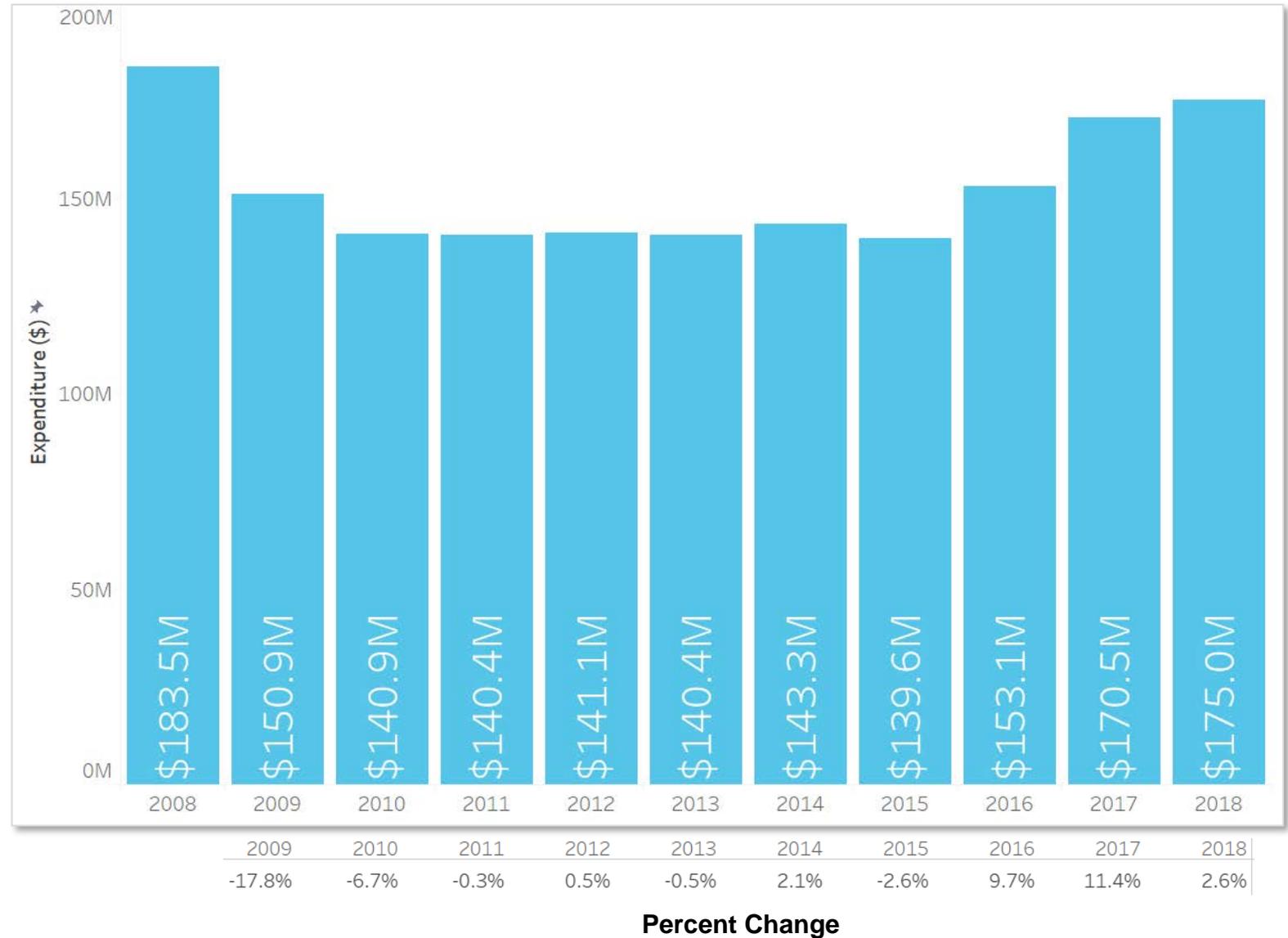
Note: Hamilton County budgeted expenditures includes all County funds (such as 921 and 946)

General Fund Expenditures | Personnel



General fund **personnel declined in 2009**, remained stagnant through 2015, and then began **increasing in 2016 and beyond**.

Personnel costs began to increase in 2016 due to rising salary and healthcare costs, we well as increases in the number of FTEs supported by the general fund.

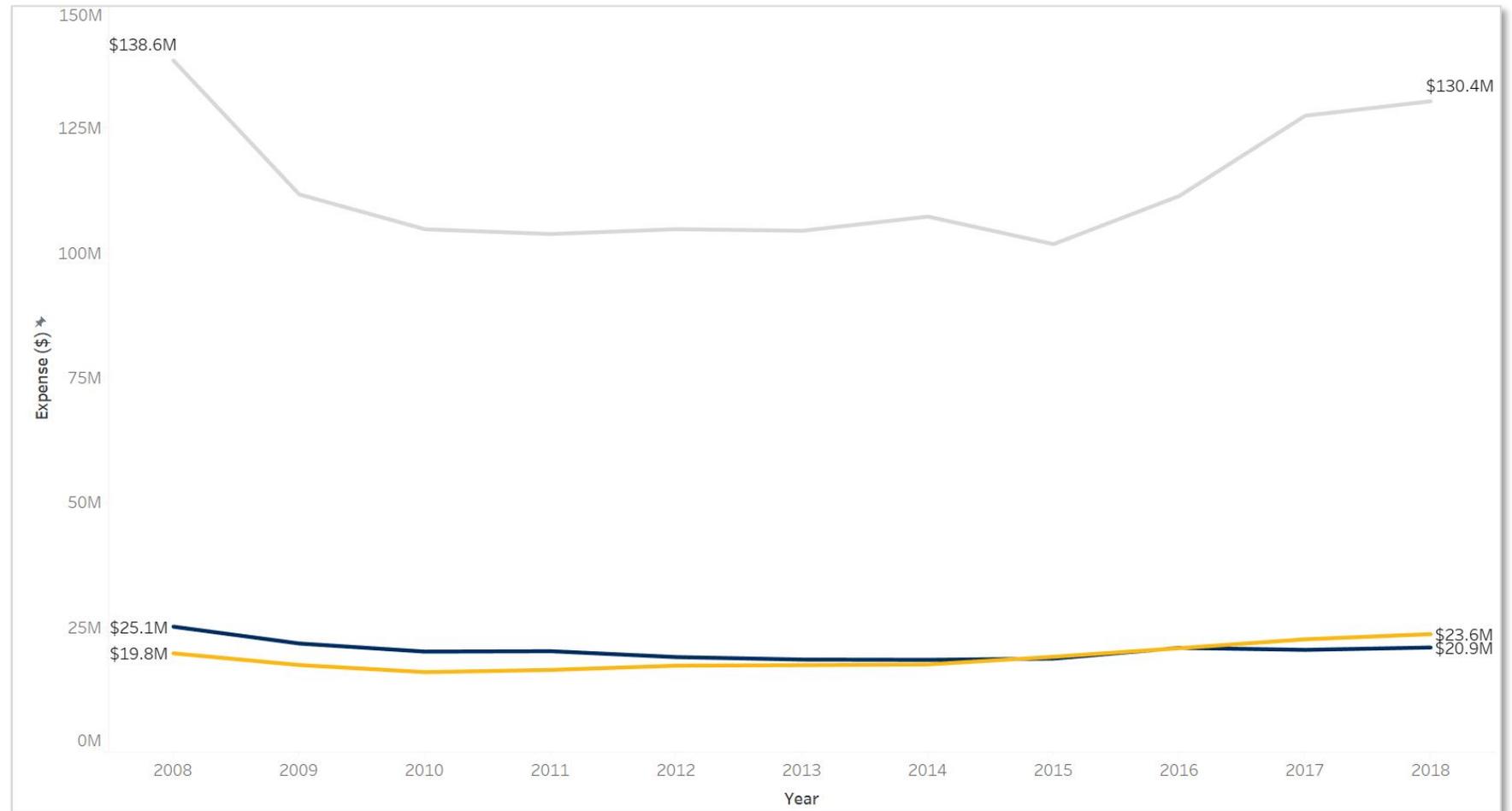


General Fund Expenditures | Personnel – Detail



Personnel costs include salary, fringe and healthcare.

Healthcare costs have continued to increase, costing the county **more than fringe in 2018**. The county has changed healthcare vendors and has rolled out alternative healthcare programs to align expenditures.



General Fund Expenditures | Cost Per FTE

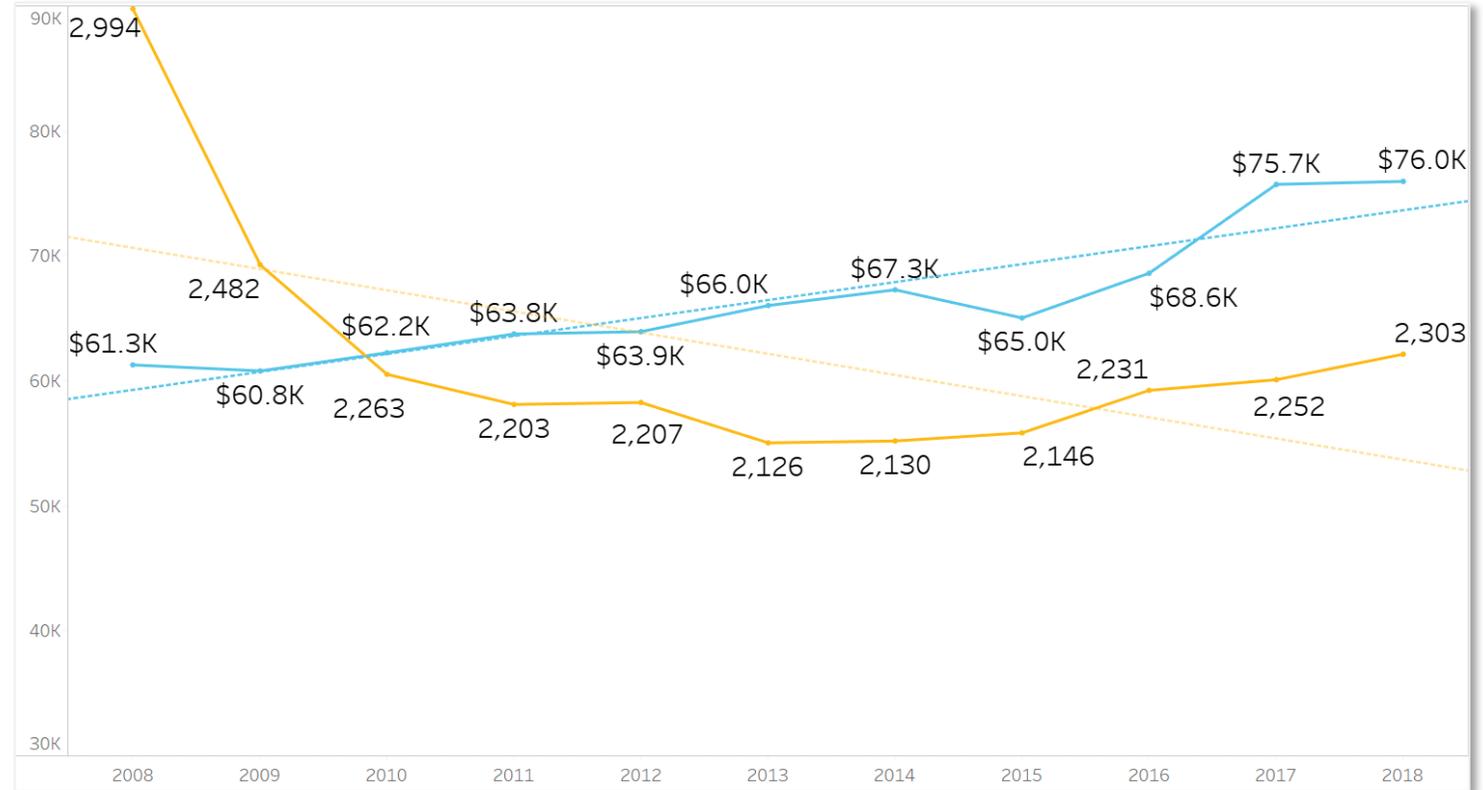


Compared to 2008 (\$61.3k/FTE), the 2018 average general fund County FTE cost is more than \$14,000 greater (\$76.0k/FTE).

Much of this is driven by increases to salary, with average FTE salary expenses increasing by 26% county-wide, 22% within the General Fund and 12% within Restricted Funds since 2008.

Note: The buying power of \$61.3k in 2008 is the equivalent of \$71.9k in 2018.

Source: Bureau of Labor Statistics



■ Average Cost Per FTE
■ FTE

General Fund Expenditures | Peer Comparisons: Personnel & Budget Size



Total county employment compared to county budget in 2019.

Hamilton County has a mid-size budget and more employees than peer counties, though demonstrates **lower spend/FTE.**

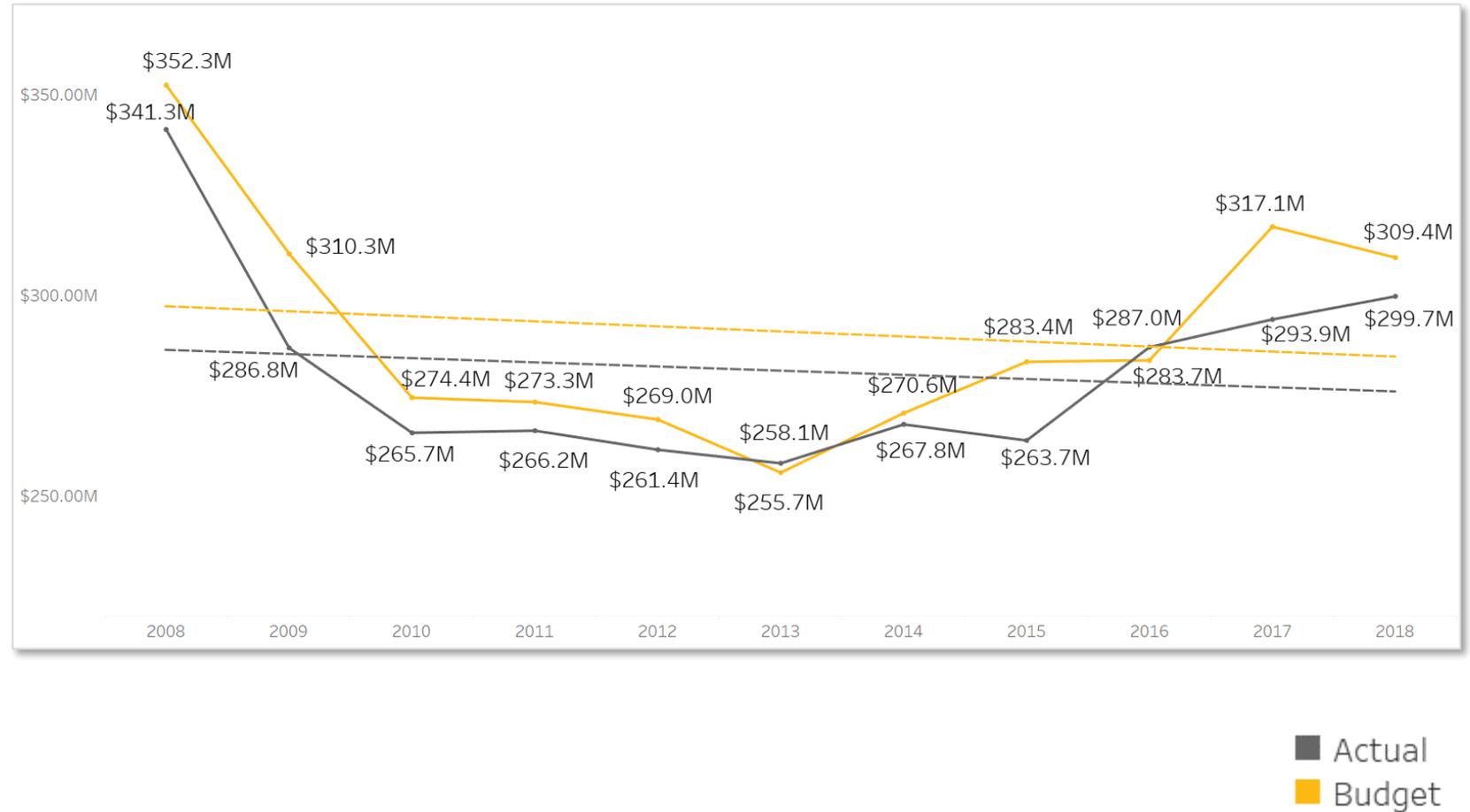
County	2019 GF Personnel Budget	2019 Budget GF FTE	Personnel Spend / FTE
Summit County, OH	\$76,328,613	932	\$81,897
Montgomery County, OH	\$99,495,028	1,303	\$76,358
Hamilton County, OH	\$169,899,135	2,300	\$73,869

Note: General fund personnel expenditures and FTE data was not available for Franklin and Cuyahoga County.

General Fund Expenditures | Personnel: Budget to Actuals (All Funds)



Since 2008, across all funds, the **County's budgeted personnel expenses have exceeded actual expenditures** in most years. On average, the County's budgeted expenses exceeded actuals by approximately \$9M annually.

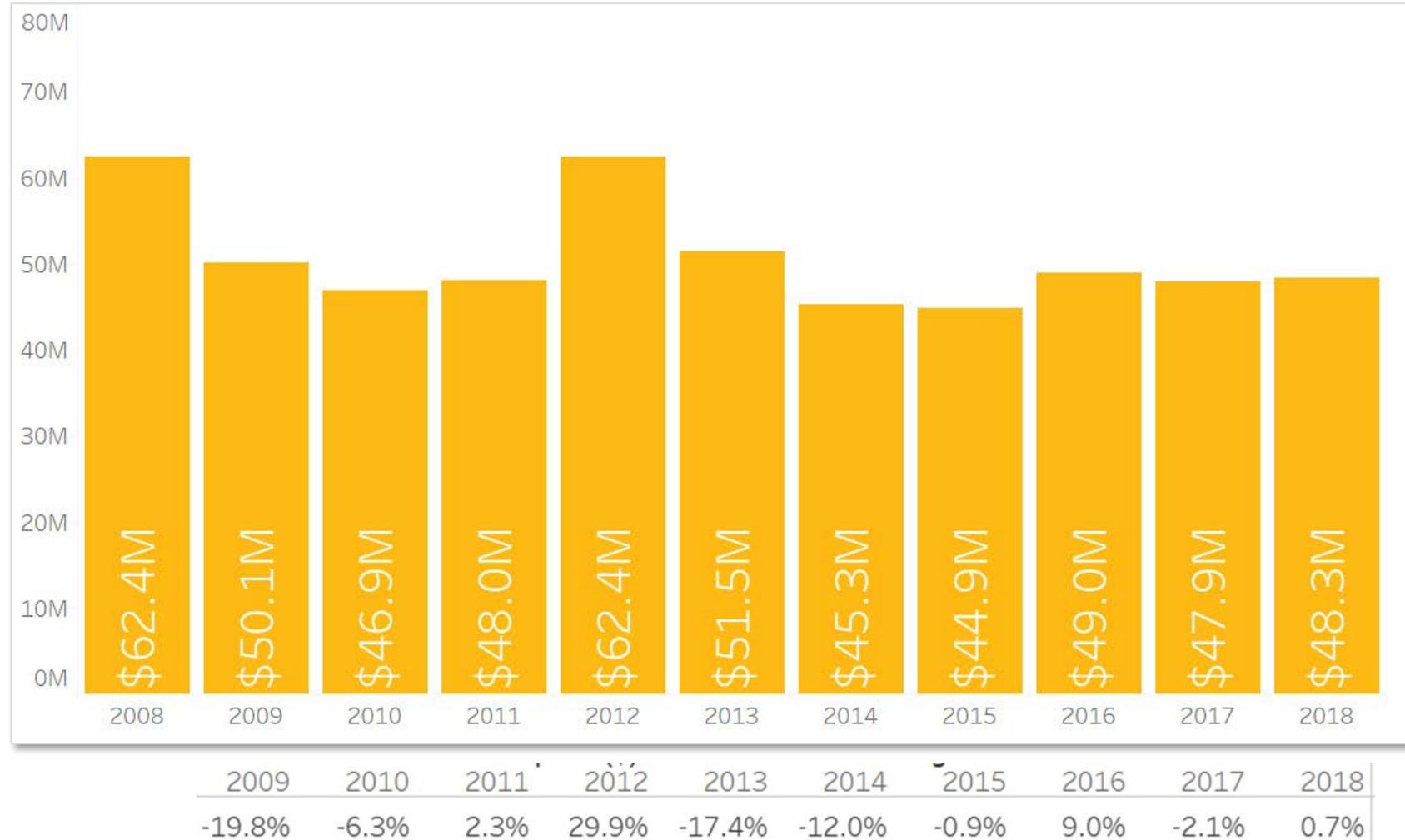


General Fund Expenditures | Other



General fund **Other expenditures** declined in 2009, remaining relatively flat with an increase in 2012, then dropping back to lower levels. Other expenditures include:

- Contractual services
- Miscellaneous
- Supplies
- Public Utilities
- Repairs & Maintenance
- Rentals
- Other

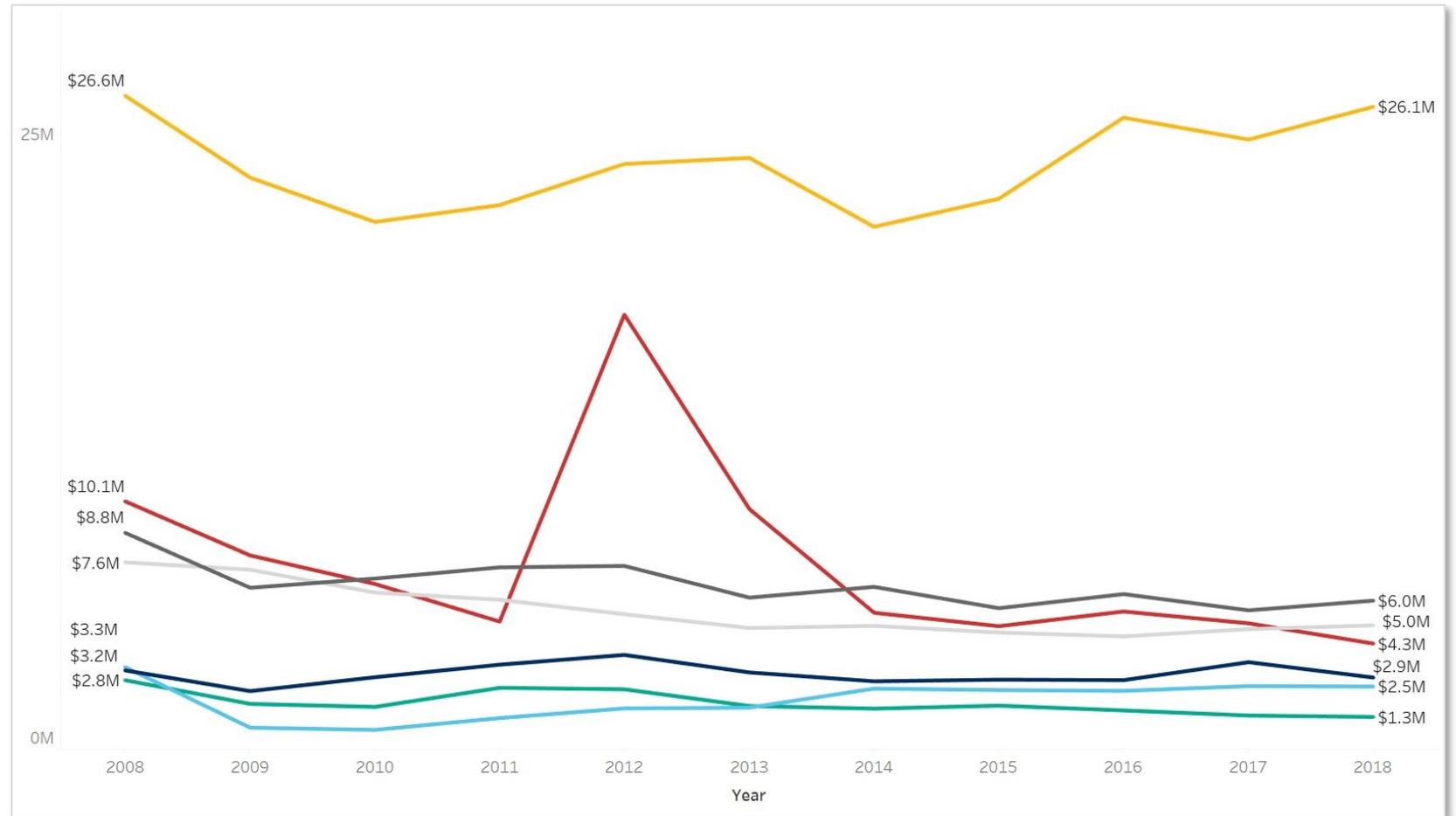


General Fund Expenditures | Other – Detail



General fund **Other expenditures** include contractual services, supplies, misc. repairs and maintenance, public utilities and rentals.

Contractual services is by far the largest expense, at **over double the cost of any other category** with the exception of Misc. in one year (2012).



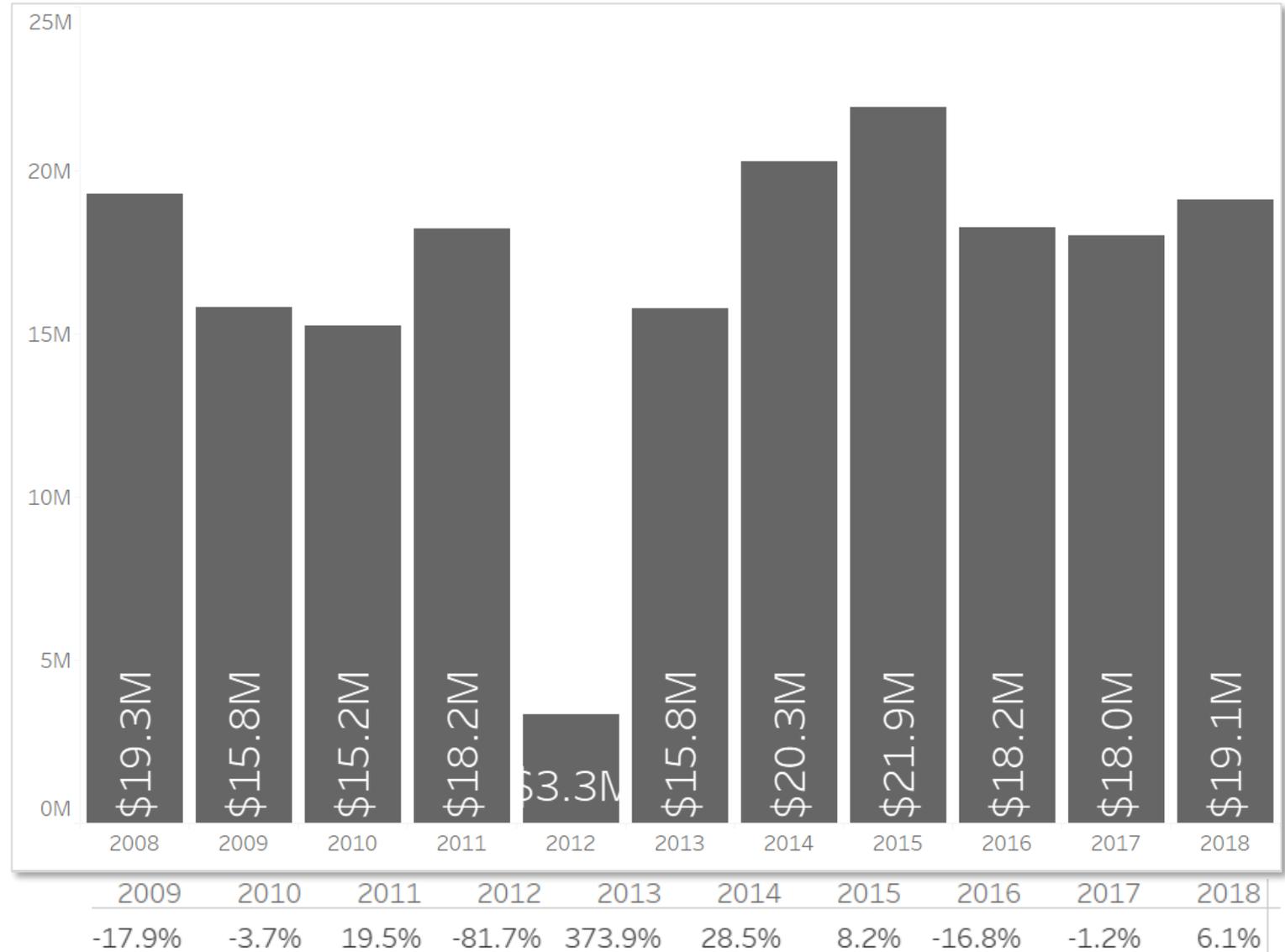
Note: The spike in 2102 Misc. expenditures represents transfer of proceeds from the sale of property for over \$12 million.

Contractual Services	Public Utilities
Misc.	Repairs & Main.
Supplies	Other
Rentals	

General Fund Expenditures | Operating Transfers



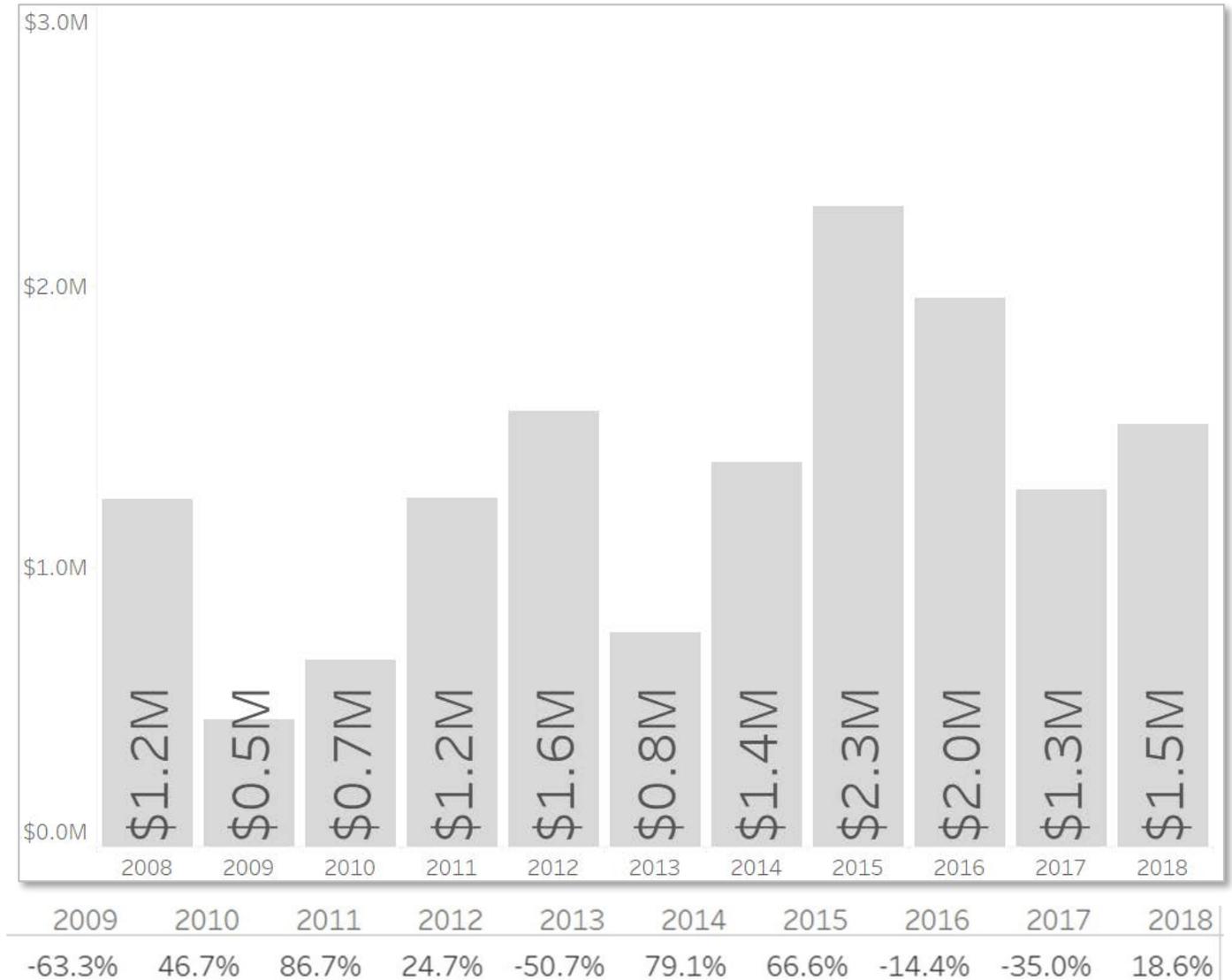
General fund
operating transfers
have fluctuated over
the last decade.



General Fund Expenditures | Capital Outlays



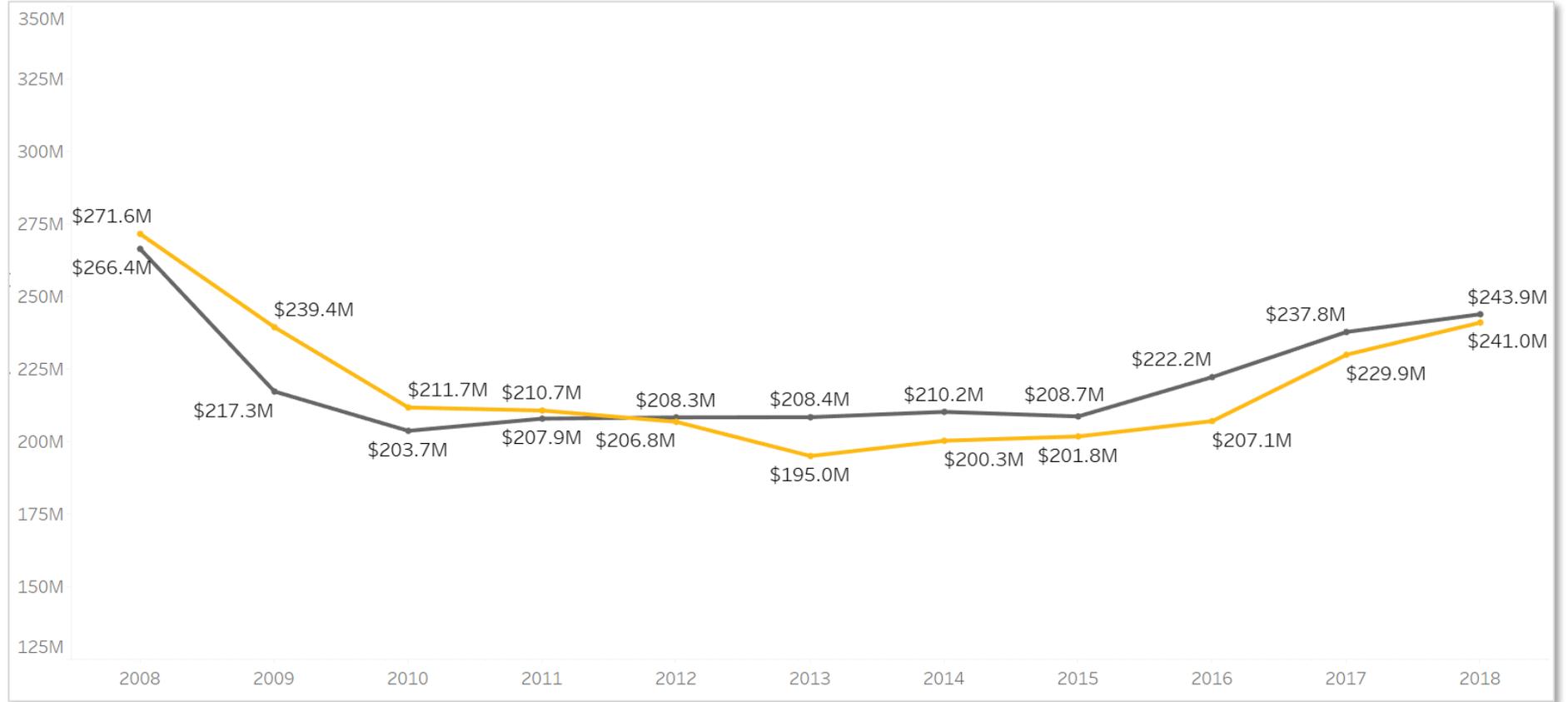
General fund **capital outlays** **declined in 2009**, and then trended upward, dropping again in 2013 and **fluctuating** through 2018.



General Fund Expenditures | Budget to Actual – All



Since 2012, general fund expenditures have exceeded budget each year.



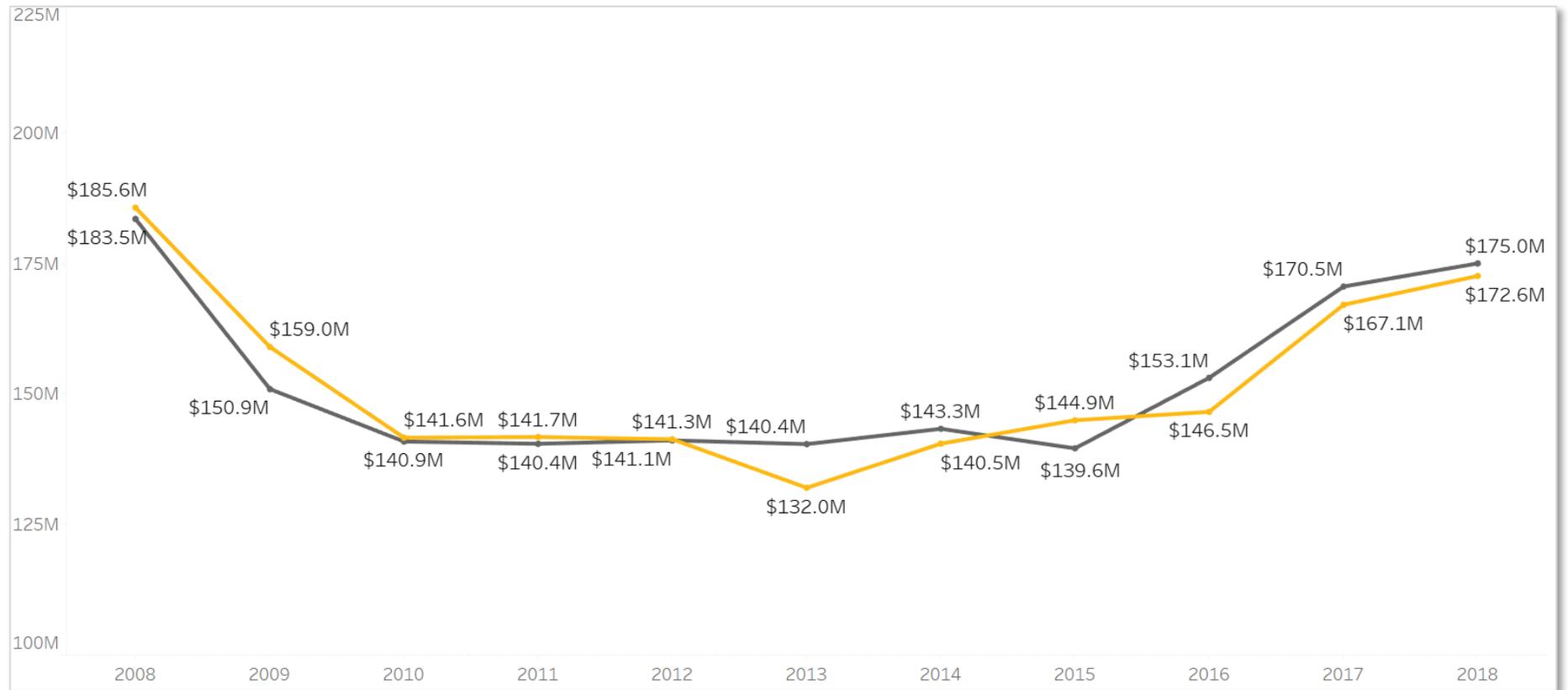
Budget
Actual

General Fund Expenditures | Budget to Actual – Personnel



Since 2016, general fund **personal expenditures** have exceeded budget.

Correspondingly, total FTE count increased.



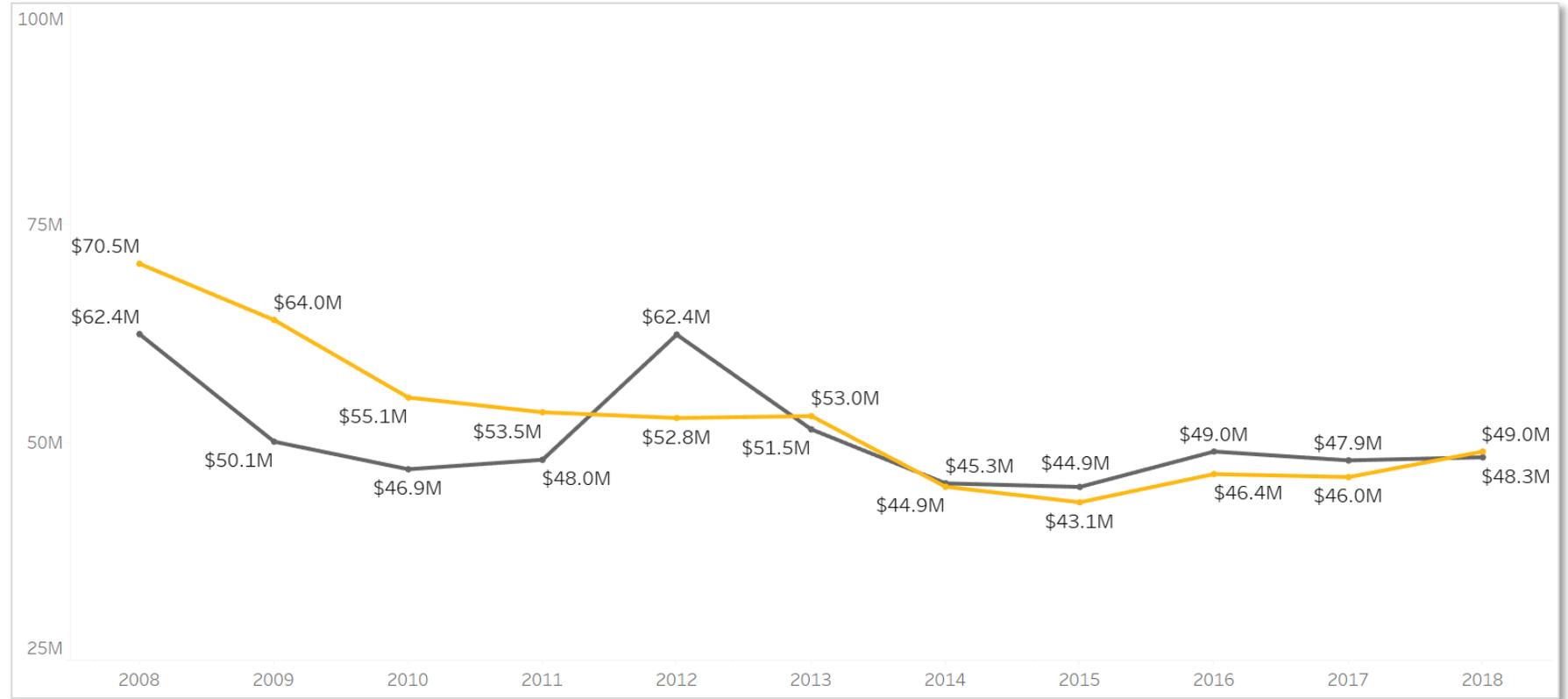
Budget

Actual

General Fund Expenditures | Budget to Actual – Other Expenditures



Since 2014, general fund **expenditures** have exceeded **budget** each year, although were leveling out in 2018.



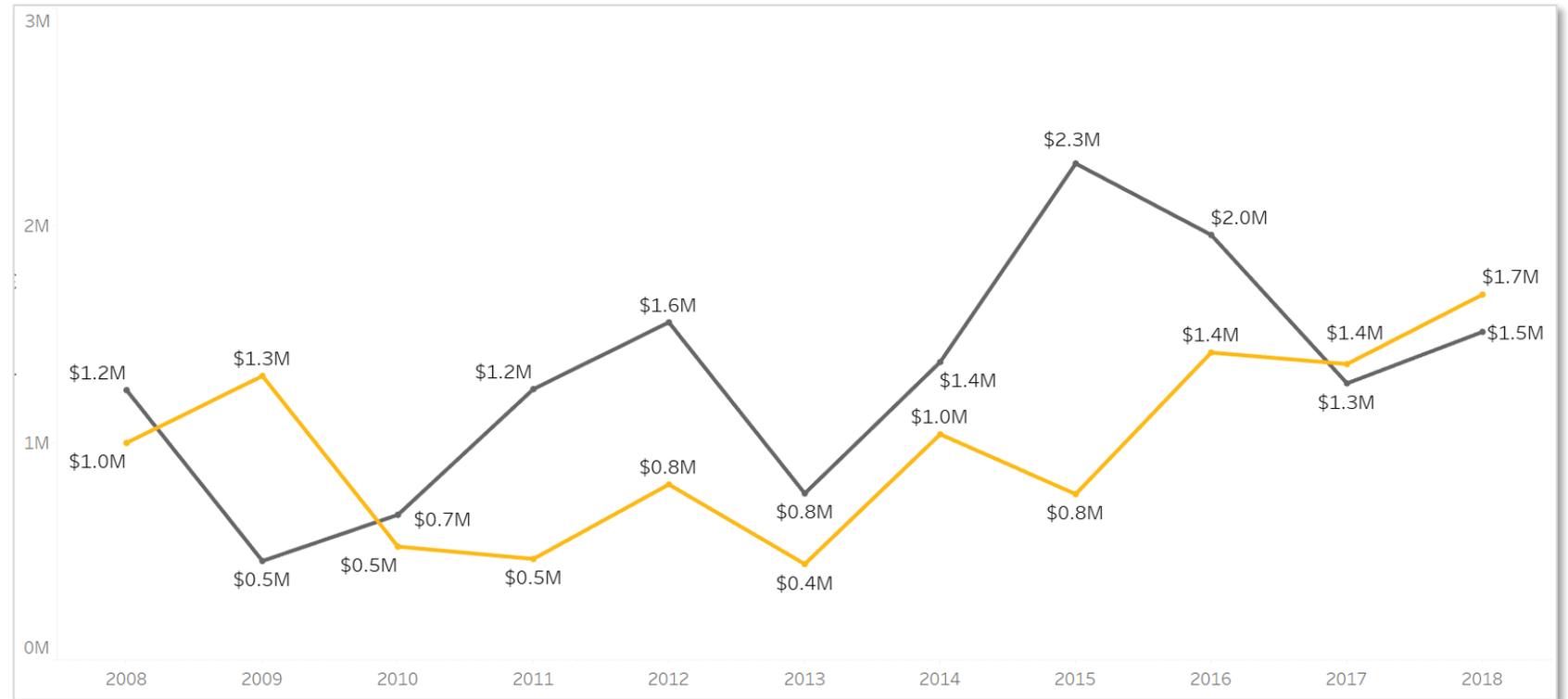
Note: the spike in 2102 represents transfer of proceeds from the sale of property for over \$12 million.

Budget
Actual

General Fund Expenditures | Budget to Actual – Capital Outlay



Capital Outlays experience a swing from budget to actuals; however, the expenditure size is small (\$0.5M - \$2.5M). The significant jump in **2015** was for a one-time purchase of electronic poll books for the Board of Elections (\$1.2 million) and other technology, property and vehicle expenses.



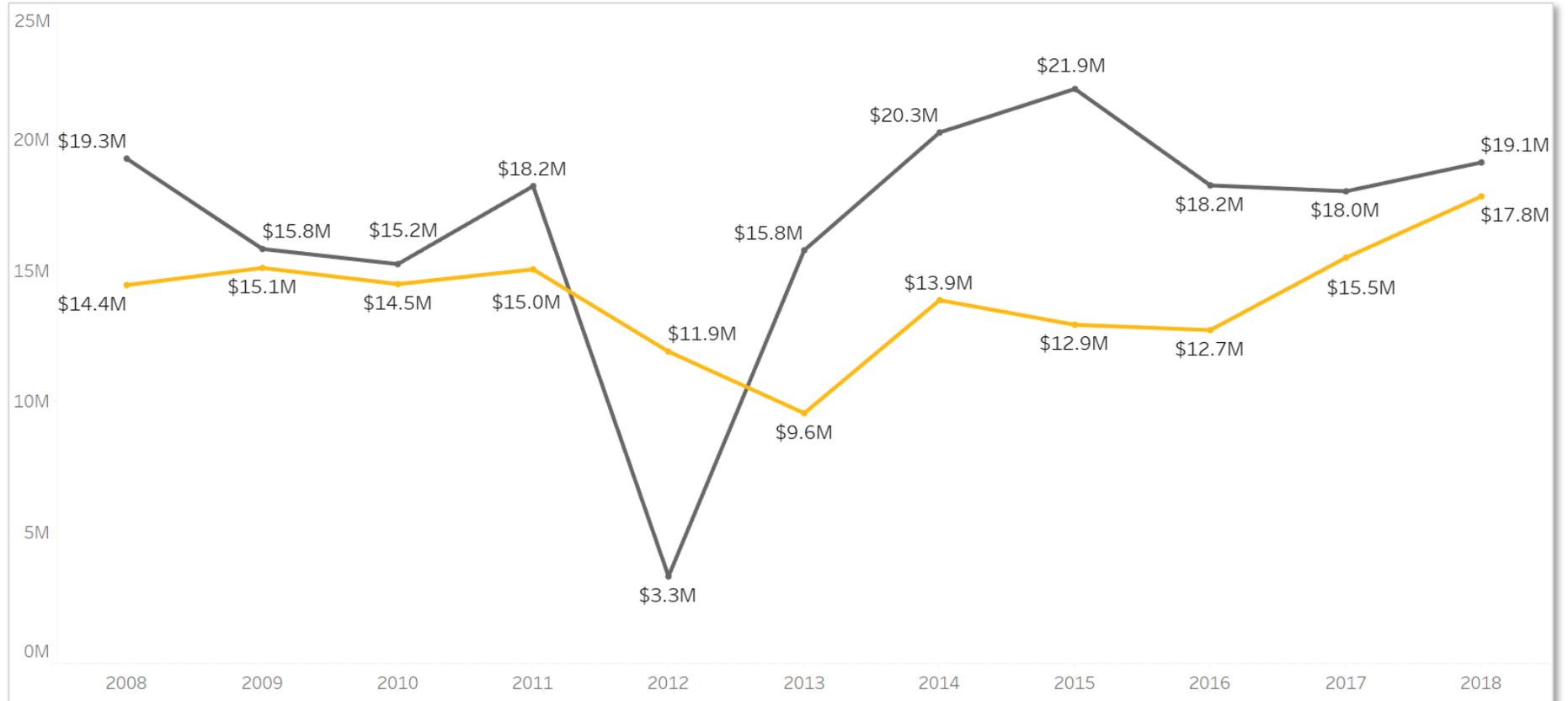
Budget
Actual

General Fund Expenditures | Budget to Actual – Operating Transfers



Operating transfers have **exceeded budget each year since 2013**.

The substantial drop in operating transfers in 2012 was due to revenue from a property sale proceeds of over \$12 million.



Budget

Actual

General Fund Expenditures | Peer Comparisons: Functional Area Spend

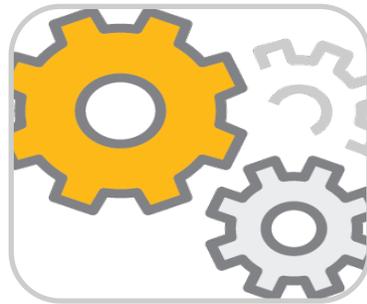


Comparing 2018, Hamilton County spent a higher percentage of actual expenditures on **Public Safety, Judicial, Debt Service and Public Works** than its peers. Hamilton County spent a lower percentage on **General Government, Social Services, and Economic Development** than its peers.

Functional Area	Hamilton County	Summit County		Cuyahoga County*		Franklin County		Montgomery County	
	% of Total Expenditures	% of Total Expenditures	% Difference from Hamilton County	% of Total Expenditures	% Difference to Hamilton County	% of Total Expenditures	% Difference from Hamilton County	% of Total Expenditures	% Difference from Hamilton County
Debt Service	2.90%	0.00%	2.90%	0.00%	2.90%	0.00%	2.90%	0.00%	2.90%
Economic Develop.	1.00%	0.00%	1.00%	2.40%	-1.40%	5.00%	-4.00%	0.90%	0.10%
Environmental Cont.	0.00%	0.30%	-0.30%	0.10%	-0.10%	0.00%	0.00%	0.00%	0.00%
General Government	18.80%	22.70%	-3.90%	23.80%	-5.00%	38.60%	-19.80%	39.20%	-20.40%
Health	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.60%	-0.60%
Judicial	32.70%	32.90%	-0.20%	33.50%	-0.70%	18.80%	13.90%	29.90%	2.80%
Other	0.00%	3.40%	-3.40%	2.90%	-2.90%	0.00%	0.00%		0.00%
Public Safety	41.40%	33.60%	7.80%	35.30%	6.10%	36.00%	5.40%	28.20%	13.20%
Public Works	2.70%	0.10%	2.50%	0.40%	2.30%	0.30%	2.40%	0.30%	2.30%
Social Services	0.50%	7.00%	-6.40%	1.60%	-1.10%	1.30%	-0.80%	0.90%	-0.40%
Total	100.00%	100.00%		100.00%		100.00%		100.00%	



Operational Assessment



Introduction to Operational Assessment

Operational Assessment | Introduction



This section provides an overview of **Hamilton County operations**, exploring trends and identifying similarities and differences to peer communities. The analysis explores **trends since 2008**, based on available data. The analysis is based on info provided by the County Administrator's office, as well as information obtained from each department through interviews.

Hamilton County provides **core services** to residents in the following areas:



In addition to providing the core services, the county maintains enterprise funds for operations of the stadia, parking garages and communications center, riverfront development and the county-owned and City of Cincinnati operated Metropolitan Sewer District.

This **assessment explores operations primarily funded by the general fund**, given the of the projected structural imbalance; however, restricted funds are referred to in the assessment based on available data and to provide context to the key service areas.

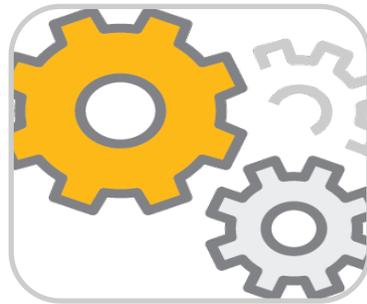
Operational Assessment | Functional Areas & General Funded Departments



The Operational Assessment explores the county by functional area, diving into **general fund supported departments**, as highlighted in the diagram below. The analysis explores key **operational areas related to people, processes and technology**. Observations are shared on the following slides related to potential opportunities to effect change going forward. Summary observations that cross functional areas and departments are shared first, followed by functional area specific remarks.

Judicial	General Government	Public Safety	Public Works	Economic Development	Health & Social Services	Recreation	Debt Service
<ul style="list-style-type: none"> • General Fund • Juvenile Court • Public Defender • Clerk of Courts • Probation • Court of Common Pleas • Municipal Court • Court of Domestic Relationship • Probate Court • Court Reporters • Court of Appeals <ul style="list-style-type: none"> • Restricted • Auto Title (Clerk) • Family Services & Treatment • Other Funds 	<ul style="list-style-type: none"> • General Fund • County Facilities • Board of Elections • Non-Departmental • Commissioners / Administration • Communications Center / Telecommunications • Recorder • Treasurer • Subsidies <ul style="list-style-type: none"> • Restricted • Medical Self-Insurance • Real Estate Assessment (Auditor) • Delinquent Tax Collections (Treasurer) • Workers Comp • Other Funds 	<ul style="list-style-type: none"> • General Fund • Sheriff • Prosecutor • Communications Center • Coroner • Subsidies <ul style="list-style-type: none"> • Restricted Fund • Indigent Care • 911 Center • CLEAR Levy • Other Fund 	<ul style="list-style-type: none"> • General Fund • Planning & Development • County Engineering • Soil & Water <ul style="list-style-type: none"> • Restricted • Metro Sewer District • Engineer's Road • Storm Water (Engineer / Planning) • Hydrant Repair (Planning) 	<ul style="list-style-type: none"> • Restricted • Hotel / Motel • Main Street Parking Garage 	<ul style="list-style-type: none"> • General • Veteran's Service Commission <ul style="list-style-type: none"> • Restricted • Children's Services • Developmental Disabilities Services • Public Assistance • Senior Services • Bureau of Child Support • Workforce Investment 	<ul style="list-style-type: none"> • Restricted • Stadium/Ballpark Construction Debt • Union Terminal • Paul Brown Stadium Operating/Capital • Riverfront Taxes • Parking Operations • Zoological Gardens Levy • Ballpark Operating/Capital • Banks Development Oversight/Debt 	

Note: Health and Social Services have been combined for the purpose of this analysis.



Operational Assessment: County-wide

Operational Assessment | Hamilton County Structure



By Ohio statute, Hamilton County is **governed by an elected three-member Board of County Commissioners** which serves as the primary legislative and executive body. The County has **8 additional elected administrative positions**: County Auditor, County Treasurer, County Engineer, Clerk of Courts, Coroner, Prosecutor, Recorder and Sheriff. In addition, **judges are elected** in Hamilton County for the Common Pleas, Appeals and Municipal courts.

The Ohio constitution allows counties to setup a charter government, sometimes referred to as home rule authority. Out of the 88 Ohio counties, only Summit and Cuyahoga counties have established a charter government structure. A charter government allows both of these counties to be governed by an elected county executive and an eleven-member elected council.

Operational Assessment | Hamilton County Structure



Hamilton County is comprised of both Elected Officials and County Administration. As indicated below, the majority of Hamilton County's core general fund departments are led by elected officials (blue).

Auditor	Court of Common Pleas	Municipal Court	Treasurer	Environmental Services	
Clerk of Courts	Domestic Relations Court	Probate Court	Sheriff	Facilities	
Coroner	Engineer	Prosecuting Attorney	County Administration	Human Resources	
Court of Appeals	Juvenile Court	Recorder	Communication Center	Job and Family Services	Planning + Development

Operational Assessment | Peer Comparisons: County Structures



Of the peer counties, most have some degree of home rule authority, including two of the four Ohio peer counties.

In Dillon's Rule, local governments are components of the state, with powers that are expressly authorized by state legislation. In Home Rule, local governments have some level of self-government (which may have some limitations per state statutes).

County	County Authority	Form of Government	Governance Structure
Allegheny County, Pennsylvania	Home Rule	Commission with Elected Executive and Appointed Administrator	Administrator Appointed by Elected Executive
Cuyahoga County, Ohio	Home Rule	Commission with Elected Executive	Elected Executive, No Administrator
Franklin County, Ohio	Dillon's Rule	Commission with Appointed Administrator	Administrator, No Elected Executive
Hamilton County, Ohio	Dillon's Rule	Commission with Appointed Administrator	Administrator, No Elected Executive
Indianapolis / Marion County, Indiana	Home Rule	Commission with Elected Executive	Elected Executive, No Administrator
Louisville / Jefferson County, Kentucky	Home Rule	Commission with Elected Executive and Appointed administrator	Administrator Appointed by Elected Executive
Mecklenburg County, North Carolina	Dillon's Rule	Commission with Appointed Administrator	Administrator, No Elected Executive
Summit County, Ohio	Home Rule	Commission with Elected Executive	Elected Executive, No Administrator

Data Source: National Association of Counties, County Explorer: <https://ce.naco.org/> County Administrators, as of May 2015 + Governance Structure

Operational Assessment | Peer Comparisons: Summit and Cuyahoga



A summary of the structure of Summit and Cuyahoga is presented here. Each county has an elected county executive, coordinated HR and IT, along with county finances.

Function	Summit	Cuyahoga
County Council	11 member elected board	11 member elected board
County Executive	Elected Includes Purchasing, Public Information - Commission also make policy decisions	Elected Includes Purchasing, Appoints Director of Health and Human Services who oversees the Department of Health and Human Services.
Human Resource	Appointed Council to oversee HR	Appointed Council to oversee HR
IT	Chief Information Officer with Board	Chief Information Officer
County Finances	County Fiscal Officer (appointed) – combined Auditor, Treasurer and Recorder functions.	Fiscal Officer (appointed) – combined Auditor and Recorder; Separately appointed County Treasurer.
County Engineer	Elected	Appointed Director of Public Works
Clerk of Courts	Elected	Appointed
Coroner	Appointed medical examiner	Appointed medical examiner
Prosecutor	Elected	Appointed
Sheriff	Elected	Appointed

Operational Assessment | Cost Reduction Initiatives



Hamilton County has implemented numerous cost saving actions since 2008. The following slides provides sample cost reductions, including the project savings, as outlined in budget books *only*. Staffing reductions have intentionally been excluded from this list as they are reflected in other slides.

Year	Cost Reduction Action	Projected Savings in Thousands
2008	Consolidation of support functions in Job and Family Services	\$7,550
2008	Reductions in Capital Equipment and Maintenance	\$1,900
2008	Reductions in outside legal counsel, judgments and claims, retirement payouts, and unearmarked contingencies	\$1,500
2008	Refinement of the workers compensation insurance rate	\$880
2008	Suspension of the employee tuition assistance program	\$250
2008	Termination of inmate housing in Butler County and the Sheriff's patrol of Over-the-Rhine	\$7,800
2008	Reduction of support for various program	\$1,200
2008	Reduction of personnel, information technology, and maintenance in County Facilities, Personnel departments and Admin.	\$1,600
2008	Reorganization of the Public Works department, including realignment of the capital improvement section within Facilities	\$137
2008	Suspension of SORTA reverse-commute bus service and the home improvement loan program (HIP)	\$99
2008	Allocation of expenses to other funding sources	\$3,610
2008	Fee changes	\$8,205

Operational Assessment | Cost Reduction Initiatives (continued)



Year	Cost Reduction Action	Projected Savings in Thousands
2009	Closure of the 822-bed Queens gate jail and significantly shifts the cost of the Sheriff's township patrols to the townships	\$1,650
2009	Consolidated Building and Development with building and stormwater inspection, planning and zoning, sewer district oversight and community development	\$200
2009	Reductions in County Administration comprised five positions, including one assistant county administrator	\$477
2009	Facilities reduced 11.5 positions, while accounting for a \$1M increase in utility costs	\$3,700
2009	Adjustments to county employee health and dental plans, including a new spousal surcharge and redistribution of cost	\$4,000
2009	Reduced capital outlay planned spend	\$2,900
2009	Reductions in overtime, particularly in the Sheriff's office, the Board of Elections, Juvenile Court and County Facilities	\$1,400
2009	Reduced budget for travel and subscription services	\$120
2010	Transition to a self-insured health insurance program and other changes anticipated to reduce health insurance costs	\$7,500
2016	1.5% compensation adjustment for employees effective in January 2016, instead of the 3% proposal	\$1,100
2017	Stadium debt service refinancing debt at lower rates in 2016	\$6,000
2017	Developmental Disabilities Services privatization of the adult centers	\$5,000

Operational Assessment | Duplication of Support Functions



During the assessment, core / back-office functions appear to be duplicative across the county departments, providing a potential opportunity for cost savings through alternative delivery models. Key back-office / support functions which may be explored for consolidation / coordination include the following:

Information Technology, including infrastructure, software and hardware

Human Resource functions, including payroll processing staff

Procurement

Admin / support staff

Operational Assessment | Mandated vs. Non-Mandated Services



Mandated versus non-mandated services were explored in this assessment. Departments provided a listing of services, and indicated Ohio codes to determine if services were mandated versus non-mandated.

It appears many of the traditional non-mandated services typically uncovered in this type of assessment have already been eliminated by the county. While several services were listed as non-mandated, they perform key support services to the county, such as back-off functions (HR, IT, facilities). **These support functions could be considered for consolidation in the future, but will likely not be able to be fully eliminated.**

One area that may be a potential for cost savings is the **elimination of vacation time payout upon retirement** – it was indicated that over \$1 million in savings could be achieved annually from the general fund if this policy was eliminated.

Operational Assessment | County-Wide Information Technology



While two departments – Auditor and Telecomm Services – do provide some element of enterprise IT services, the County **lacks a Chief Information Officer as well as a centralized IT strategy and IT service delivery structure**. Some enterprise hosting is provided by the Auditor. Internet access and firewall services are provided by Telecomm Services. Internet speeds appear to have decreased recently due to increased traffic as more applications have become cloud hosted.

- There is **no central PC or help desk support**. Departments and elected officials employ or contract these services independently.
- **Email and network services are fragmented** across the county. Most elected officials manage their own e-mail and network services while some smaller elected officials' offices utilize Telecomm services to provide e-mail and network services. The Auditor manages the County's active directory for all departments and elected officials on the network; however, not all departments utilize the centralized active directory.
- **Hardware and software procurement is decentralized** to the individual departments and elected officials likely resulting in cost inefficiencies. Individual departments and elected officials plan and manage purchases independently. Some departments utilize the State of Ohio Term Schedule agreement which is a pre-negotiated contract that may provide some level of efficiencies. Large support contracts exist for outdated and/or custom developed systems which may be replaced to achieve efficiencies.

Operational Assessment | County-Wide Information Technology (Continued)



While not delivered under a required enterprise approach, the Auditor does provide the following IT services for departments and elected officials:

- Server hosting, maintenance, performance monitoring, backup and antivirus protection
- Database and application services and support

The Auditor supports the following departments and elected officials:

- County-wide: Active Directory services and hosted servers
- Commissioners: File share servers; internal and external Sire agenda system
- Engineer: Active Directory hosted servers for office with multiple remote locations
- Human Resources: Host file server and provide network administration support
- Coroner: Host domain controllers and provide network administration support
- Recorder: Backup and offsite storage of data and network administration support
- Treasurer: Support for Real Estate System and Cash Balancing systems

Operational Assessment | County-Wide Information Technology (Continued)



The County is maintaining legacy **IT systems – some of which are 20-30 years old** and need to be replaced as support is costly. Additionally, the legacy systems do not support opportunities for efficiencies that could be gained with newer technology platforms, such as workflow, notifications, public portals and data analytics.

Auditor: Financial management system (ERP) is 20 years old

Sheriff: Jail Management System is over 30 years old and in need of replacement and records management system does not interface to the courts and is on outdated architecture

Treasurer: Systems utilize outdated reporting system

Board of Elections: Need funding to implement cybersecurity measures and lack funding to replace voter registration system planned for in 2021

Purchasing: Utilize Auditor's financial system in lieu of a dedicated procurement system

Communications Center: (9-1-1): Lack county-wide records management system

Planning & Development: In-process of implementing new online system

Courts: Utilize two system Conexio and Proware; Implemented in 1990 and annual support spend is approximately \$6 million

Job and Family Services: Welfare and Child Support systems need to be updated or replaced

Operational Assessment | County-wide Procurement



The county appears to lack an enterprise, county-wide **strategic** sourcing (purchasing) plan. Enterprise purchasing plans provide an opportunity to reduce costs, share resources and align purchases with budget expectations.

Below is a summary of the current state of county procurement.

The county has **defined procurement guidelines**, but there are many exclusions, which reduces competition and potentially impacts the cost of products and services for the county.

- Purchases over \$50,000 must be a competitive open bid, which is required to follow Ohio Revised Code
- Purchases under \$50,000 may select a limited number of vendors, from which to obtain quotes (must get three quotes).
- Purchases over \$100,000 must also be approved by the Board of County Commissioners.

Operational Assessment | County-wide Building Maintenance & Repair



The county has been unable to maintain adequate **building maintenance** due to budget constraints. The Facilities department manages over 20 buildings and 3.2 Million square feet of space. Available budget is used for repairs and maintenance (R&M) of the county owned buildings' structure (roof, façade, walls, etc.) and building systems (HVAC, electrical, etc). Between 2010 and 2017 Facilities implemented several initiatives resulting in utilities savings of over \$15 million.

Minimum budget is available to support county building repairs and maintenance. Observations include:

- **General building maintenance has been deferred for several years**
- Since 2013 the facilities no contingency funds have been budgeted for unplanned repairs
- On-demand repairs to buildings have resulted in department budget over-runs since 2013
- On-demand work orders account for approximately 40-45% of all work orders
- Facilities has maintained a 20-year Capital and Deferred Maintenance Plan since 2015 that hasn't been funded.
- 2019 Plan includes recommended capital improvement and maintenance projects submitted in 2018, along with known improvements and repairs, needed thru 2038 in 15 County owned buildings.
 - 397 projects to be implemented and budget is \$546.2 million
 - 90% of the budget is planned to be funded by bonds

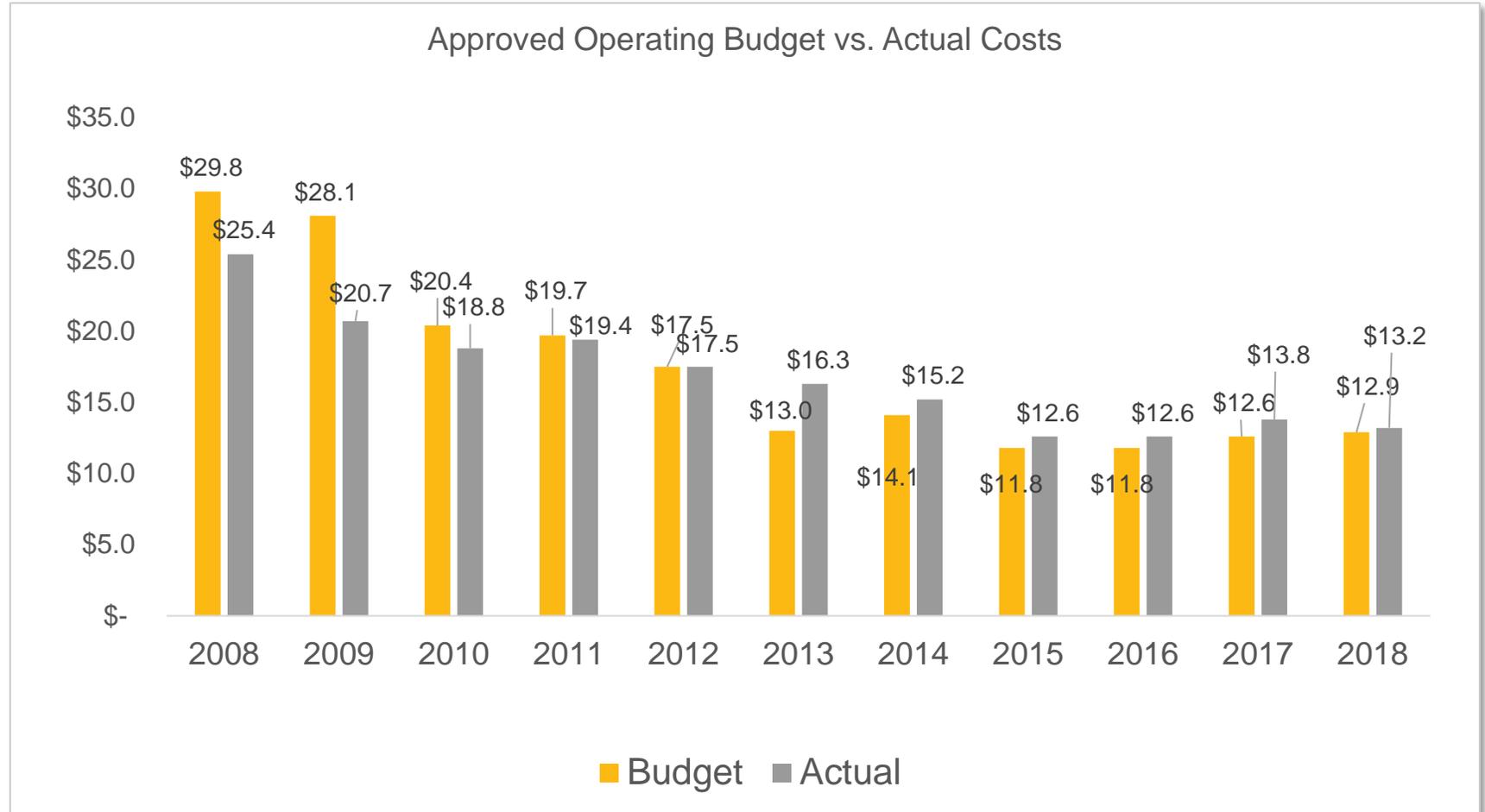
Operational Assessment | County-wide Building Maintenance (continued)



The following graph represents the **Facilities budget** to actuals since 2008, for both general and restricted-funded components.

Fiscal Years 2008 – 2012 budgets contained a **contingency for unfunded repairs/replacements.**

On-Demand repairs to buildings have resulted in department **budget over-runs since 2013.**



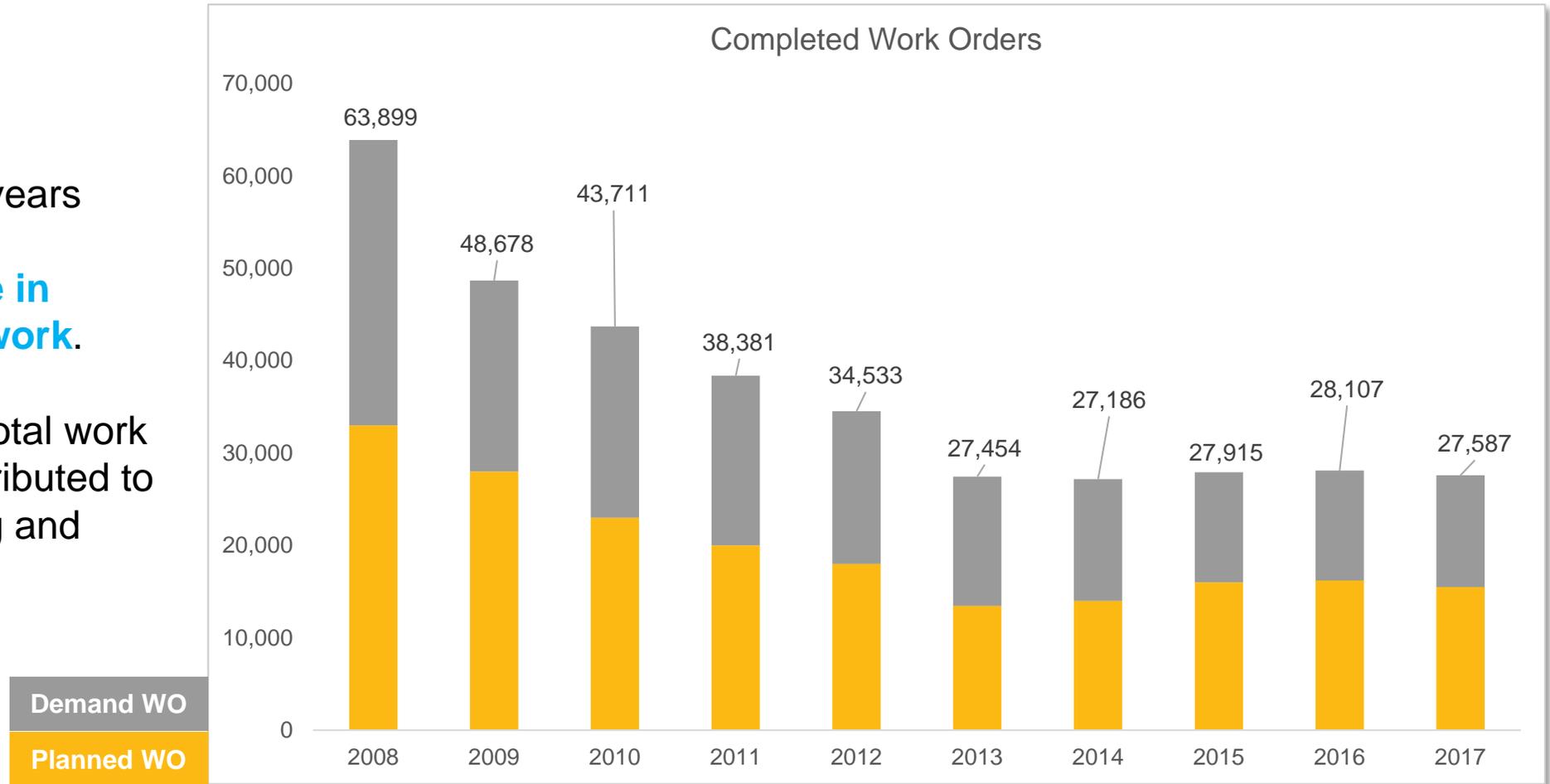
Operational Assessment | County-wide Building Maintenance (continued)



The following graph represents the **Facilities Completed Work Orders** Planned and On-Demand for 2008 - 2017

Over the past 10 years there has been a significant **decline in planned facility work**.

The reduction of total work orders may be attributed to decreased staffing and funding.



Operational Assessment | County-wide Recruitment & Retention of Talent



Challenges with recruiting and retaining talent is a common theme expressed by departments. Below are themes expressed by elected officials and departments throughout the county.

Unable to attract **qualified candidates** for key positions

- Several departments indicated the posting and hiring process is slow and impacts their ability to hire qualified and desirable candidates
- County compensation and benefits are not competitive in the employment market
- Positions levels may be limited and therefore do not support effective advancement and career growth

Unable to **maintain skilled labor** in several departments

- Several departments emphasized a lack of competitive compensation and benefit package prevents effective staff retention
- Several departments lack the experienced staff to efficiently maintain operations and train new staff
- Several departments and elected officials are losing experienced staff to surrounding counties and the private sector due to high expectations for over-time work and lack of competitive benefits and compensation

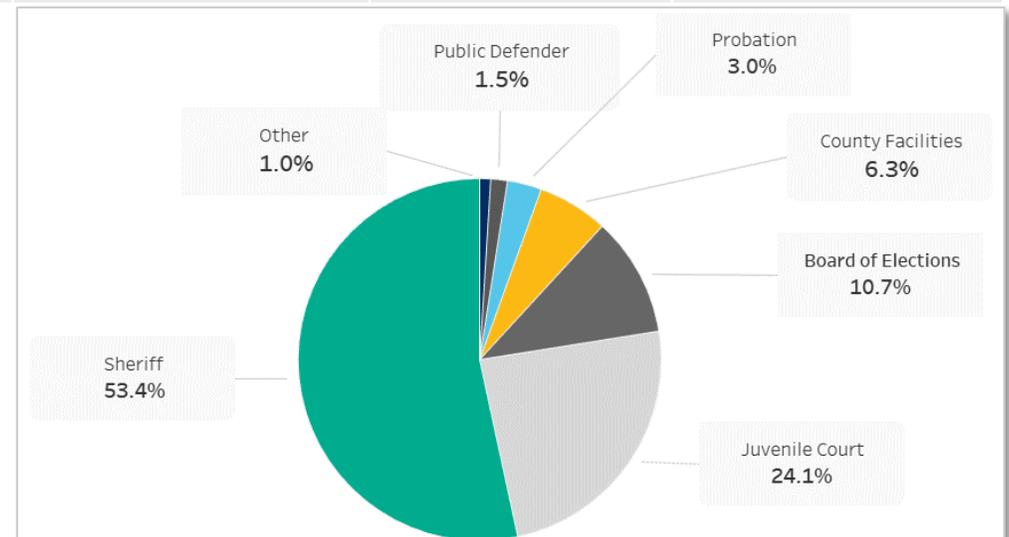
Operational Assessment | County-wide Overtime Spend (All Funds)



Over the past three years, Hamilton County has spent over \$11 million on overtime spend. The majority of which is driven by three entities: Sheriff, Juvenile Court, Board of Elections. This is not unusual, when compared to seasonal; needs of the Board of Elections and the 24-7 operations of the Sheriff.

Department	2016 - 2018 Total Overtime Spend	2016 – 2018 % of Overtime Spend	2018 Overtime Spend	2018 % of Overtime Spend
Sheriff	\$6.1M	53.4%	\$1.7M	46.9%
Juvenile Court	\$2.7M	24.1%	\$1.0M	28.9%
Board of Elections	\$1.2M	10.7%	\$0.4M	11.3%
County Facilities	\$0.7M	6.3%	\$0.2M	6.9%
Probation	\$0.4M	3.0%	\$0.1M	3.2%
Public Defender	\$0.2M	1.5%	\$0.05M	1.5%
Other*	\$0.1M	1.0%	\$0.05M	1.3%
Total	\$11.4M	100.0%	\$3.5M	100%

*Note: Other includes Auditor, Commissioners and County Administration, Communications Center, Clerk of Courts, Coroner, Planning & Development, Treasurer



Operational Assessment | Personnel – Collective Bargaining



Under the Ohio Collective Bargaining Law, public employees of the State and many local subdivisions (including the County) have the right to organize, bargain collectively and have union representation. The employer must recognize and grant exclusive representation rights to an organization approved by the State Employment Relations Board (SERB).

Union	Type of Personnel	Contract Expiration	Employees
Teamsters Local 100	Engineer's Office - Highway Maintenance Workers	06/30/18*	65
FOP/OLC	Sheriff Dept. Laundry/Maintenance/Info Clerks	08/31/18*	5
Communications Officers of HC	Communications Center - Comm. Officers	12/31/18*	62
FOP/OLC	Sheriff Dept. – Captains	12/31/18*	2
AFSCME #1768	Job & Family Services - Non Supervisory	12/31/19	582
Benevolent Employees of HC	Sheriff Dept. - Non Management Employees	12/31/19	137
Cincinnati Building Trades	County Facilities - Building Trades	03/31/20	14
IUOE #20	County Facilities - Maintenance Workers/HVAC Techs	04/30/20	18
AFSCME #1093	Planning & Development Field Operations	08/31/20	11
IUOE #20	County Facilities - Maintenance Repair Workers	09/30/20	11
Deputy Sheriffs Supervisors	Sheriff Dept. - Corrections Supervisors	12/09/20	30
AFSCME Council 8 Local	Clerk of Courts – Bailiffs	12/31/20	67
FOP	Sheriff Dept. - Corrections Officers	12/31/20	282
FOP/OLC	Sheriff Dept. - Enforcement Officers	12/31/20	251
FOP/OLC	Sheriff Dept. - Enforcement Supervisors	12/31/20	29

Source: 2019 Hamilton County Annual Information Statement (AIS)

Note: * indicates negotiations in progress per the 2019 AIS

Operational Assessment | County-wide Personnel – Union vs. Non-Union



The following table provides the Hamilton County **union membership by department**. While the data below shows some large variation in average salary between union and non-union staffing, Position information was not included and may account for the variations in average salary.

Department	Number of Union Members	Average Non-Union Salary by Department	Average Union Salary by Department	Difference in Average Salary
Sheriff	705	\$63,494.21	\$59,237.18	\$ (4,257.03)
Paul Brown Stadium Operations	1	\$44,213.82	\$66,705.60	\$ 22,491.78
Job and Family Services	612	\$60,666.79	\$40,933.83	\$ (19,732.96)
County Facilities	45	\$54,719.78	\$54,331.45	\$ (388.33)
Coroner	2	\$64,668.55	\$38,385.47	\$ (26,283.08)
Communications Center	59	\$60,448.80	\$45,314.39	\$ (15,134.41)

Source: Hamilton County Human Resources salary information

Note: 2019 salary information was not available for the Clerk or Engineer union members. Position classification for union members was not available.

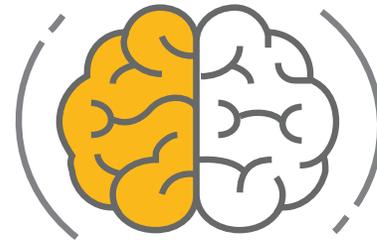
Operational Assessment | Personnel – Interns and Student Help



In 2019, the county employed approximately 60 students within the Prosecutor, Municipal Courts, Public Defender, County Engineer, Clerk of Courts and County Administration Office. **The county's spend on student and intern help totaled more than \$1.029M.** Changes in the compensation of student employees may be an area of potential cost savings (e.g., course credits in lieu of payment).

Student Help

2019 Spend: **\$591,310**



College Interns

2019 Spend: **\$437,940**

Operational Assessment | Peer Comparisons: County-Wide Retention



The following table provides the **turnover percentage** for the approximate 1,250 employees in departments supported by Human Resources (those under the Board of County Commissioners and Job and Family Services)

Hamilton County turnover rates, which includes all voluntary and involuntary separations (resignations, retirements, terminations, death, etc.), are **relatively low compared to other State and Local Governments** as measured by the Bureau of Labor Statistics.

Year	Hamilton County Turnover Percentage	State and Local Government (BLS)	Difference (Hamilton County to BLS)
2014	13.7%	18.5%	(-4.8%)
2015	17.8%	19.6%	(-1.8%)
2016	15.6%	20.7%	(-5.1%)
2017	16.3%	20.6%	(-4.3%)
2018	14.1%	20.0%	(-5.9%)
Average	15.5%	19.9%	(-4.4%)

Source: Bureau of Labor Statistics Table 16. Annual total separations rates by industry and region, not seasonally adjusted.

Note: Human Resources does not currently have the capability to calculate turnover by position classification, though turnover may be higher in key positions.

Operational Assessment | County-wide Aging Workforce + Healthcare Costs



The county is currently experiencing an **aging workforce, as well as increasing healthcare costs** which has led to **increasing personnel costs across all departments**. The charts below and on the following slides represent trends in Healthcare cost across the State of Ohio as reported by the State Employee Relations Board (SERB) in the Cost of Health Insurance in Ohio's Public Sector – 2019 Edition.

The table to the right presents the **annual inflation** in healthcare premiums. In comparing Hamilton County's annual general fund health care spend to the statewide public sector growth, **Hamilton County has exceeded the annual percent change in 4 of the last five years (2014 – 2018)**. Hamilton County's growth rates were as follows:

- 2013 – 2014: +.84%
- 2014 – 2015: +8.71%
- 2015 – 2016: +9.0%
- 2016 – 2017: +8.57%
- 2017 – 2018: +4.59%

Annual Percent Change in Medical Care Costs, Inflation, and Medical Care Inflation Rates

Year	Statewide Public Sector			National	
	Single Premium	Family Premium	n	Inflation Rate	Medical Care
2008-09	4.9%	4.9%	1,263	0.1%	2.6%
2010	4.6%	3.1%	1,395	2.7%	3.4%
2011	3.5%	5.6%	1,109	1.5%	3.3%
2012	6.8%	7.0%	1,499	3.0%	3.5%
2013	2.8%	2.3%	1,552	1.7%	3.2%
2014	5.0%	4.5%	1,598	1.5%	2.0%
2015	4.4%	4.3%	1,694	0.8%	3.0%
2016	1.6%	2.3%	1,753	0.7%	2.6%
2017	4.7%	4.6%	1,809	2.1%	4.1%
2018	4.6%	4.2%	1,863	2.1%	1.8%
2019	7.4%	5.9%	2,009	1.9%	2.0%

Note: National; includes both public and private sector employers nationwide.

Note: United States Bureau of Labor Statistics, Consumer Price Index, December 2018 (ls.gov/news.release/archives/cpi_01112019.pdf).

n = Number of Plans

Operational Assessment | County-wide Healthcare Costs (continued)



The table to the right, breaks down the **average medical premiums and the contribution amounts shared by the employer and the employee**. In comparing the county average to Hamilton County's 2019 Benefit Contribution Rates, **Hamilton County's employer share fell below the average single-coverage** by \$76 (Hamilton County average - \$508). **For family coverage, Hamilton County's employer share exceeded the average** by \$91 (Hamilton County average - \$1,612).

Average Monthly Employer & Employee Contributions Towards Medical Premium(All Medical Plan Types)							
Comparison Group	Single			Family			
	Employer Share	Employee Share	Total	Employer Share	Employee Share	Total	n
STATEWIDE	\$ 589.80	\$ 85.30	\$ 675.10	\$ 1,513.74	\$ 231.99	\$ 1,745.73	2,009
State of Ohio	\$ 604.25	\$ 107.04	\$ 711.29	\$ 1,658.48	\$ 305.59	\$ 1,964.07	1
Counties	\$ 603.56	\$ 90.20	\$ 693.76	\$ 1,599.43	\$ 261.72	\$ 1,861.15	145
Less than 50,000	\$ 608.41	\$ 88.72	\$ 697.13	\$ 1,621.36	\$ 264.57	\$ 1,885.93	52
50,000 - 149,999	\$ 611.47	\$ 96.66	\$ 708.13	\$ 1,628.85	\$ 280.47	\$ 1,909.32	57
150,000 or more	\$ 584.04	\$ 82.10	\$ 666.14	\$ 1,521.18	\$ 227.92	\$ 1,749.10	36
Cities	\$ 610.11	\$ 77.63	\$ 687.74	\$ 1,640.46	\$ 210.59	\$ 1,851.05	339
Less than 25,000	\$ 605.24	\$ 74.33	\$ 679.57	\$ 1,628.89	\$ 204.07	\$ 1,832.96	238
25,000 - 99,999	\$ 625.49	\$ 86.94	\$ 712.43	\$ 1,676.27	\$ 231.97	\$ 1,908.24	93
100,000 or more	\$ 570.98	\$ 64.24	\$ 635.22	\$ 1,559.64	\$ 151.30	\$ 1,710.94	8
Townships	\$ 626.27	\$ 51.01	\$ 677.28	\$ 1,663.37	\$ 154.80	\$ 1,818.17	128
Less than 10,000	\$ 651.13	\$ 33.86	\$ 684.99	\$ 1,694.71	\$ 119.59	\$ 1,814.30	69
10,000 - 29,999	\$ 611.32	\$ 61.63	\$ 672.95	\$ 1,628.01	\$ 170.50	\$ 1,798.51	47
30,000 or more	\$ 560.49	\$ 93.74	\$ 654.23	\$ 1,644.94	\$ 267.76	\$ 1,912.70	12
School Districts *	\$ 577.87	\$ 89.81	\$ 667.68	\$ 1,444.67	\$ 238.64	\$ 1,683.31	1,241
Less than 1,000	\$ 566.14	\$ 82.79	\$ 648.93	\$ 1,423.15	\$ 222.29	\$ 1,645.44	309
1,000 - 2,499	\$ 591.33	\$ 91.65	\$ 682.98	\$ 1,478.63	\$ 239.99	\$ 1,718.62	511
2,500 - 9,999	\$ 567.76	\$ 88.22	\$ 655.98	\$ 1,413.30	\$ 231.35	\$ 1,644.65	299
10,000 or more	\$ 565.87	\$ 87.14	\$ 653.01	\$ 1,436.96	\$ 276.83	\$ 1,713.79	34
Colleges & Universities	\$ 583.23	\$ 89.54	\$ 672.77	\$ 1,520.55	\$ 264.56	\$ 1,785.11	68
Fire Districts	\$ 494.18	\$ 65.39	\$ 559.57	\$ 1,521.14	\$ 195.67	\$ 1,716.81	14
Metro Housing Authorities	\$ 622.47	\$ 88.65	\$ 711.12	\$ 1,635.79	\$ 264.10	\$ 1,899.89	50
Port Authorities	\$ 500.34	\$ 65.33	\$ 565.67	\$ 1,522.66	\$ 198.65	\$ 1,721.31	4
Regional Transit Authorities	\$ 706.80	\$ 98.21	\$ 805.01	\$ 1,860.27	\$ 266.20	\$ 2,126.47	19

Note: Includes plans where employees contribute \$0 to the medical premium. Dental is included in medical premium.

Note: n: number of plans; * Includes 88 Educational Service Center (ESC) plans.

Operational Assessment | County-wide Healthcare Costs (continued)



The table to the right breaks down the average medical premiums and the contribution amounts shared by the employer and the employee. For single-coverage, **The Cincinnati Region ranked the lowest in employer share of contributions**, and mid-tier for employee share. For family-coverage, only Toledo contributed less employer share than the Cincinnati Region. **Similar to single coverage, the Cincinnati Region employee share was mid-tier.**

Average Monthly Employer & Employee Contributions Towards Medical Premium by Region (All Medical Plan Types)							
Comparison Group	Single			Family			
	Employer Share	Employee Share	Total	Employer Share	Employee Share	Total	n
STATEWIDE	\$ 589.80	\$ 85.30	\$ 675.10	\$ 1,513.74	\$ 231.99	\$ 1,745.73	2,009
REGION							
1 - Akron/Canton	\$ 595.32	\$ 79.66	\$ 674.98	\$ 1,517.08	\$ 204.69	\$ 1,721.77	273
2 - Cincinnati	\$ 524.01	\$ 82.68	\$ 606.69	\$ 1,410.99	\$ 240.57	\$ 1,651.56	216
3 - Cleveland	\$ 592.56	\$ 76.64	\$ 669.20	\$ 1,516.37	\$ 184.91	\$ 1,701.28	326
4 - Columbus	\$ 633.26	\$ 99.65	\$ 732.91	\$ 1,591.15	\$ 286.26	\$ 1,877.41	343
5 - Dayton	\$ 554.15	\$ 102.19	\$ 656.34	\$ 1,463.15	\$ 273.84	\$ 1,736.99	260
6 - Southeast Ohio	\$ 697.46	\$ 94.43	\$ 791.89	\$ 1,714.11	\$ 265.38	\$ 1,979.49	158
7 - Toledo	\$ 538.27	\$ 76.60	\$ 614.87	\$ 1,404.24	\$ 222.34	\$ 1,626.58	283
8 - Warren/Youngstown	\$ 618.41	\$ 63.37	\$ 681.78	\$ 1,562.50	\$ 162.24	\$ 1,724.74	150
EMPLOYEES COVERED							
1 - 49	\$ 622.55	\$ 73.23	\$ 695.78	\$ 1,627.00	\$ 215.98	\$ 1,842.98	319
50 - 99	\$ 563.27	\$ 80.59	\$ 643.86	\$ 1,455.54	\$ 222.51	\$ 1,678.05	351
100 - 149	\$ 593.66	\$ 86.05	\$ 679.71	\$ 1,538.43	\$ 231.23	\$ 1,769.66	381
150 - 249	\$ 597.14	\$ 92.25	\$ 689.39	\$ 1,494.44	\$ 241.61	\$ 1,736.05	436
250 - 499	\$ 585.06	\$ 85.44	\$ 670.50	\$ 1,473.57	\$ 228.12	\$ 1,701.69	312
500 - 999	\$ 574.54	\$ 97.71	\$ 672.25	\$ 1,482.67	\$ 249.15	\$ 1,731.82	120
1,000 or more	\$ 566.77	\$ 90.45	\$ 657.22	\$ 1,525.16	\$ 269.55	\$ 1,794.71	90
STATEWIDE	\$ 589.80	\$ 85.30	\$ 675.10	\$ 1,513.74	\$ 231.99	\$ 1,745.73	2,009

Note: Includes plans where employees contribute \$0 to the premium and prescription and/or dental is included in the premium.
 Note: This is the same data found in the prior slide by region and by the number of employees covered.
 Note: n: number of plans.

Operational Assessment | County-wide Grant Management



Listed below are the county's total **grant revenues for operating and capital grants in 2008 and 2009, and 2017 and 2018**. These revenues are included in the intergovernmental revenues outlined in the financial assessment. Since 2008, operating grant revenues have remained relatively stagnant, while capital grant revenues demonstrated a slight increase.



Operating Grant Revenues	
2018	\$196.1M
2017	\$202.9M
2009	\$212.1M
2008	\$192.9M



Capital Grant Revenues	
2018	\$4.1M
2017	\$5.4M
2009	\$2.6M
2008	\$2.6M

The county lacks a centralized approach to maximize **grants**, that may limit opportunities to receive available state or federal grant funding. It was observed that departments / elected officials identify and pursue grants independently as resources have time or make the investment.

Operational Assessment | County-wide Grant Management



In comparing Hamilton County's grant revenues to peer counties, **Hamilton County performs significantly below Franklin and Cuyahoga County**, but more **on-par or better than Montgomery and Summit County**. Hamilton County's decrease in operating grant revenues since 2008 is a trend consistent with peer counties.

	Hamilton County	Summit County		Cuyahoga County*		Franklin County		Montgomery County	
Operating Grants		Total	Hamilton County Difference (\$)	Total	Hamilton County Difference (\$)	Total	Hamilton County Difference (\$)	Total	Hamilton County Difference (\$)
2018	\$196.1M	\$144.3M	+\$51.8M	\$392.3M	-\$196.2M	\$306.7M	-\$110.6M	\$169.1M	+\$27.0M
2017	\$202.9M	\$149.9M	+\$53.0M	\$435.1M	-\$232.2M	\$317.5M	-\$114.6M	\$161.6M	+\$41.3M
2009	\$212.1M	\$211.9M	+\$0.20M	\$602.1M	-\$390.0M	\$399.0M	-\$186.9M	\$215.4M	-\$3.3M
2008	\$192.9M	\$193.1M	-\$0.20M	\$614.1M	-\$421.2M	\$403.5M	-\$210.6M	\$224.8M	-\$31.9M
Capital Grants									
2018	\$4.1M	\$4.2M	-\$0.10M	\$48.3M	-\$44.2M	\$31.3M	-\$27.2M	\$15.4M	-\$11.3M
2017	\$5.4M	\$3.4M	+\$2.0M	\$44.7M	-\$39.3M	\$34.6M	-\$29.2M	\$8.8M	-\$3.4M
2009	\$2.6M	\$2.6M	\$0M	\$25.6M	-\$23.0M	\$17.0M	-\$14.4M	\$4.5M	-\$1.9M
2008	\$2.6M	\$2.6M	\$0M	\$31.8M	-\$29.2M	\$20.7M	-\$18.1M	\$9.8M	-\$7.2M

Note: Cuyahoga County 2018 and 2017 data is 2017 and 2016 revenues due to availability of data.

Source: 2018 and 2009 Comprehensive Annual Financial Reports (CAFR)

Operational Assessment | County-wide Vehicle Procurement & Maintenance



From 2016 – 2018, approximately 20 departments assumed **transportation and/or vehicle maintenance costs**. In this period, the county has spent approximately \$18 million, including:

- \$6 million for vehicle purchases
- \$2 million on parts and repair services
- \$6 million on transportation services
- \$3 million on fuel

Consolidation of vehicle services including **facilities, staffing and parts inventories** may provide cost saving opportunities.

Note: Departments included, Board of Elections, Clerk of Courts, Coroner, Communications Center, Developmental Disabilities, Dog Warden, Emergency Management, Engineer, Environmental Services, Facilities, Job and Family Services, Juvenile Court, Planning + Development, Sheriff, Stadiums, Soil & Water, Treasurer, Probation, Prosecutor, Veterans Service Commission

Operational Assessment | County-wide Fees, Fines & Forfeitures



Fees, fines and forfeitures for county provided services have not been consistently evaluated and updated, and it is unclear if the cost of the service is covered by the fees charged. Departments and elected officials did not provide a schedule or approach to standards for evaluating and establishing fees for the serviced provided to the residents and businesses of Hamilton County.

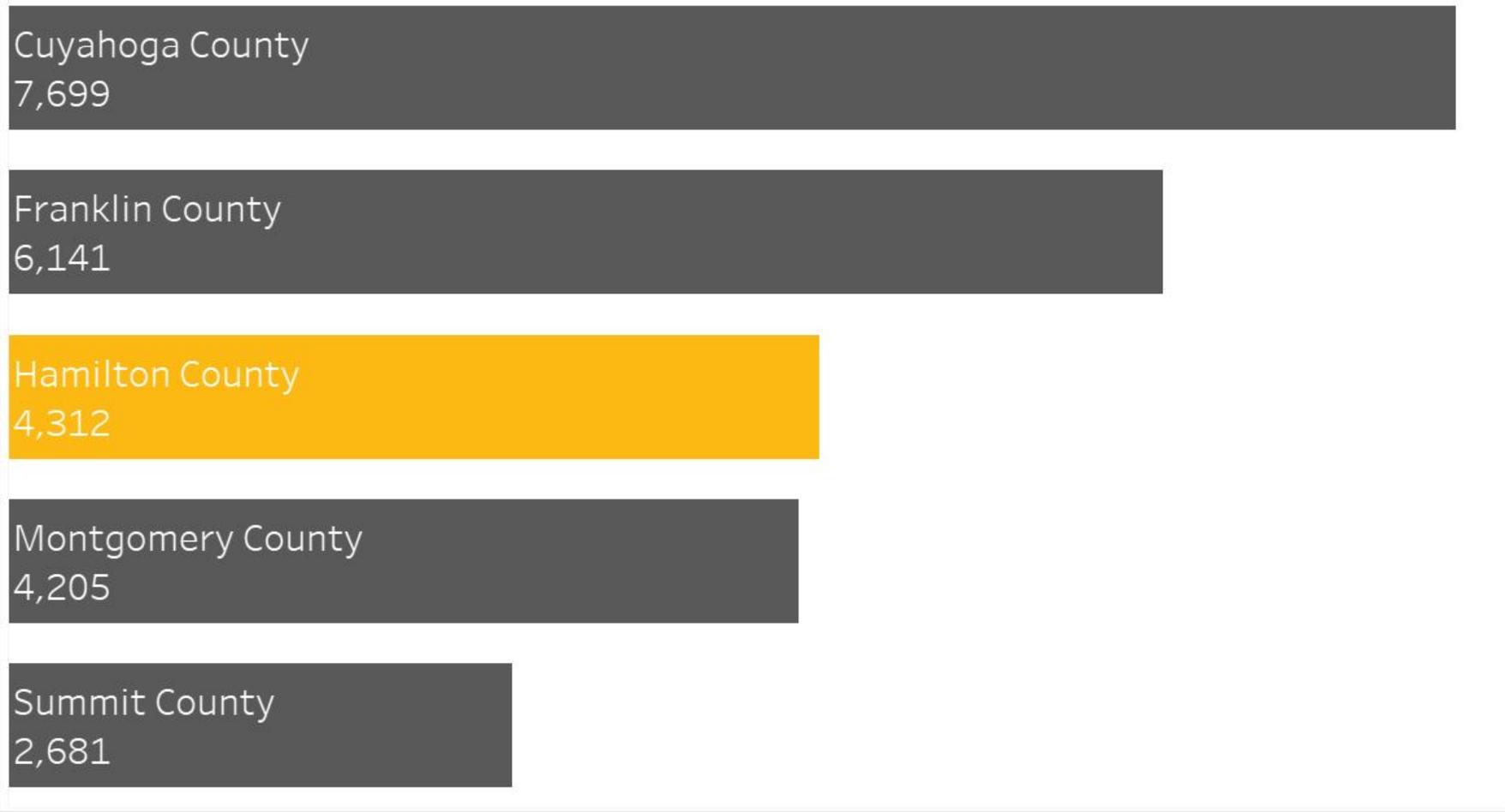
Key observations:

- County provided a fee inventory collected in 2005; approximately fifteen (15) departments / elected officials were included in the inventory. Departments updated it for this assessment yet few fees were increased. Approximately 75% of fees appear to have not been updated since 2005/2006.
- Departments maintain fees independently
- Inventory included approximately 2,000 fees, fines and forfeiture costs
- Approximately 90% of the fees provided reference Ohio Revised Code or other Regulation, but requires additional research to determine if fees are current

Operational Assessment | Peer Comparisons: Total Employees (2016)



Hamilton County is in the middle of all Ohio peer counties in terms of total number of employees in 2016.



Source: National Association of Counties

Operational Assessment | Peer Comparisons: Total Residents Per Employee



Hamilton County is in the middle of all Ohio peer counties in terms of number of employees compared to population in 2016.

Franklin County
210.4

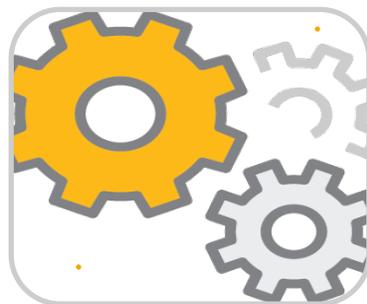
Summit County
198.1

Hamilton County
188.7

Cuyahoga County
162.2

Montgomery County
126.4

Source: National Association of Counties (2016)



Operational Assessment: Judicial



The **Judicial** functional area comprises the following key components. The focus herein is on General Fund areas.

General Fund

- Juvenile Court
- Public Defender
- Clerk of Courts
- Probation
- Court of Common Pleas
- Municipal Court
- Court of Domestic Relationship
- Probate Court
- Court Reporters
- Court of Appeals

Restricted Funds

- Auto Title (Clerk)
- Family Services & Treatment
- Other Funds

Judicial | Observations



As shared in the county-wide assessment, court **IT systems are aging** and costly to maintain

- Recent enhancements are making operations more efficient
- Dual ownership of system with vendor
- System is nearly 30 years old
- Lack internal staff with knowledge and skills to support systems

Caseloads, while staying relatively flat or decreasing, appear to be more complex and labor intensive based on information shared from staff in interviews.

Positions have been eliminated due to **budget constraints.**

Compensation and benefits appear to be less competitive based on information shared from staff in interviews.

Facilities are aging and required maintenance, which is consistent with most buildings across the county.

Court reporters are still prevalent, where the industry has moved to automation.



What Services are **Mandated** by Ohio Revised Code (ORC)?

- Establish a Court of Common Pleas (Court of Common Pleas)
- Administer oaths, take and certify affidavits, depositions, acknowledgement of deeds and mortgages (Clerk of Courts)
- Collect fees (Clerk of Court)
- Provide suitable cases or other necessary items for the safekeeping and preservation of books, records, etc. (Clerk of Court)
- Endorse court pleadings (Clerk of Court)
- Enter all orders, decrees and judgements (Clerk of Court)
- Appoint stenographic reporter (Court of Common Pleas)
- Provide for the care, protection and mental and physical development of children (Juvenile Court)
- Protect public interest in removing consequences of criminal behavior and to substitute with programs of supervisions, care and rehabilitation (Juvenile Court)
- Provide a place for juvenile detention within a convenient distance of the juvenile court and not used for confinement of adults (Juvenile Court)
- Administer decedent's estates, consent for medical treatment, appointment of guardians for minors and incapacitated adults, supervision of property, civil involuntary commitments of the mentally ill (Probate Court)
- Administer adoptions and birth record corrections and registrations and name changes (Probate Court)
- Issue marriage licenses (Probate Court)
- Provide legal representation to indigent adults and juveniles (Public Defender)

Note: Mandated vs. Non-Mandated Services were self-reported by departments and elected officials.



What Services are **Non-Mandated** by Ohio Revised Code (ORC)?

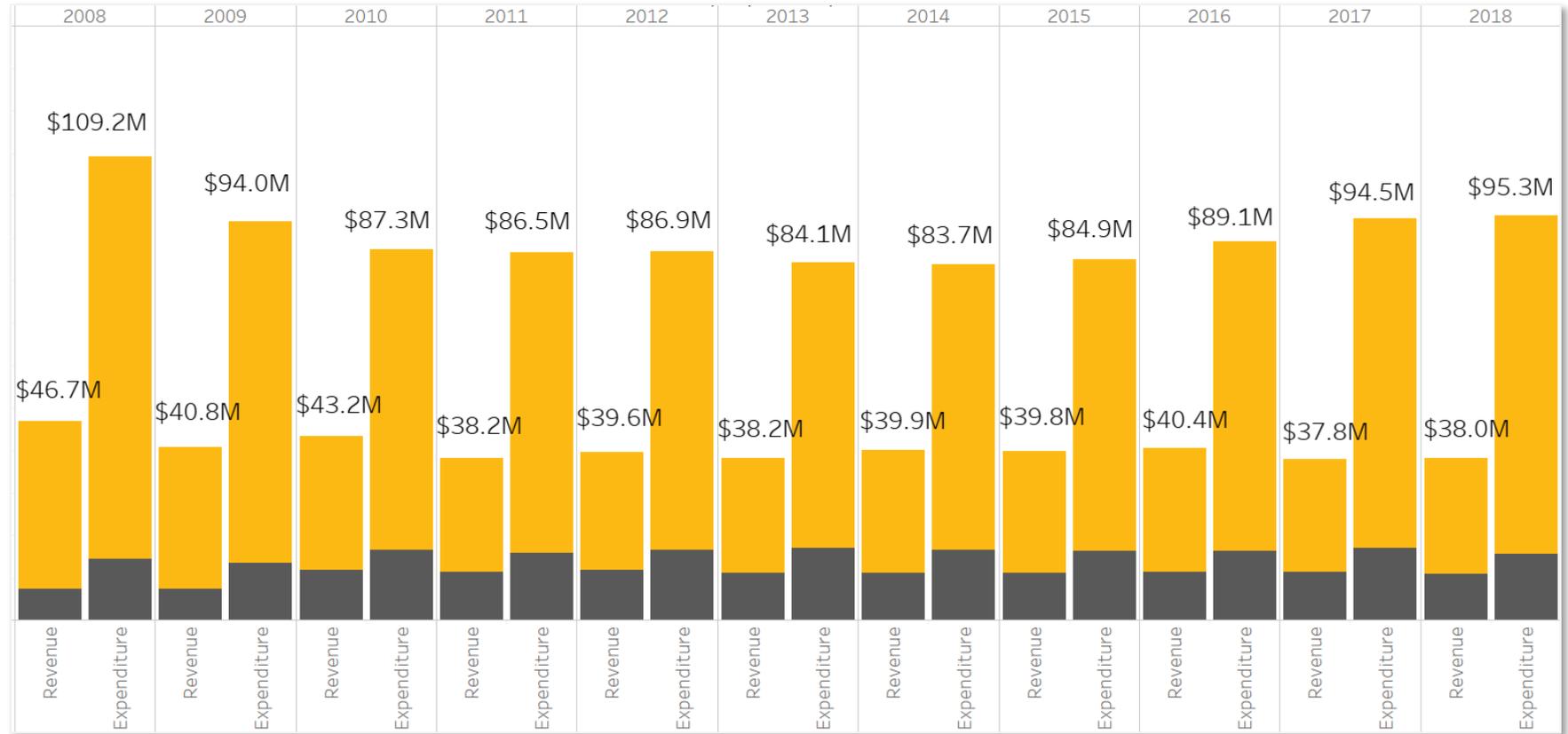
- Appoint interpreters, mental professionals and probation officers (Court of Common Pleas/Probation)
- Appoint reporters, law clerks, secretaries, and other employees that the court considers necessary for efficient operations (Court of Common Pleas)
- Provide courtroom bailiffs within Municipal Court (Municipal Court)

Note: Mandated vs. Non-Mandated Services were self-reported by departments and elected officials.

Judicial | Revenues & Expenditures Overview (General and Restricted)



Total Judicial **spend** in 2018 was at **87.3%** of 2008 spend. Judicial spend has been slowing increasing since 2014.



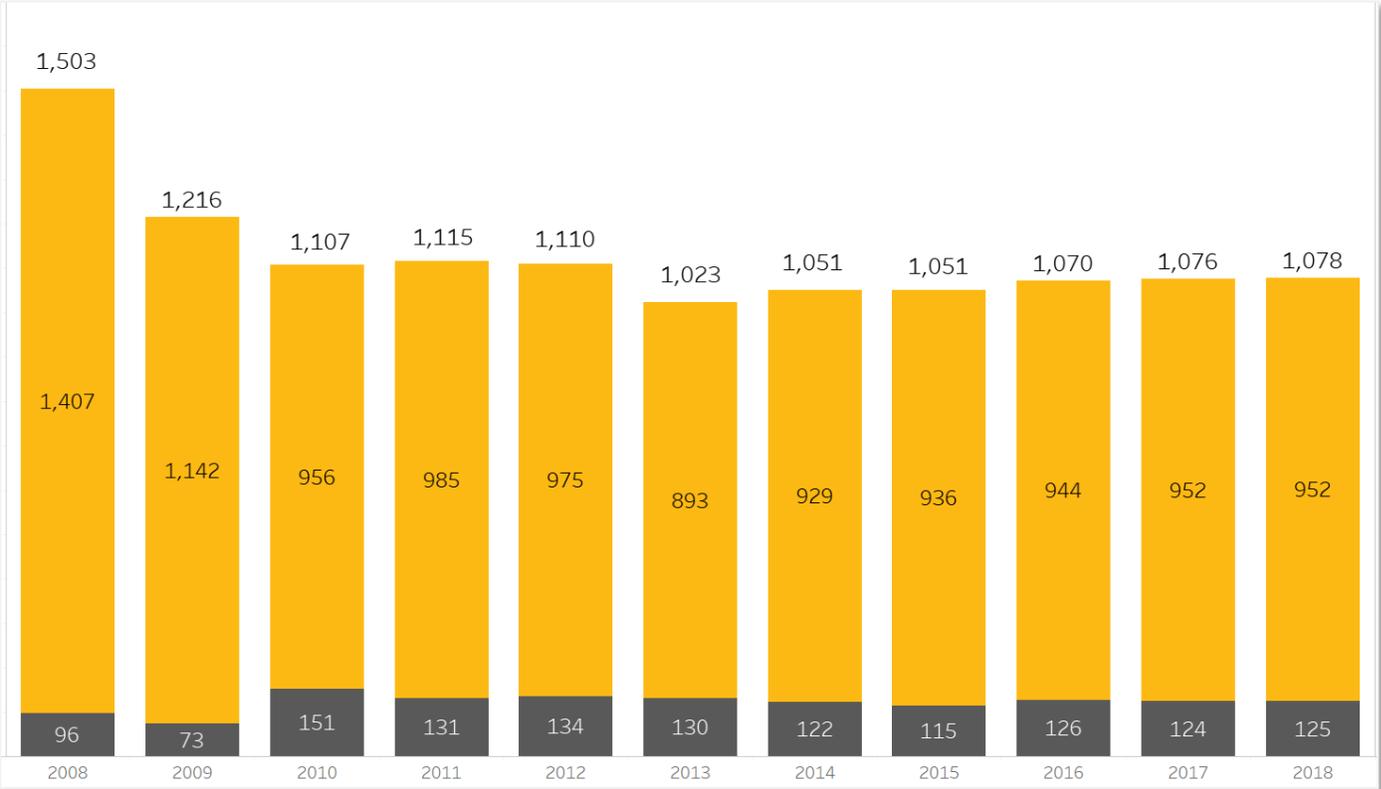
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenue	\$39.5M	\$33.4M	\$31.5M	\$26.9M	\$27.8M	\$27.0M	\$28.9M	\$28.7M	\$29.1M	\$26.5M	\$27.2M
General Expenditure	\$94.8M	\$80.6M	\$70.9M	\$70.8M	\$70.4M	\$67.2M	\$67.2M	\$68.7M	\$72.8M	\$77.7M	\$79.9M
Restricted Revenue	\$7.2M	\$7.3M	\$11.7M	\$11.2M	\$11.8M	\$11.1M	\$11.0M	\$11.0M	\$11.3M	\$11.3M	\$10.8M
Restricted Expenditure	\$14.3M	\$13.3M	\$16.4M	\$15.7M	\$16.5M	\$17.0M	\$16.5M	\$16.2M	\$16.3M	\$16.9M	\$15.4M

Judicial | People: Staffing Analysis (FTE)



The Judicial area has seen a significant decline in personnel over the 2008 – 2018 time period. Staffing declined significantly in 2009.

2018 staffing levels were at 71.7% compared 2008.

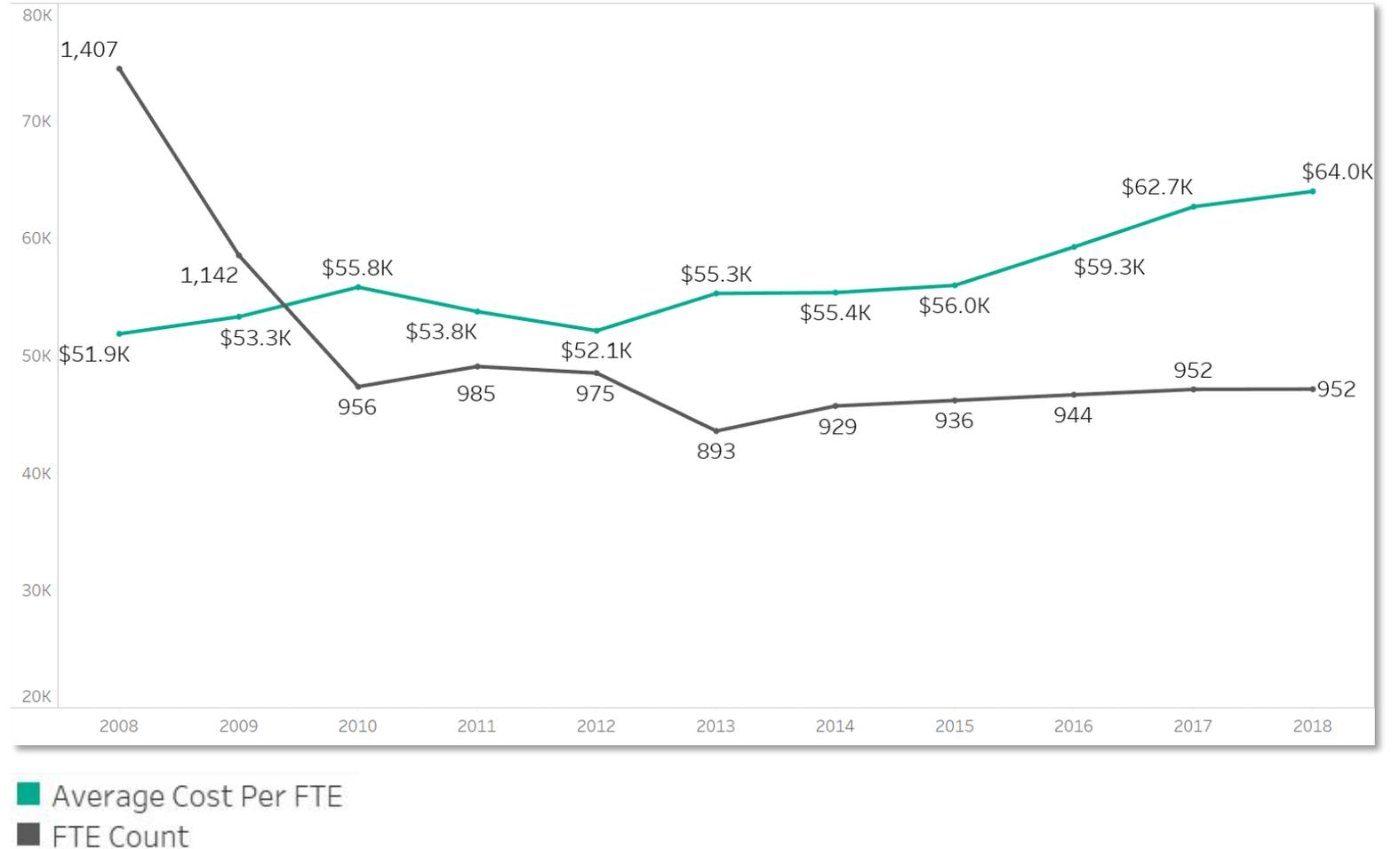


■ General
■ Restricted

Judicial | People: Staffing Analysis – General Funded per FTE Cost



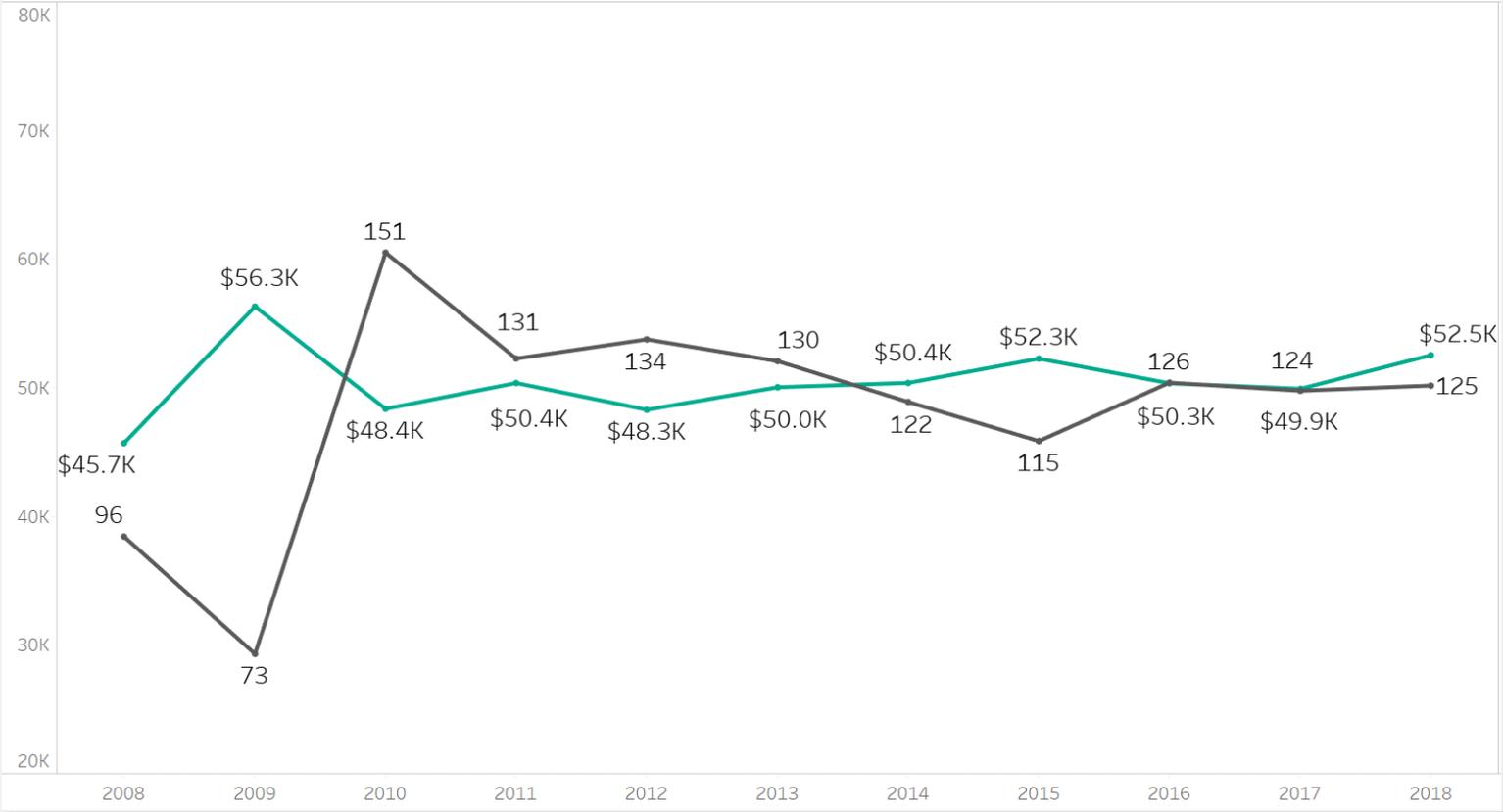
This chart depicts general fund staffing levels since 2008, with the **average per FTE costs each year**.



Judicial | People: Staffing Analysis – Restricted per FTE Cost



This chart depicts restricted fund staffing levels since 2008, with the **average per FTE costs each year.**

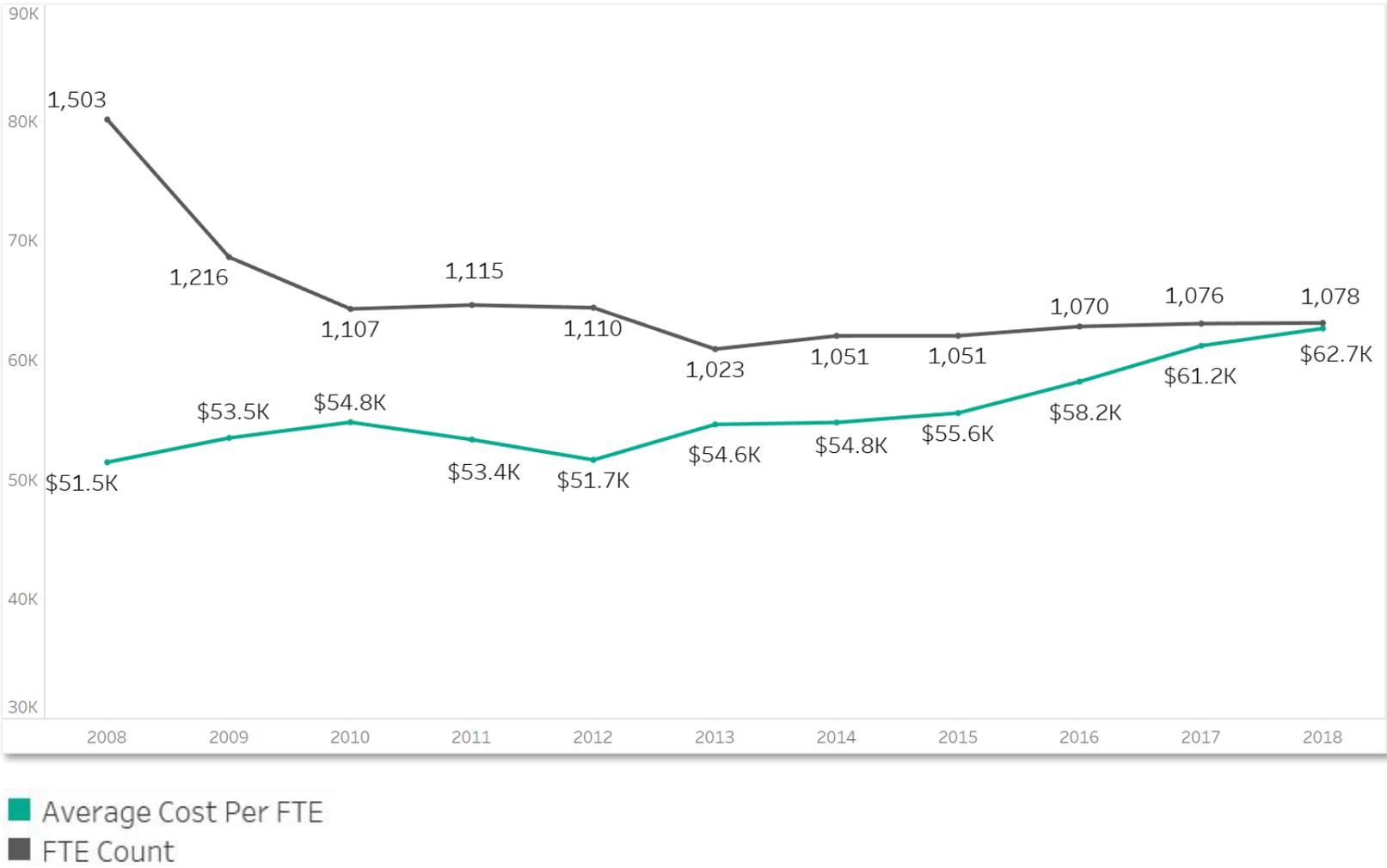


■ Average Cost Per FTE
■ FTE Count

Judicial | People: Staffing Analysis – General + Restricted per FTE Cost



This chart depicts both general and restricted fund staffing levels since 2008, with the **total average per FTE costs each year.**

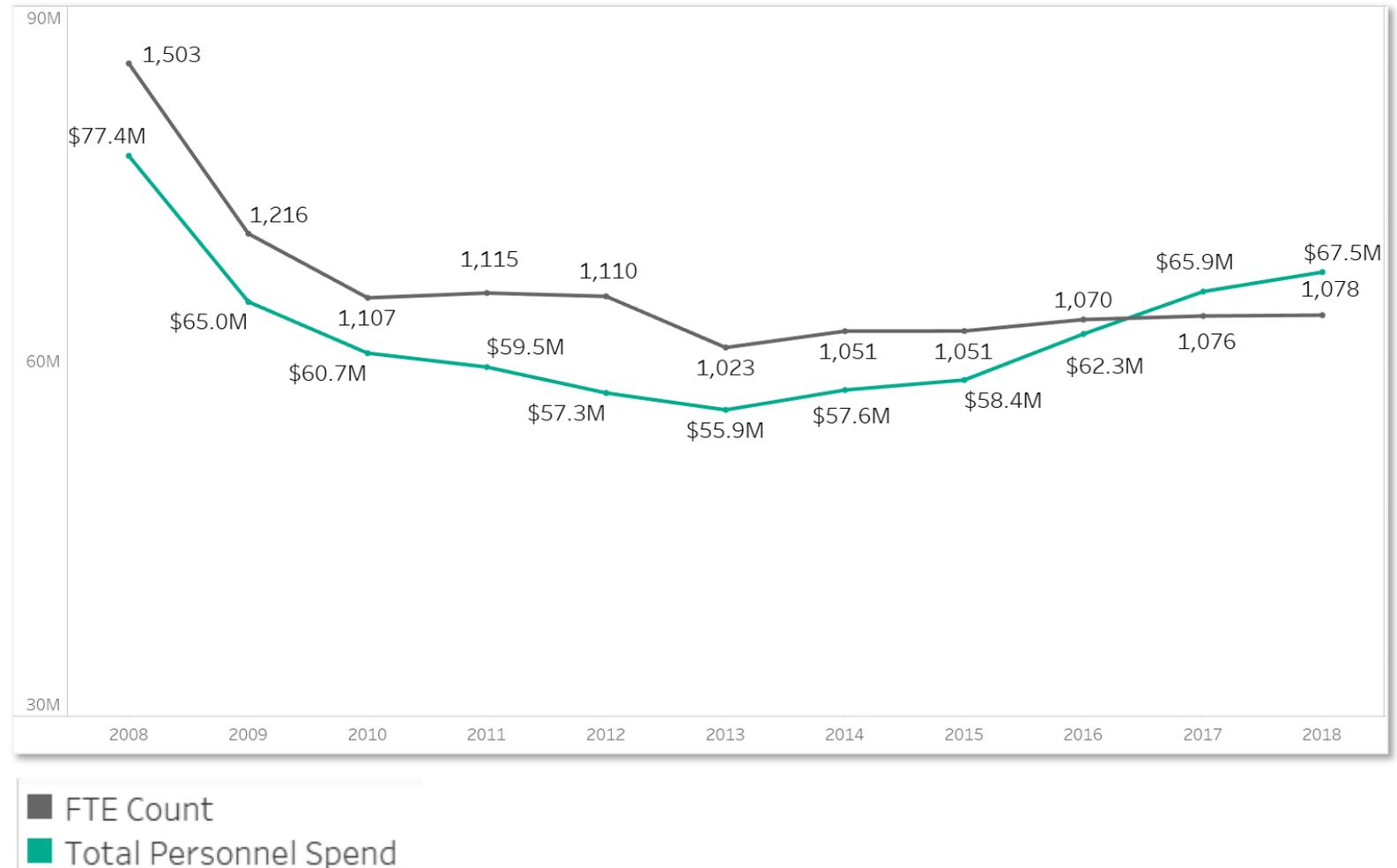


Judicial | People: Staffing Analysis – General + Restricted Total Spend



This chart depicts all fund staffing levels since 2008, with the **total personnel costs each year**.

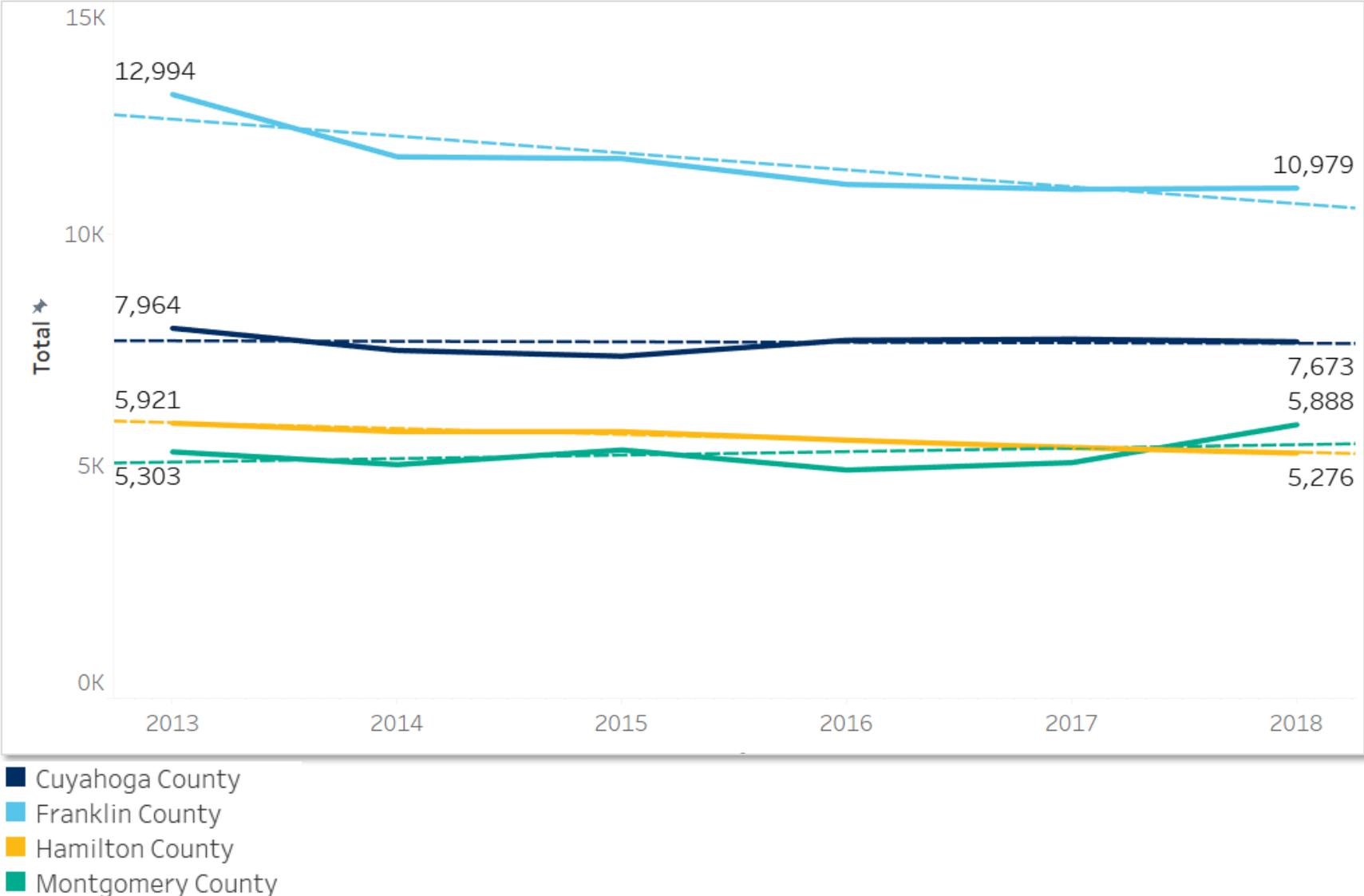
Overall, FTEs decreased while the average cost of personnel increased annually.



Judicial | Peer Comparisons: Incoming Cases – Domestic Relations



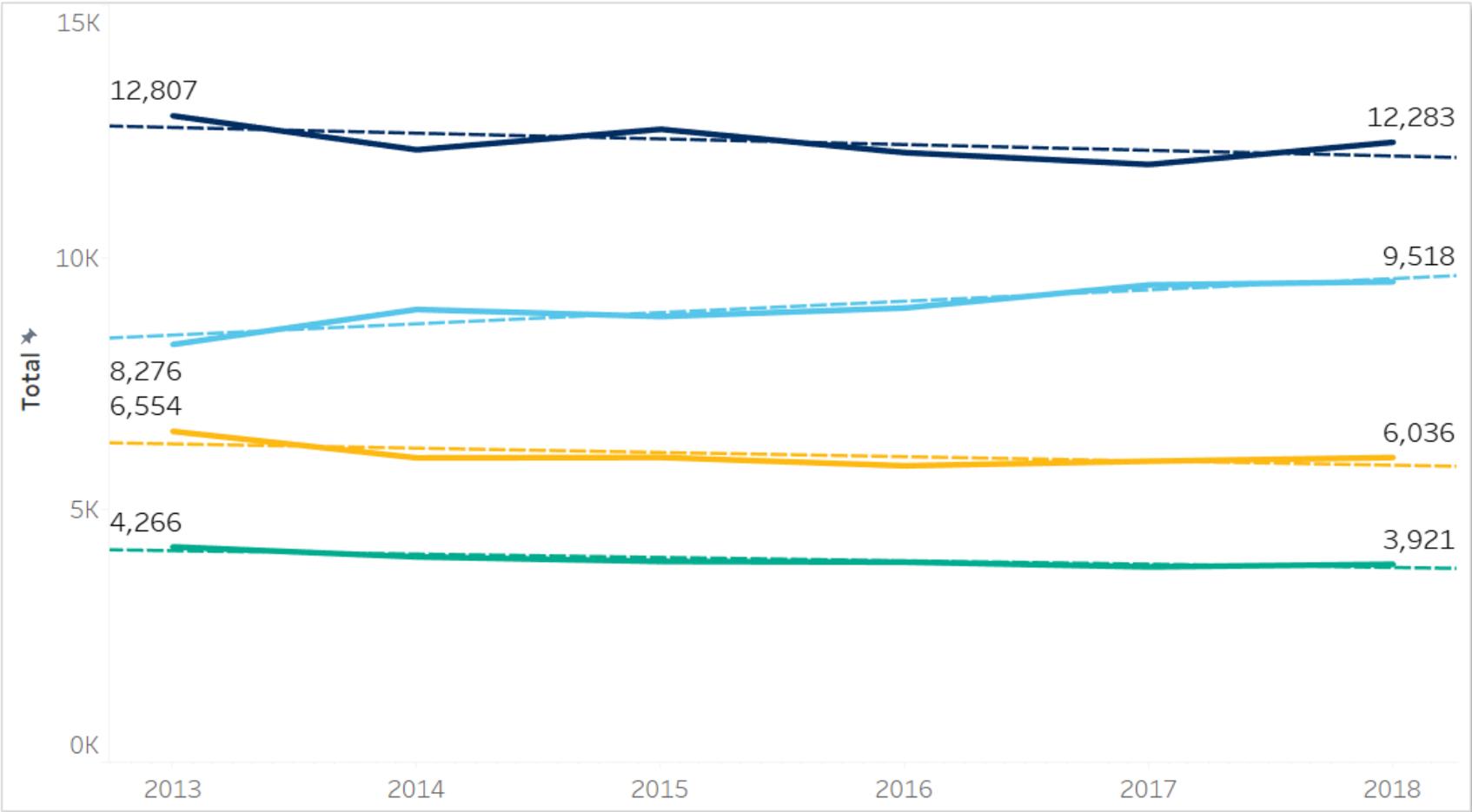
Hamilton County cases have been decreasing, which is on trend with Franklin.



Judicial | Peer Comparisons: Incoming Cases – Probate



Probate cases have been increasing in Hamilton County.

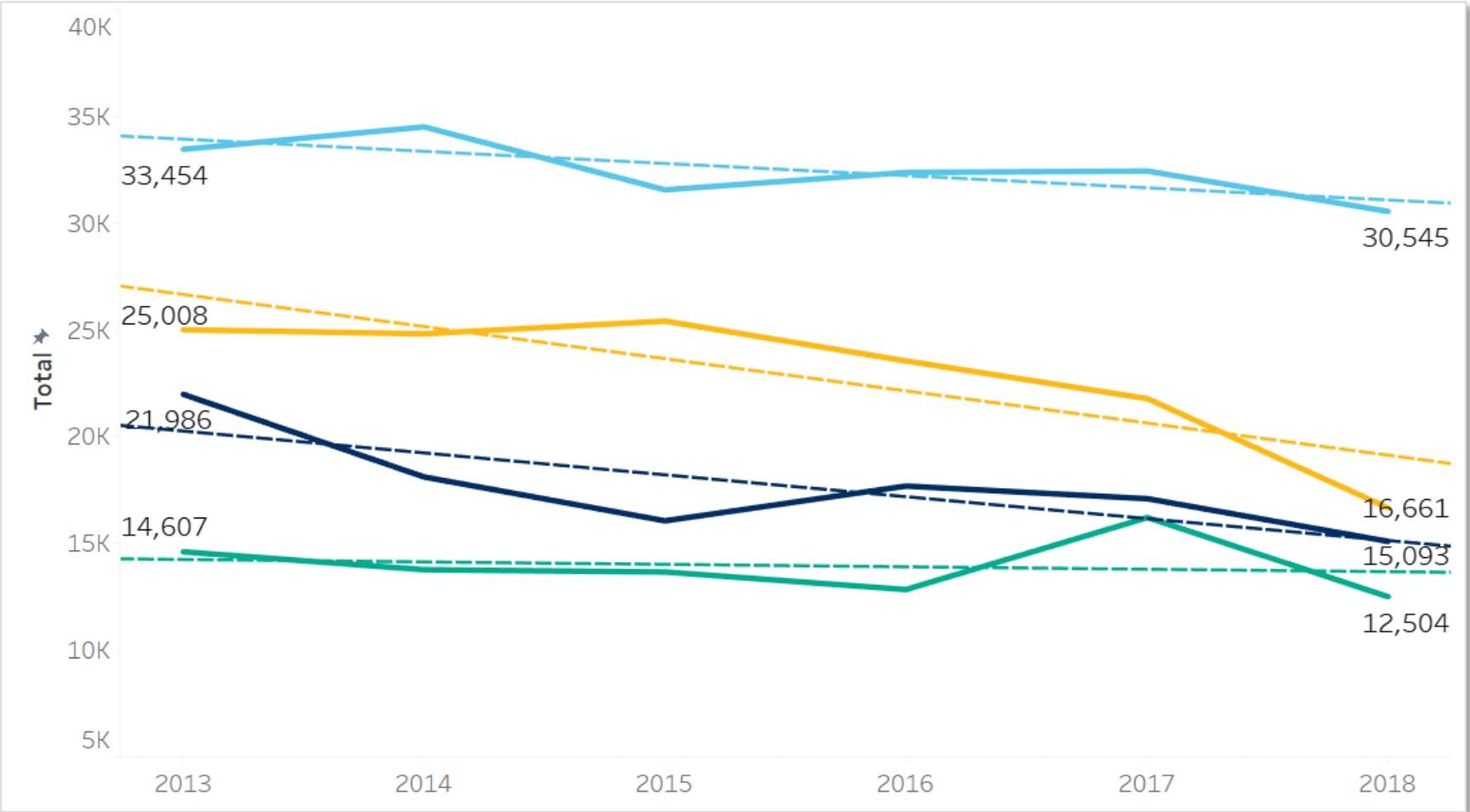


- Cuyahoga County
- Franklin County
- Hamilton County
- Montgomery County

Judicial | Peer Comparisons: Incoming Cases – Juvenile



Juvenile cases have been declining in Hamilton County.

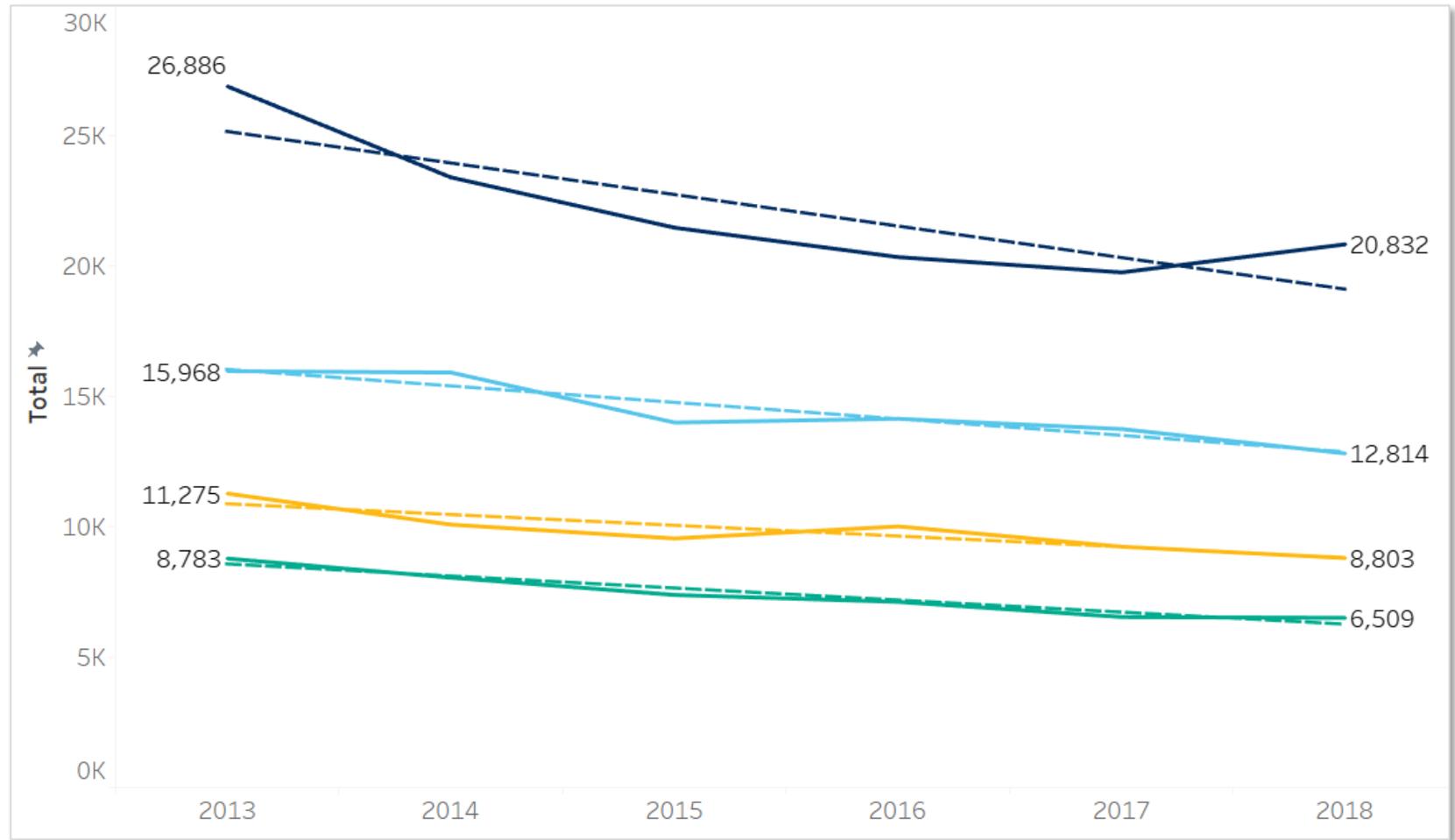


- Cuyahoga County
- Franklin County
- Hamilton County
- Montgomery County

Judicial | Peer Comparisons: Incoming Cases – Civil



Civil cases have been declining in Hamilton County, the same trend evident amongst peer counties.

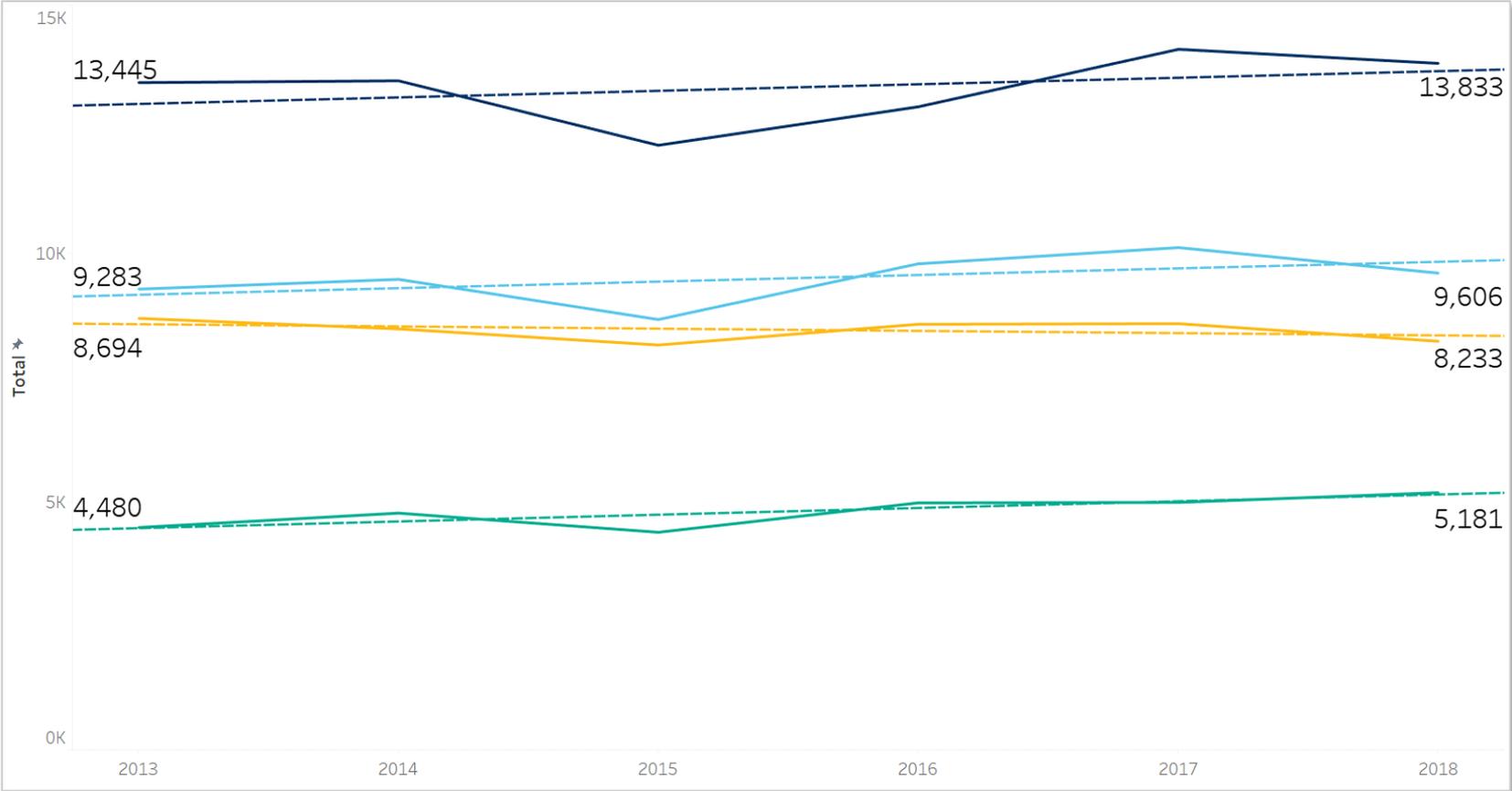


- Cuyahoga County
- Franklin County
- Hamilton County
- Montgomery County

Judicial | Peer Comparisons: Incoming Cases – Criminal



Criminal cases have been stagnant in Hamilton County, a consistent trend among peer counties.

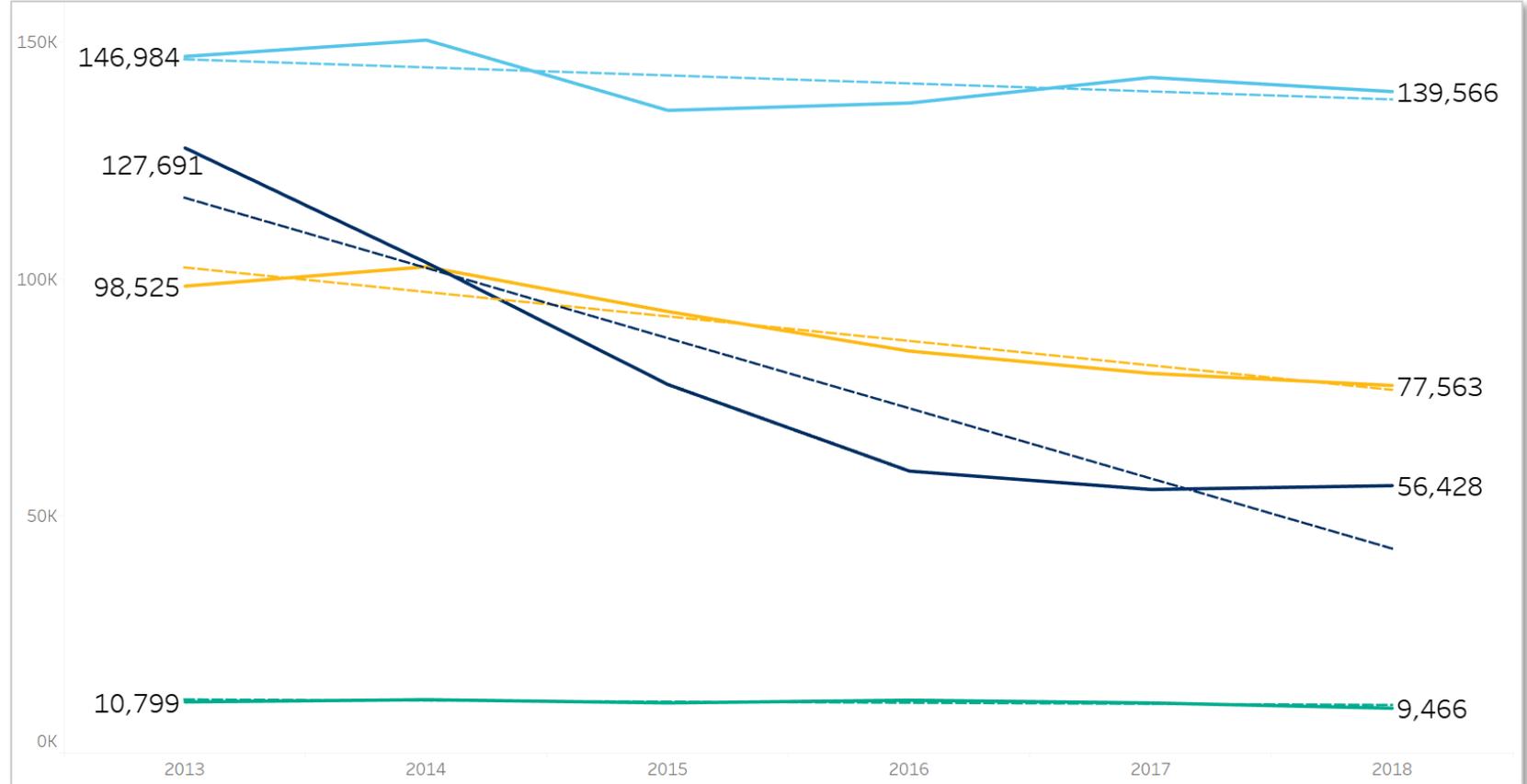


- Cuyahoga County
- Franklin County
- Hamilton County
- Montgomery County

Judicial | Peer Comparisons: Incoming Cases – Municipal Court: Traffic



Municipal Court traffic cases have demonstrated a decline since 2014, consistent with Cuyahoga County. Comparatively, Franklin County's incoming cases have remained higher, and more steady, than Hamilton County since 2014.

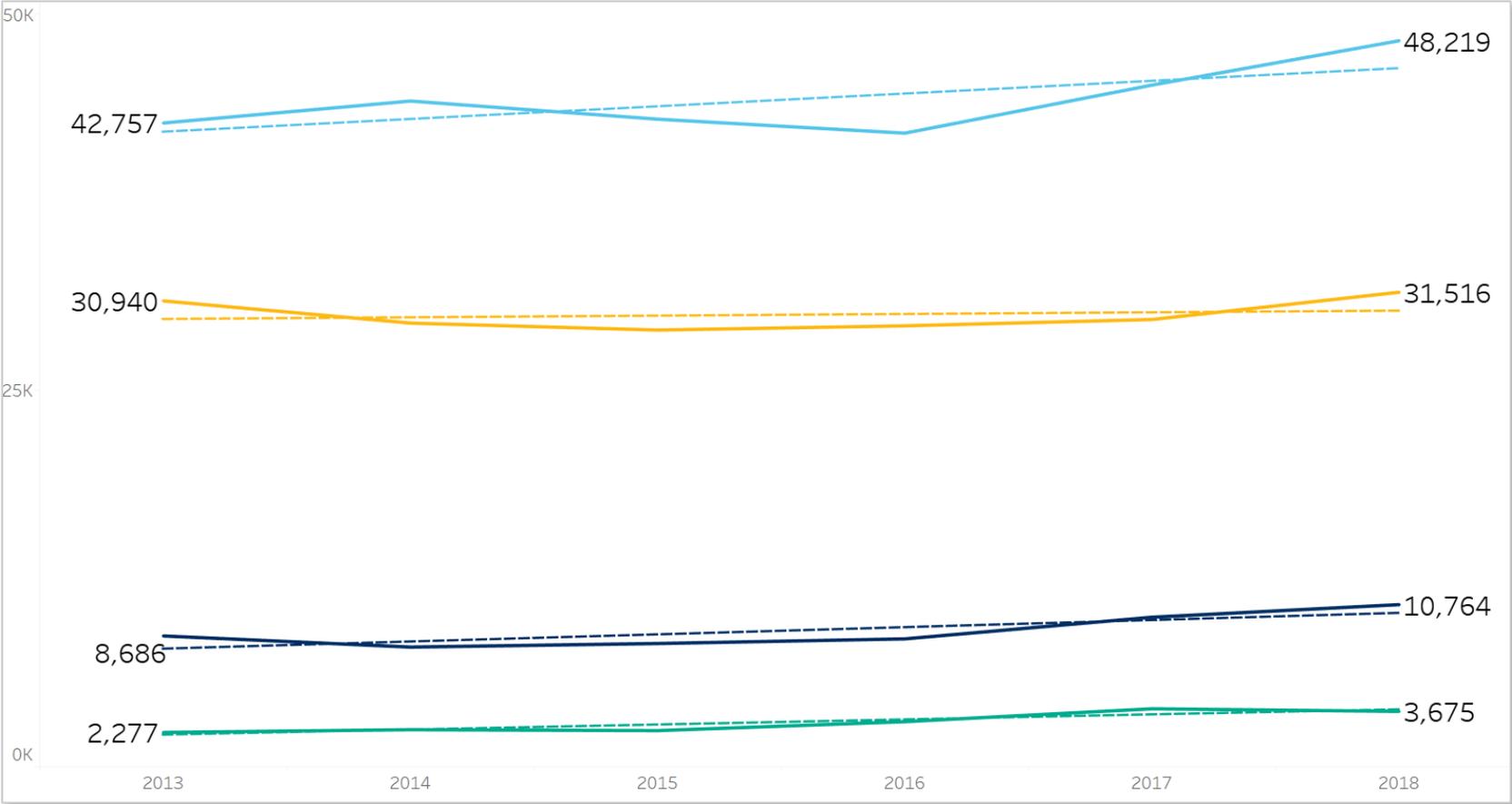


- Cuyahoga County
- Franklin County
- Hamilton County
- Montgomery County

Judicial | Peer Comparisons: Incoming Cases – Municipal Court: Civil



Municipal Court civil cases have remained stagnant.

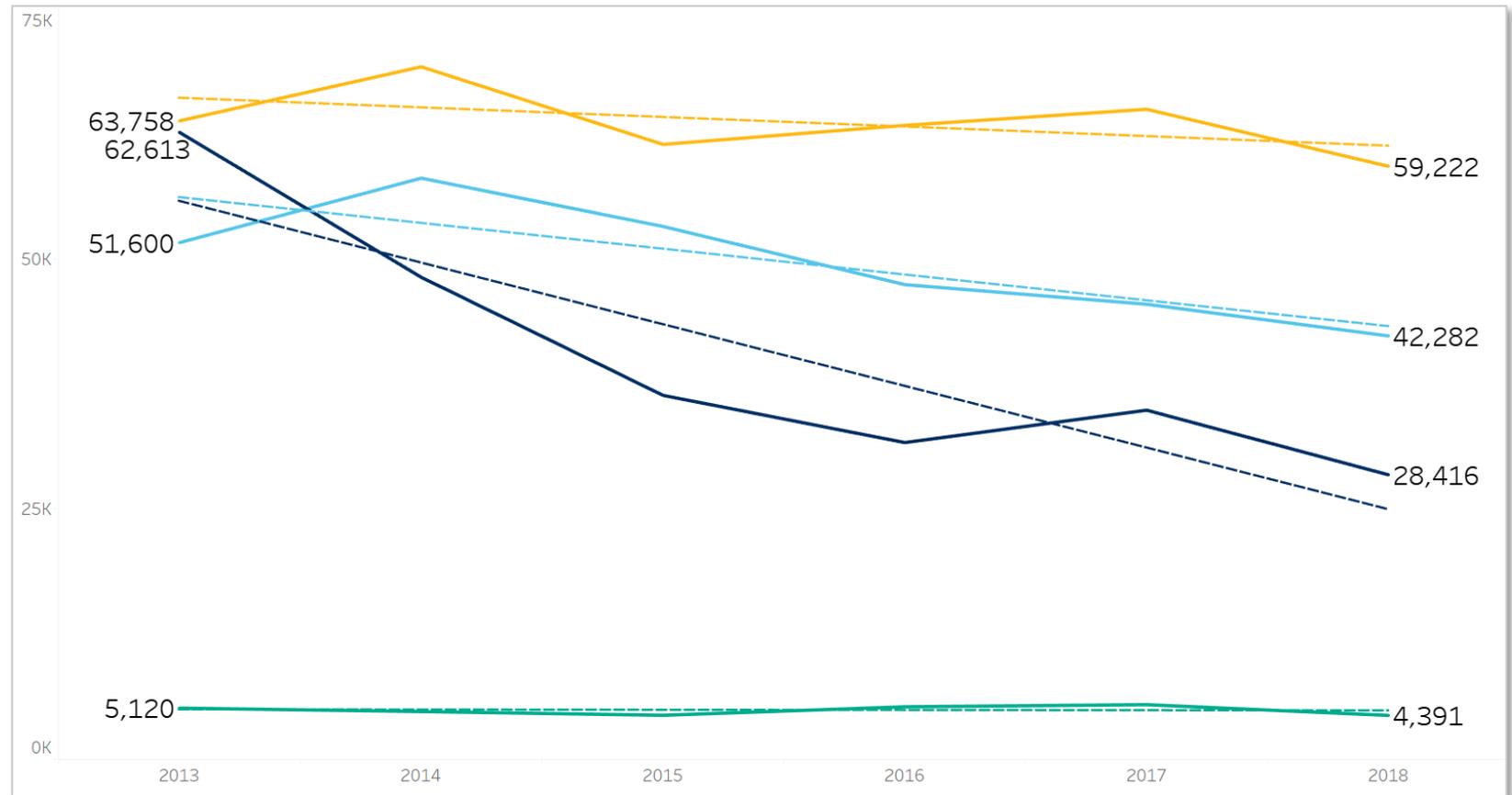


- Cuyahoga County
- Franklin County
- Hamilton County
- Montgomery County

Judicial | Peer Comparisons: Incoming Cases – Municipal Court: Criminal



Municipal Court criminal cases have been relatively stagnant in Hamilton County, though incoming cases have remained the highest among all peer counties since 2013.



- Cuyahoga County
- Franklin County
- Hamilton County
- Montgomery County

Judicial | Peer Comparisons: Expenditure Analysis



Hamilton County's 2019 budgeted judicial spend is, on average, \$37 million less than peer Ohio counties. Overall, Hamilton County's general fund judicial expenditures fell below peer Ohio counties.

	Hamilton County	Hamilton County	Franklin County	Franklin County	Cuyahoga County	Cuyahoga County
	Budgeted Expenditures (million)	% of GF Budget	Budgeted Expenditures (million)	% of GF Budget	Budgeted Expenditures (million)	% of GF Budget
Clerk of Courts	\$11.80	5.00%	\$10.00	2.20%	\$8.80	2.40%
Common Pleas	\$8.40	3.50%	\$24.90	5.40%	\$51.20	13.90%
Court of Appeals	\$0.05	0.00%	\$0.30	0.10%	\$0.90	0.20%
Domestic Relations	\$3.40	1.41%	\$35.40	8.10%	\$10.10	2.52%
Juvenile Court	\$17.50	7.17%	N/A	N/A	\$38.00	4.48%
Probate Court	\$3.30	1.40%	\$4.90	1.10%	\$6.40	1.70%
Municipal Court	\$5.60	2.30%	\$3.70	0.80%	--	---
Public Defender	\$19.40	8.10%	\$14.10	3.10%	\$11.20	3.00%
Total	\$69.45		\$93.30		\$126.60	
Population	816,684		1,310,300		1,243,857	
Per Capita Spend	\$85		\$71		\$102	

Franklin County's Juvenile and Domestic Relations courts operate within a single budget.

Judicial | Peer Comparisons: Expenditure Analysis



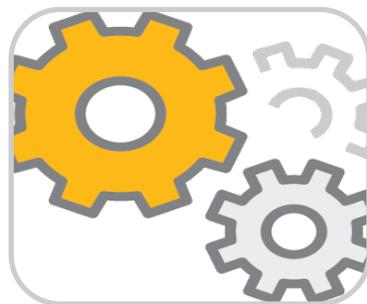
Hamilton County's **cost per case is lower than Franklin and Cuyahoga** with the exception of Probate Court where Franklin is slightly lower.

Court	Hamilton Caseload / FTE	Hamilton Cost / FTE	Hamilton Cost / Case	Franklin Caseload / FTE	Franklin Cost / FTE	Franklin Cost / Case	Cuyahoga Caseload / FTE	Cuyahoga Cost / FTE	Cuyahoga Cost / Case
Common Pleas	202	\$132,794	\$658	87.9	\$108,610	\$1,236	69.1	\$111,781	\$1,618
Domestic Relations	115	\$76,690	\$669	104.1	\$103,823	\$998	80.8	\$105,869	\$1,311
Juvenile Court*	65	\$74,073	\$1,134	N/A	N/A	N/A	27.5	\$111,670	\$4,062
Probate Court	128	\$76,256	\$594	172.4	\$88,803	\$515	155.5	\$93,804	\$603
Municipal Court **	1,489	\$85,191	\$57	10457.6	\$97,453	\$9	N/A	N/A	N/A

* Franklin County Juvenile Courts information is consolidated with Domestic Relations

** Cuyahoga Municipal Court is consolidated with the City of Cleveland

*** Franklin County Municipal County is consolidated with the City of Columbus



Operational Assessment: General Government



The **General Government** functional area comprises the following key components:

General Fund

- County Facilities
- Board of Elections
- Non-Departmental
- Commissioners / Administration
- Communications Center / Telecommunications
- Recorder
- Treasurer
- Subsidies

Restricted Funds

- Medical Self-Insurance
- Real Estate Assessment (Auditor)
- Delinquent Tax Collections (Treasurer)
- Workers Comp
- Other Funds



What Services are **Mandated** by Ohio Revised Code (ORC)?

- Perform accounting functions for all county collections (Auditor)
- Conduct assessments on all county properties (Auditor)
- Conduct audits of county departments (Auditor)
- Issue checks in payment of all obligations (Auditor)
- Distribute tax dollars to other jurisdictions (Auditor)
- Maintain official records for all receipts, disbursements and fund balances (Auditor)
- Prepare Comprehensive Annual Financial Report (CAFR) (Auditor)
- Prepare and distribute payroll of all County employees (Auditor)
- Issue cigarette sale licenses, retail vendor licenses and junkyard permits (Auditor)
- Provide County tax collection and distributions (Treasurer)
- Provide financial support of Hamilton County Agricultural Society (Non-Departmentals)
- Provide general fund subsidy to Soil and Water Conservation District, Job and Family Services (JFS) - Public Assistance; County Engineer - Tax Mapping and County Dog Warden (County Administration)
- Prepare and submit budgets (County Administration)
- Maintain Workers Compensation Fund (Human Resources)

Note: Mandated vs. Non-Mandated Services were self-reported by departments and elected officials.



What Services are **Non-Mandated** by Ohio Revised Code (ORC)?

- Provide Economic Development services/programs (County Administration)
- Appoint a County Administrator (County Administration)
- Establish a Purchasing Department (County Administration)
- Provide training, employee relations and Job and Family Services staffing (Human Resources)
- Establish a Risk Management program (Human Resources)
- Distribute retirement payouts of sick and vacation leave (Non-Departmentals)
- Operate the Office of Re-Entry (County Administration)
- Provide general fund subsidy to Ohio State Extension Office, CAGIS, Office of Re-Entry and the Heroin Task Force (County Administration)
- Operate a Facilities Department, including:
 - Perform administrative functions including payroll, purchasing, inventory, information technology, support and work management
 - Establish and maintain processes and procedures in accordance with OHSA standards
 - Provide landscaping and maintenance services for county buildings
 - Maintain county building roofs, windows, sidewalk, lighting, A/C and fire alarms
 - Perform routine, planned and deferred maintenance (carpentry, electric, painting/plastering, plumbing)
 - Manage capital construction and capital improvement projects
 - Execute real estate functions such as property acquisitions, dispositions, leasing and tax bill processing

Note: Mandated vs. Non-Mandated Services were self-reported by departments and elected officials.

General Government | Revenues & Expenditures (General + Restricted)



General Government is supported by both general fund and restricted sources.



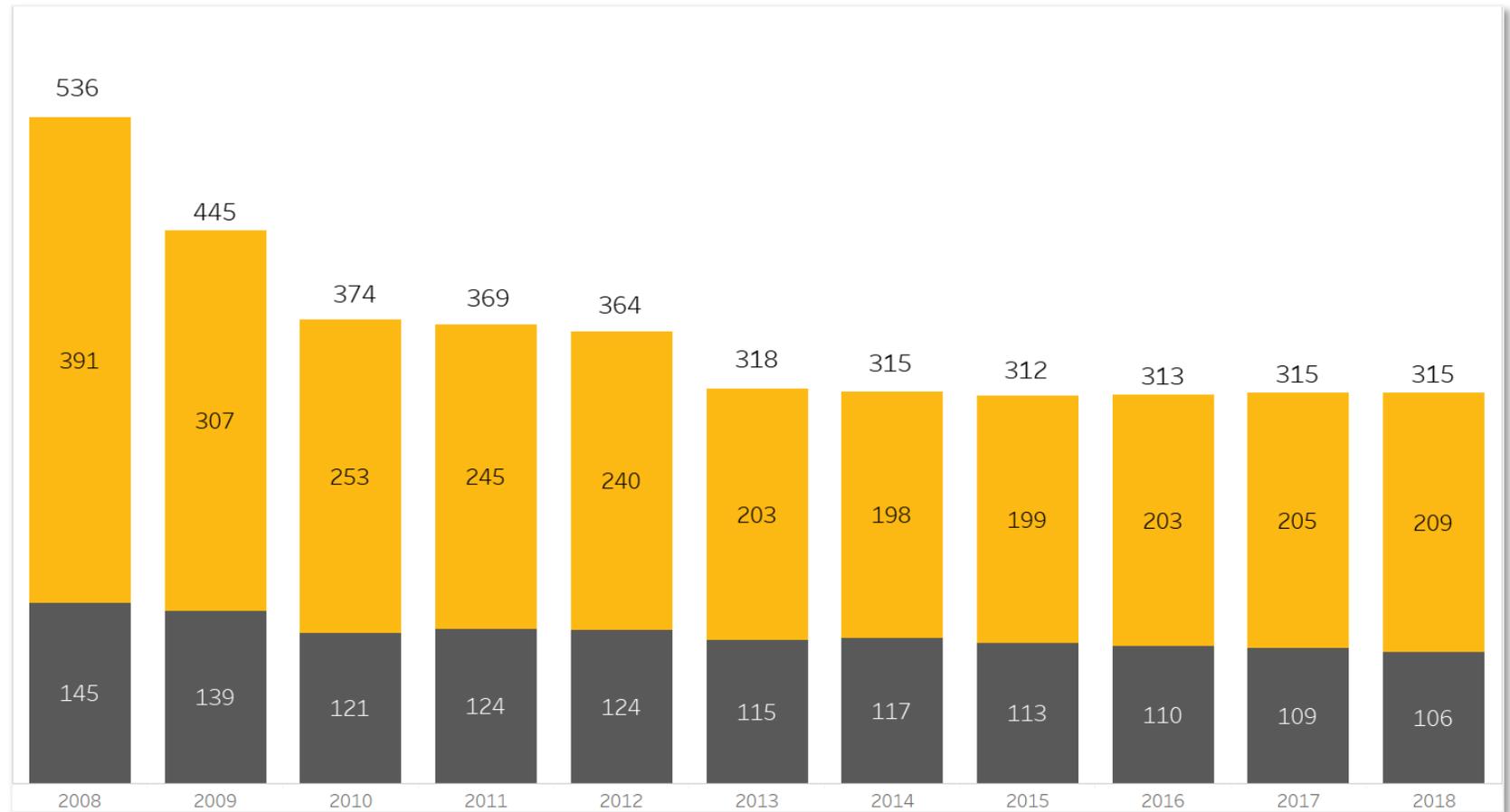
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General	Revenue	\$207.7M	\$173.1M	\$169.3M	\$168.0M	\$157.8M	\$161.6M	\$163.4M	\$167.4M	\$174.8M	\$177.0M	\$195.1M
	Expenditure	\$64.6M	\$44.4M	\$41.3M	\$46.4M	\$55.1M	\$51.2M	\$46.1M	\$49.0M	\$48.8M	\$45.0M	\$45.8M
Restricted	Revenue	\$29.1M	\$21.9M	\$60.3M	\$64.6M	\$62.6M	\$57.5M	\$57.3M	\$61.0M	\$64.2M	\$64.5M	\$66.6M
	Expenditure	\$29.3M	\$22.4M	\$51.7M	\$55.5M	\$58.1M	\$52.8M	\$56.6M	\$57.0M	\$63.1M	\$61.6M	\$66.5M

General Government | Staffing Analysis



General Government staffing has declined significantly since 2008.

2018 staffing levels were at 61% of 2008.



■ General
■ Restricted

General Government | People: Staffing Analysis – General Fund Per FTE Cost



This chart depicts general fund staffing levels since 2008, with **average per FTE costs each year.**



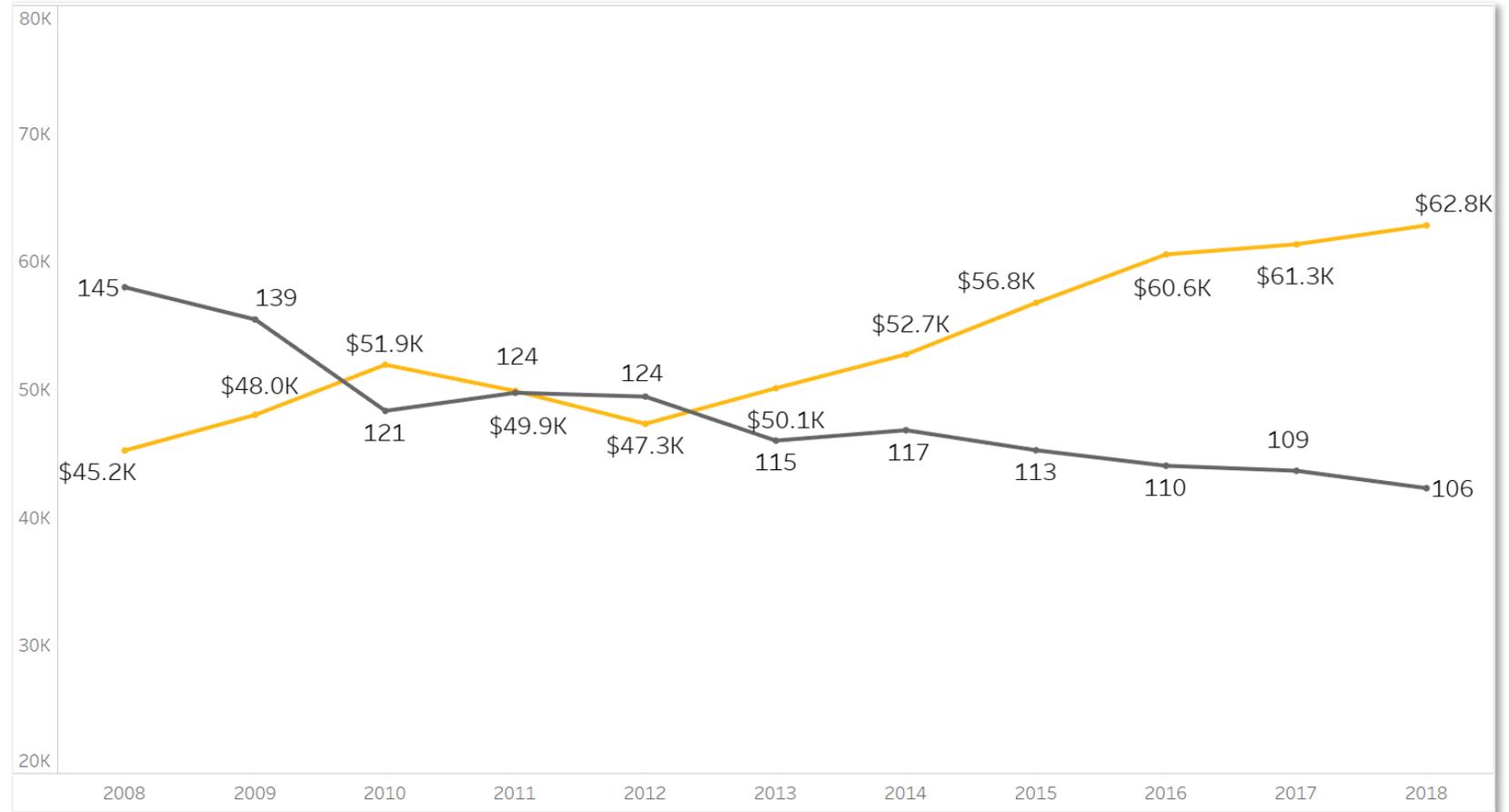
Note: Non-departmental costs were removed from general government's personnel costs due to the nature of non-departmental costs and their applicability to department's across other county functional areas (e.g. public safety, judicial, etc.). Board of Health FTE's and Personnel Expenditures were also removed.

- Average Cost Per FTE
- FTE Count

General Government | People: Staffing Analysis – Restricted Fund per FTE Cost



FTEs supported by restricted funds have declined, though the average per FTE cost has continued to rise.



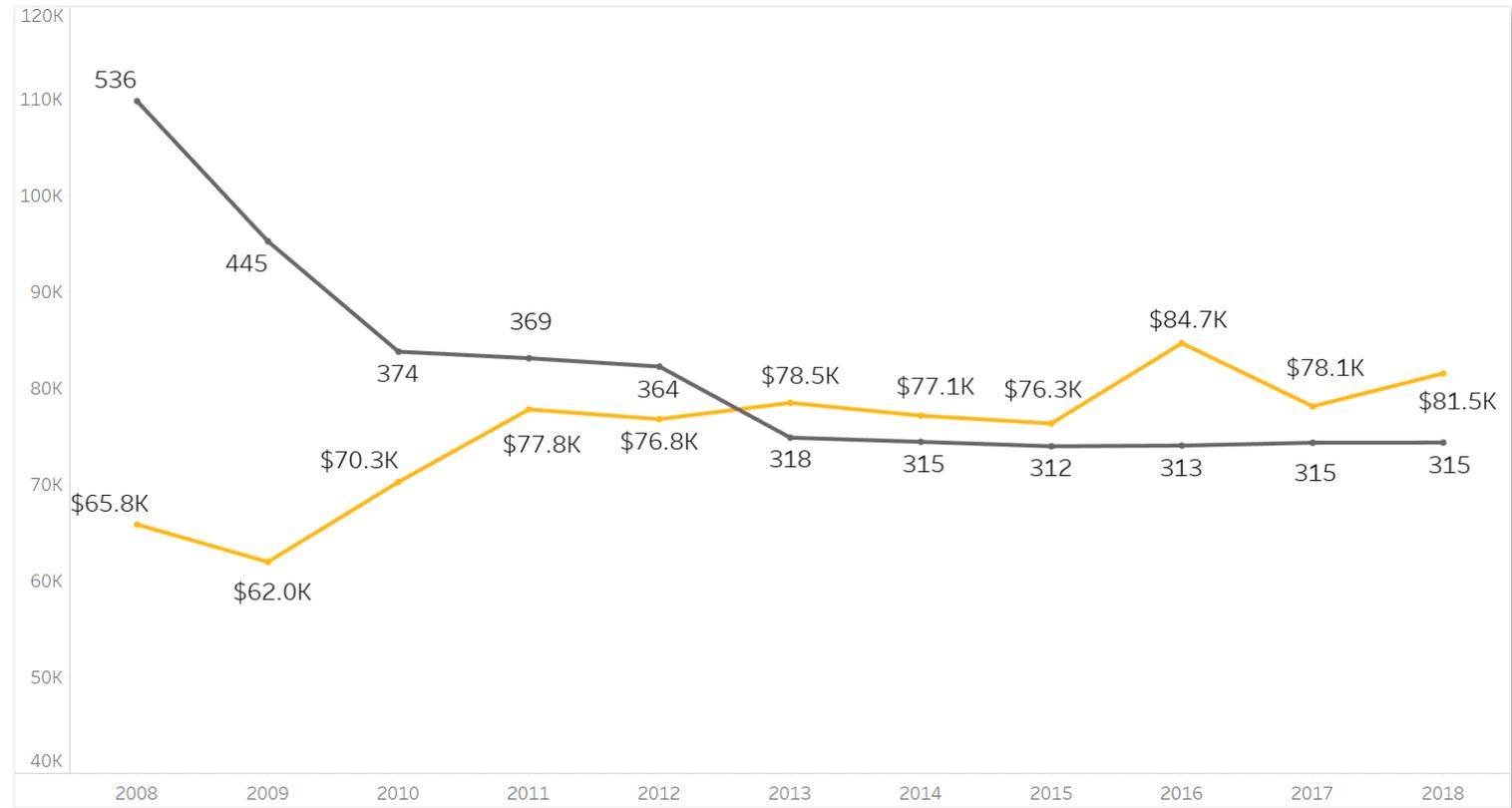
Note: Non-departmental costs were removed from general government's personnel costs due to the nature of non-departmental costs and their applicability to department's across other county functional areas (e.g. public safety, judicial, etc.). Board of Health FTE's and Personnel Expenditures were also removed.

- Average Cost Per FTE
- FTE Count

General Government | People: Staffing – General + Restricted per FTE Cost



This chart depicts both general and restricted fund staffing levels since 2008, with the **total average per FTE costs each year.**



Note: Non-departmental costs were removed from general government's personnel costs due to the nature of non-departmental costs and their applicability to department's across other county functional areas (e.g. public safety, judicial, etc.). Board of Health FTE's and Personnel Expenditures were also removed.

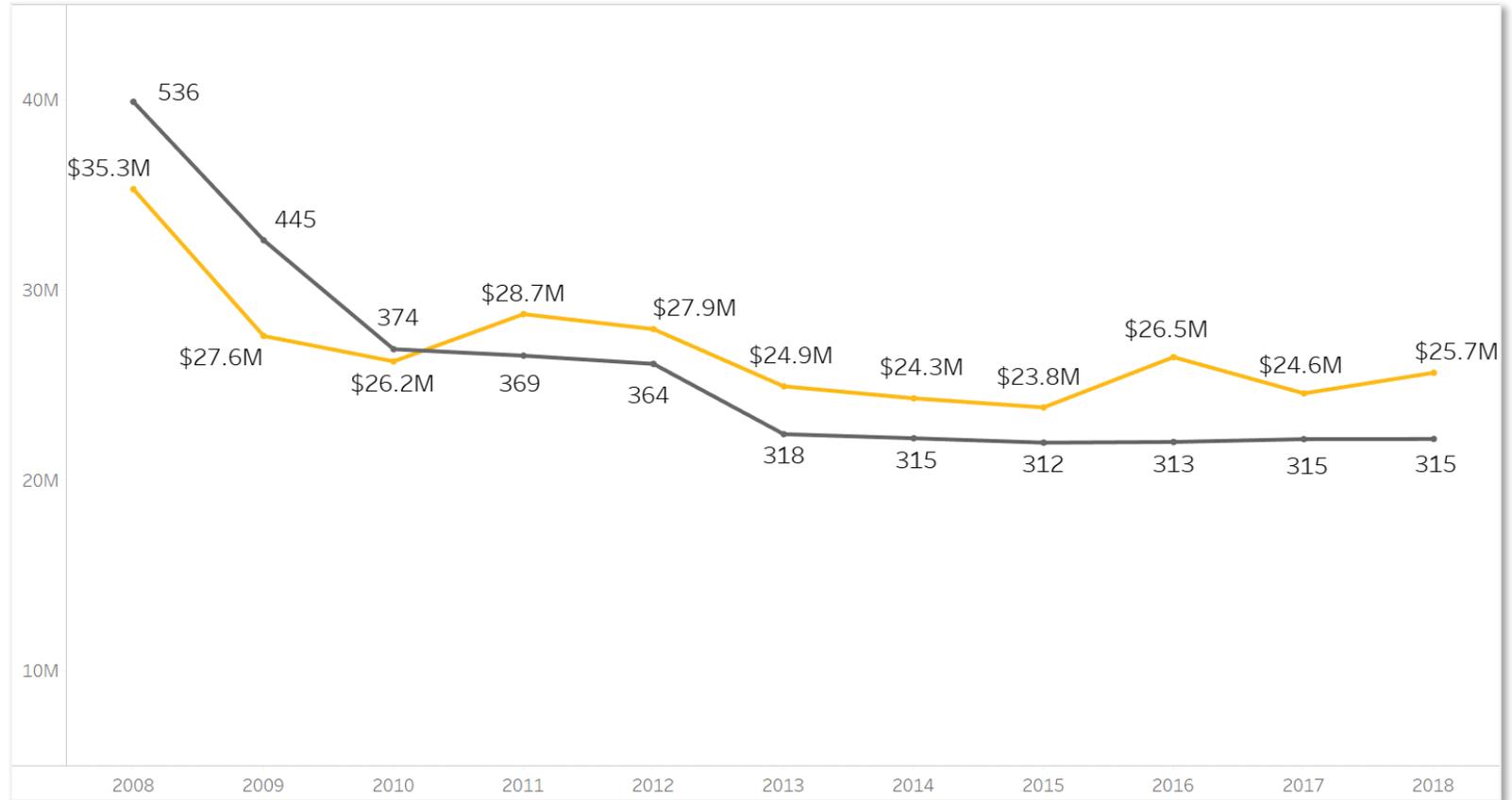
■ Average Cost Per FTE
■ FTE Count

General Government | People: Staffing Analysis – General + Restricted Total



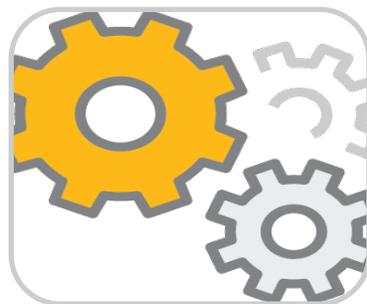
This chart depicts all fund staffing levels since 2008, with the **total personnel costs each year**.

Overall, FTEs have decreased and the total personnel costs have remained relatively stagnant since 2008.



Note: Non-departmental costs were removed from general government's personnel costs due to the nature of non-departmental costs and their applicability to department's across other county functional areas (e.g. public safety, judicial, etc.). Board of Health FTE's and Personnel Expenditures were also removed.

■ FTE Count
■ Total Personnel Spend



Operational Assessment: Public Safety



The **Public Safety** functional area comprises the following key components:

General Fund

- Sheriff
- Prosecutor
- Communications Center
- Coroner
- Subsidies

Restricted Funds

- Indigent Care (Inmate Medical Services)
- 911 Center
- Crime Info Center
- Other Fund

Public Safety | Observations



Recruitment and retention appears to be difficult for departments and elected officials in public safety.

Competitive compensation for specialized / technical expertise required, such as attorneys, engineers and IT staff, appears to be lacking per interview discussions.

The **Jail** is consistently over capacity and in need of deferred maintenance; increased services needs for recovery, mental health and re-entry require additional staffing and space.

Communications Center (911) has duplication across the county; however, Hamilton County appears to be more consolidated than some peer communities in Ohio. Moreover, **in 2018, approximately 50% of the calls received in the Communications Center were for non-emergencies.** Notably, the county does not have a 311 line.

Coroner's office is opening new facility; highly specialized aging equipment is expensive to maintain and replace.



What Services are Mandated by Ohio Revised Code (ORC)?

- Preserve public peace (Sheriff)
- Execute all warrants, writs and other processes as directed (Sheriff)
- Charge the county Jail and all persons confined within (Sheriff)
- Attend Court of Common Pleas, Court of Appeals and as required Probate Court sessions (Sheriff)
- Maintain a cashbook to log all receipts of money (Sheriff)
- Provide police services to subdivisions, authorities and counties under contractual agreements (Sheriff)
- Election of the County Coroner (Coroner)
- Establish laboratories and provide the equipment needed to perform Coroner duties (Coroner)
- Advise the Board of County Commissioners, Board of Elections and all other County Officers and Boards on legal matters (Prosecutor)
- Prosecute and defend all suits and actions as directed by the county's board and officers (Prosecutor)
- Financially support the county's Emergency Management Agency (EMA) (note: the amount of financial support is at the discretion of County Administration)

Note: Mandated vs. Non-Mandated Services were self-reported by departments and elected officials.



What Services are **Non-Mandated** by Ohio Revised Code (ORC)?

- Provide educational services (Sheriff)
- Participate in an organized crime task force (Sheriff)
- Operate an investigative unit (Sheriff)
- Provide voice and data network services to county departments (Communications Center)
- Appoint deputy coroners, pathologists, technicians, secretaries and stenographers (Coroner)
- Appoint assistants, clerks and stenographers (Prosecutor)

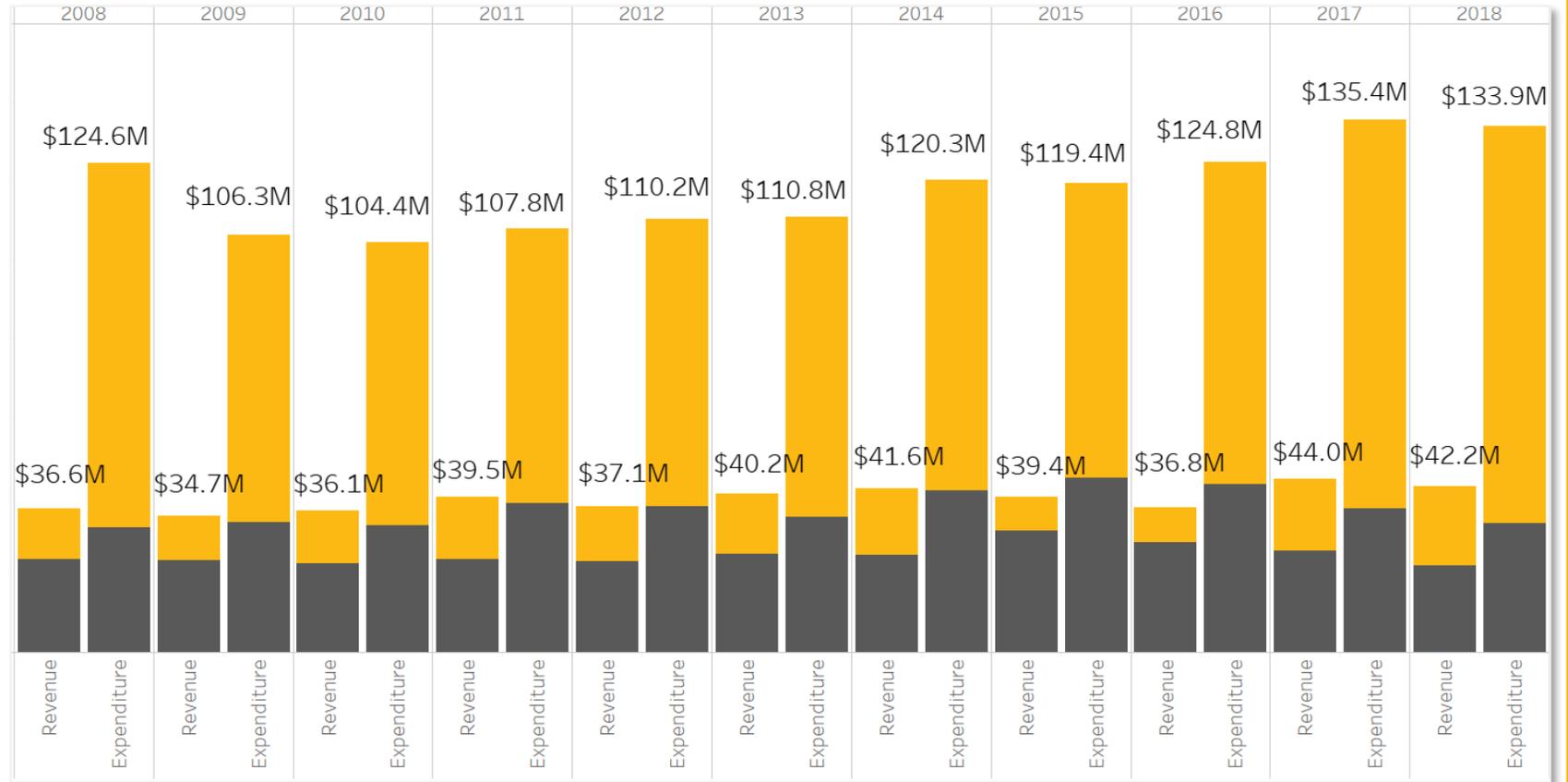
Note: Mandated vs. Non-Mandated Services were self-reported by departments and elected officials.

Public Safety | Revenues & Expenditures Overview



Public Safety is largely funded by the General Fund.

Expenditures dropped after the 2008 financial crisis but are **now higher than 2008 funding.**

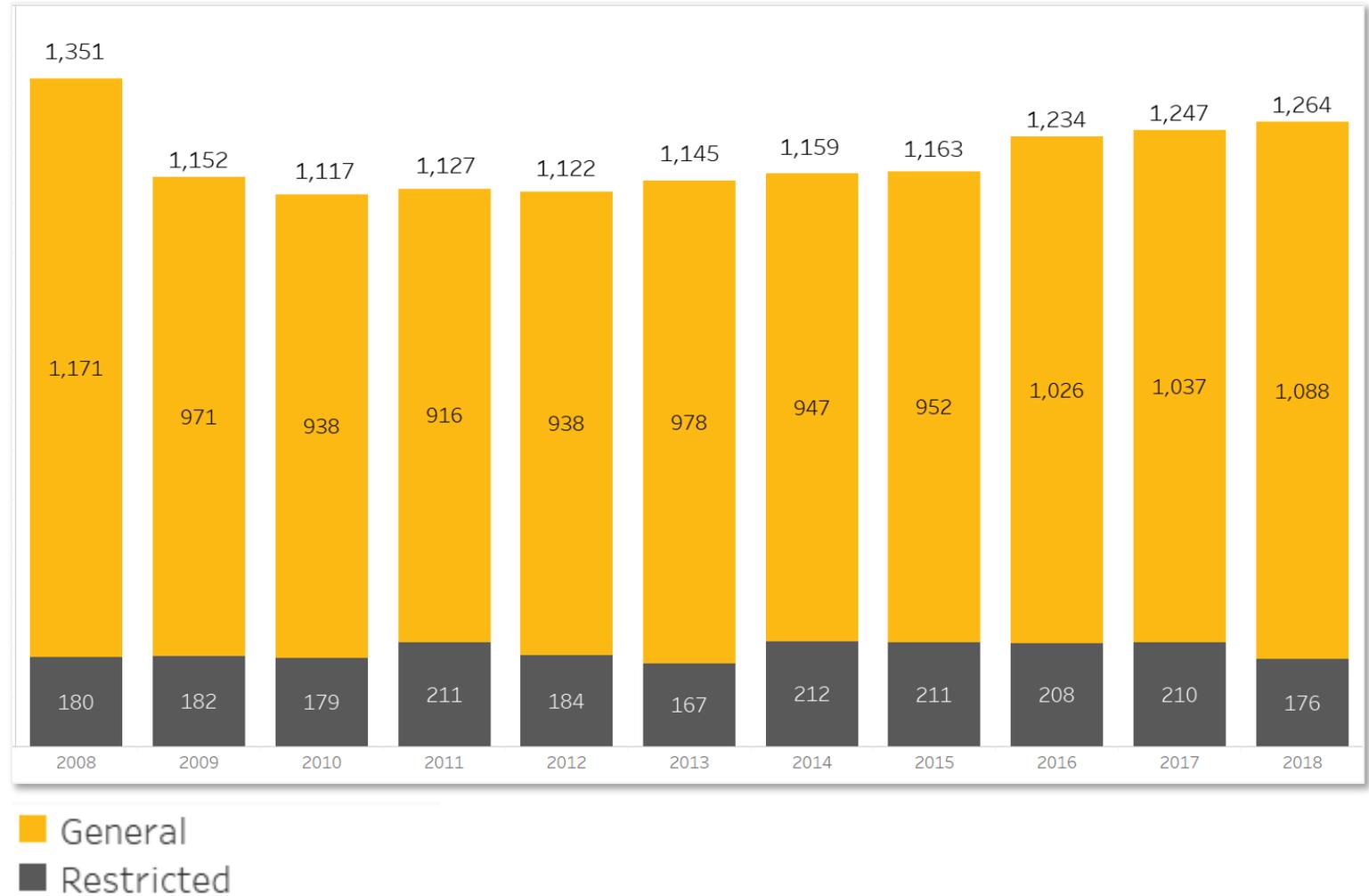


		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General	Revenue	\$13.0M	\$11.2M	\$13.5M	\$15.8M	\$13.8M	\$15.2M	\$16.8M	\$8.5M	\$8.9M	\$18.2M	\$20.1M
	Expenditure	\$92.8M	\$73.1M	\$72.2M	\$70.0M	\$73.2M	\$76.5M	\$79.1M	\$75.0M	\$82.1M	\$98.9M	\$101.0M
Restricted	Revenue	\$23.6M	\$23.5M	\$22.5M	\$23.7M	\$23.2M	\$25.0M	\$24.8M	\$30.9M	\$27.9M	\$25.8M	\$22.1M
	Expenditure	\$31.8M	\$33.2M	\$32.2M	\$37.9M	\$37.1M	\$34.3M	\$41.2M	\$44.4M	\$42.7M	\$36.5M	\$32.9M

Public Safety | People: Staffing Analysis



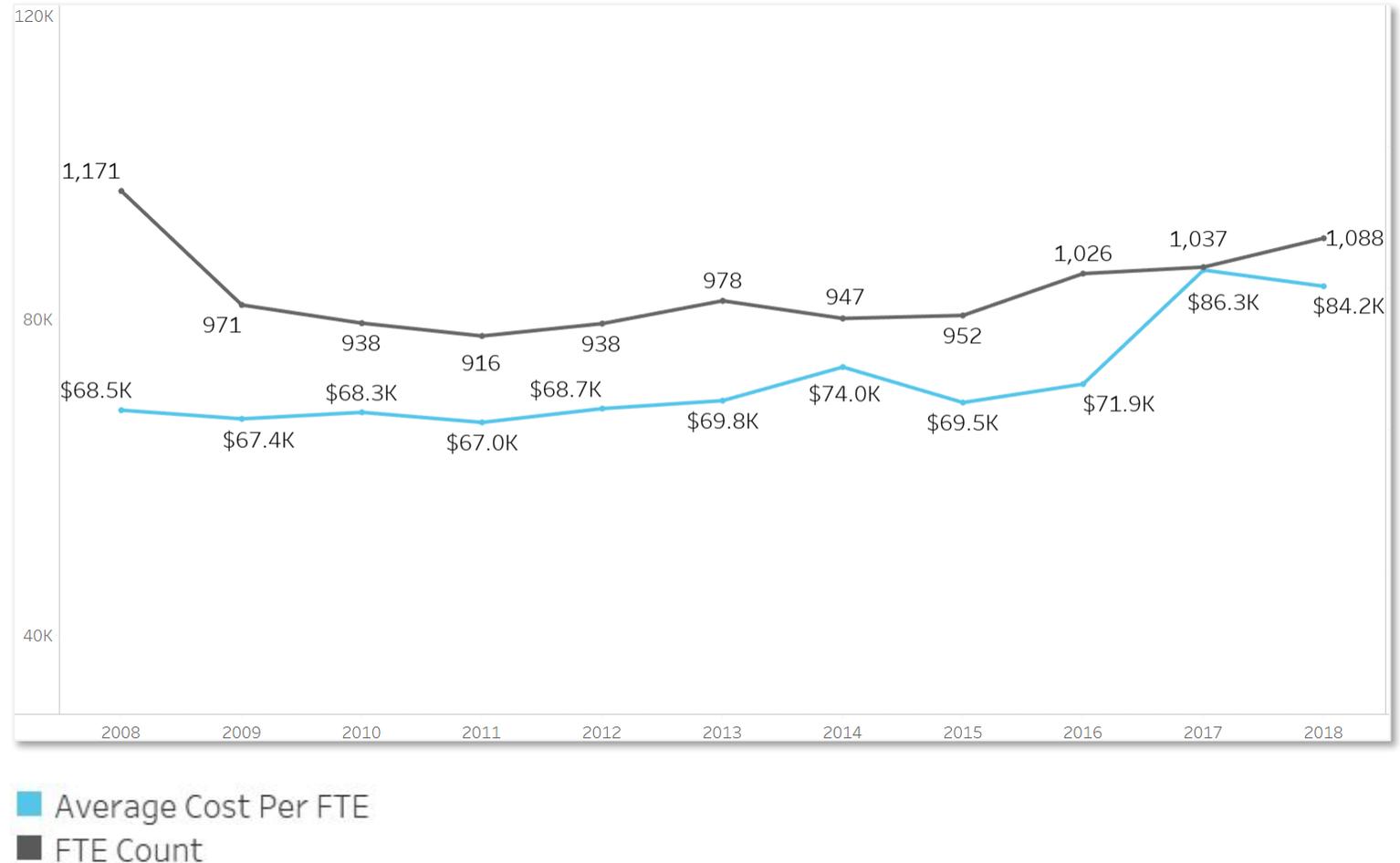
The Public Safety area has seen a decline in personnel over the 2008 – 2018 time period.



Public Safety | People: Staffing Analysis – General Funded per FTE Cost



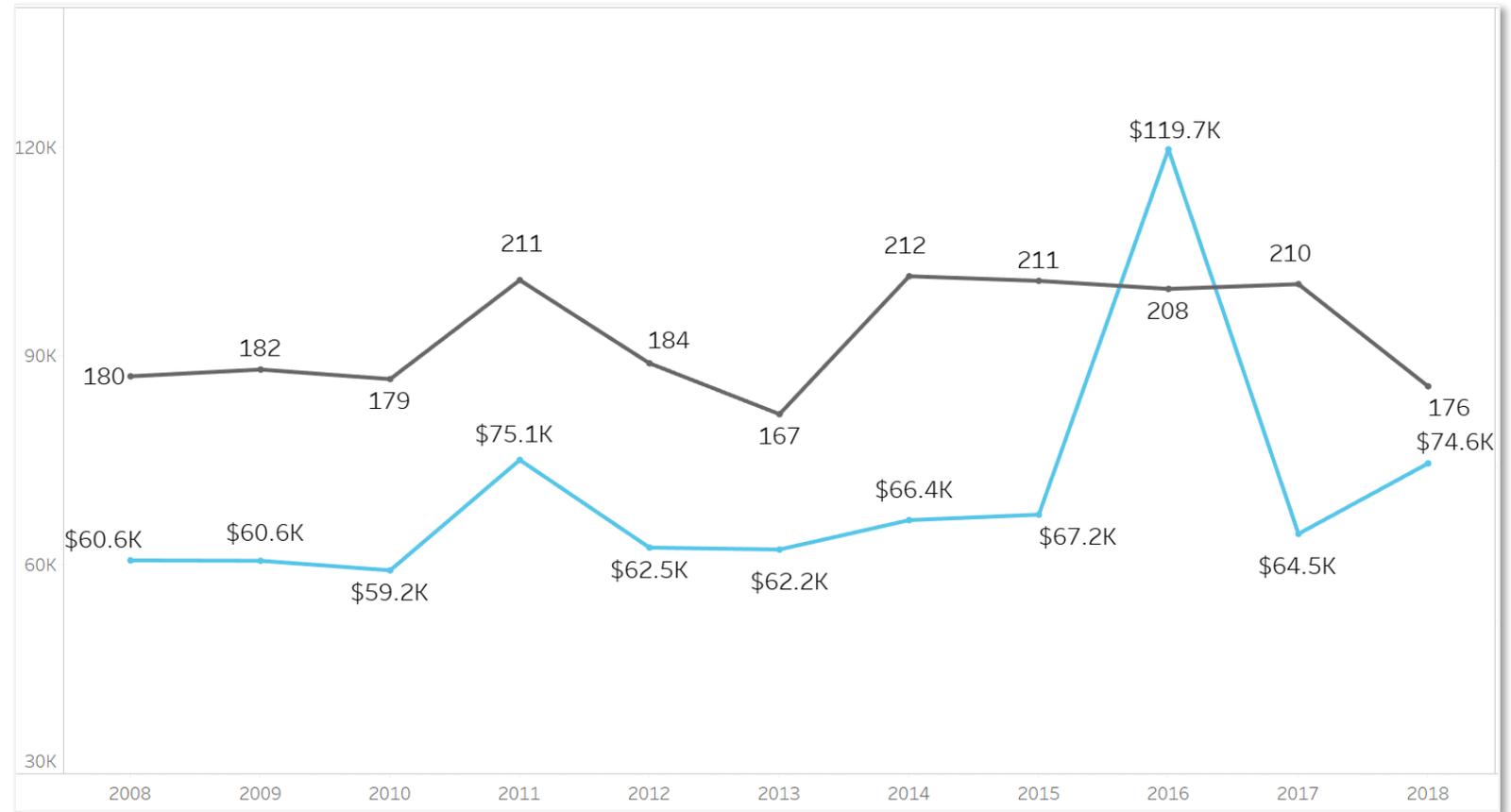
This chart depicts general fund staffing levels since 2008, with the **average per FTE cost each year**.



Public Safety | People: Staffing Analysis – Restricted Fund Per FTE Cost



This chart depicts restricted fund staffing levels since 2008, with the **average per FTE cost each year.**



Note: The significant rise in 2016 is due to a change in accounting within the Sheriff's Rotary Fund.

■ Average Cost Per FTE
■ FTE Count

Public Safety | People: Staffing Analysis – General + Restricted per FTE Cost



This chart depicts all fund staffing levels since 2008, with the **average FTE cost each year**.



■ Average Cost Per FTE
■ FTE Count

Public Safety | People: Staffing Analysis – General + Restricted Total Spend



This chart depicts restricted fund staffing levels since 2008, with the **total FTE costs each year**.

FTEs have fluctuated while cost of personnel increased annually.



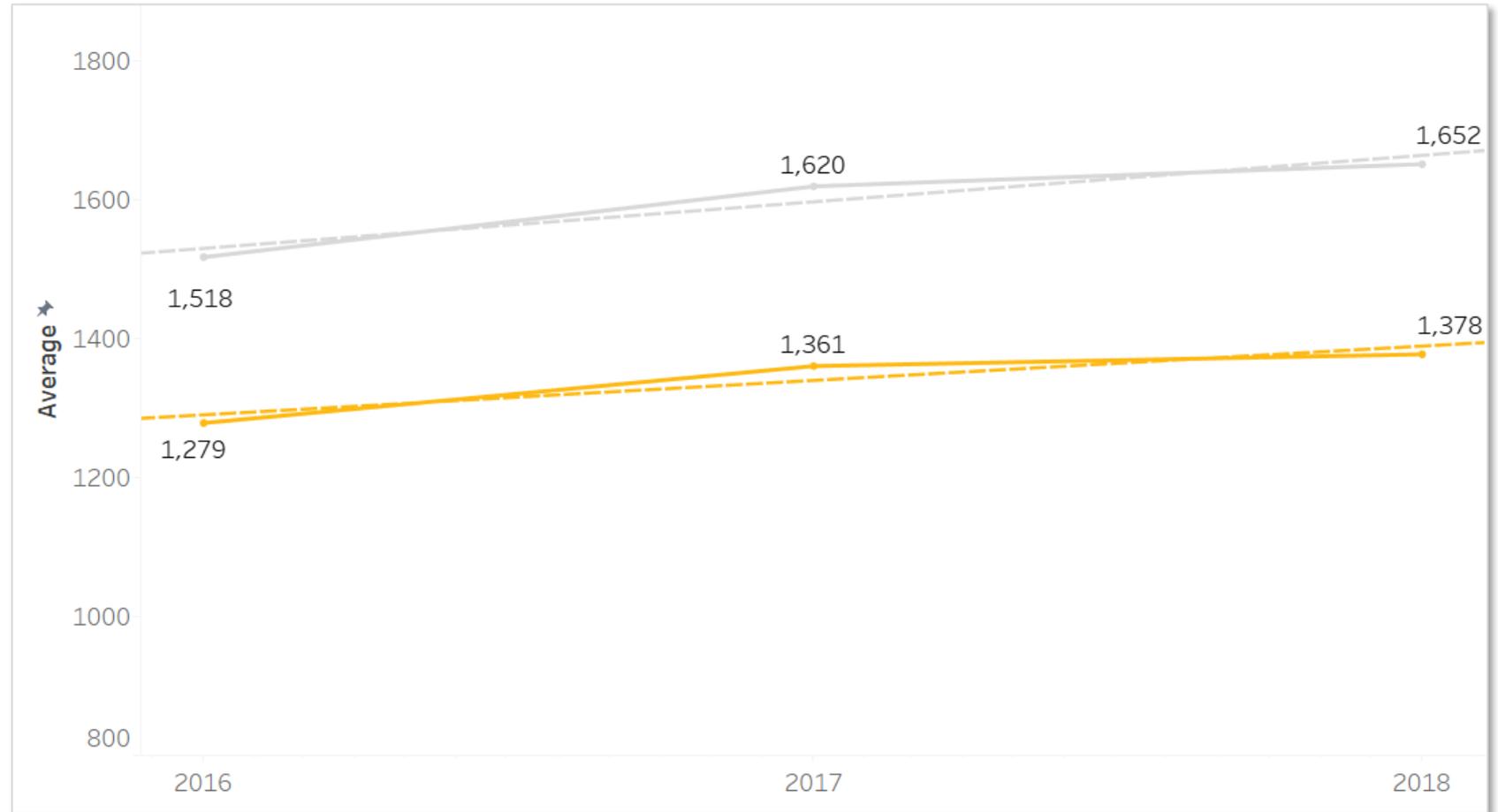
■ FTE Count
■ Total Personnel Spend

Public Safety | County Jail Facilities: Average Monthly Population



This chart depicts the average monthly population in the county jail facilities.

Current population exceeds capacity of 1,240 at the Justice Center and 1,452 for all facilities.



All County Jail Facilities

Justice Center

Public Safety | Peer Comparisons - Expenditures



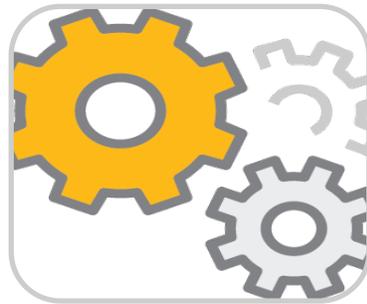
Hamilton County's public safety spend is in the middle of Franklin and Cuyahoga counties on a per capita basis.

	Hamilton County Budgeted Expenditures	Hamilton County % of GF Budget	Franklin County Budgeted Expenditures	Franklin County % of GF Budget	Cuyahoga County Budgeted Expenditures	Cuyahoga County % of GF Budget
Sheriff	\$75.0M	31%	\$142.2M	31%	\$96.6M	26%
Coroner*	\$4.9M	2%	\$5.5M	1%	\$8.8M	2%
Prosecuting Attorney	\$13.8M	6%	\$19.4M	4%	\$33.0M	9%
Total	\$93.7M		\$167.1M		\$138.4M	
Population	816,684		1,310,300		1,243,857	
Per Capita Spend	\$115		\$128		\$111	

Note:*Cuyahoga's Coroner is referred to as the Medical Examiner.

Note: Hamilton County total GF budget: \$239.2M, Franklin County total GF budget:\$460.94M, Cuyahoga County GF total budget:\$375.62M

Source: Cuyahoga County 2018 – 2019 Recommended Budget, Franklin County 2019 Approved Budget, Hamilton County 2019 Budget in Brief



Operational Assessment: Public Works



The **Public Works** functional area comprises the following key components:

General Fund

- Planning & Development
- County Engineering
- Soil & Water

Restricted Funds

- Engineer's Road
- Storm Water (Engineer / Planning)
- Hydrant Repair (Planning)



Observations in each of the three key general funded areas are outlined below.

Hamilton County Engineer

- Funded primarily by restricted funds
- Recent increase in funding to be directed to resurfacing projects
- Recently implemented salary adjustments but still losing staff to larger urban townships and cities

Planning + Development

- Currently unable to fulfill all public requests for permitting, zoning and inspections
- Looking to hire inspectors and project manager to increase capacity
- Moving to new software to support permitting to move submission to online and reduce staff demands
- Unable to attract and retain IT staffing to support the department

Hamilton County Soil and Water District

- Mostly funded by state matching funds and general funds
- Educational mandates may be at risk due to staffing cuts in recent years



What Services are **Mandated** by Ohio Revised Code (ORC)?

- Establish a Rural Zoning Commission to enforce zoning regulations (Planning + Development)

What Services are **Non-Mandated** by Ohio Revised Code (ORC)?

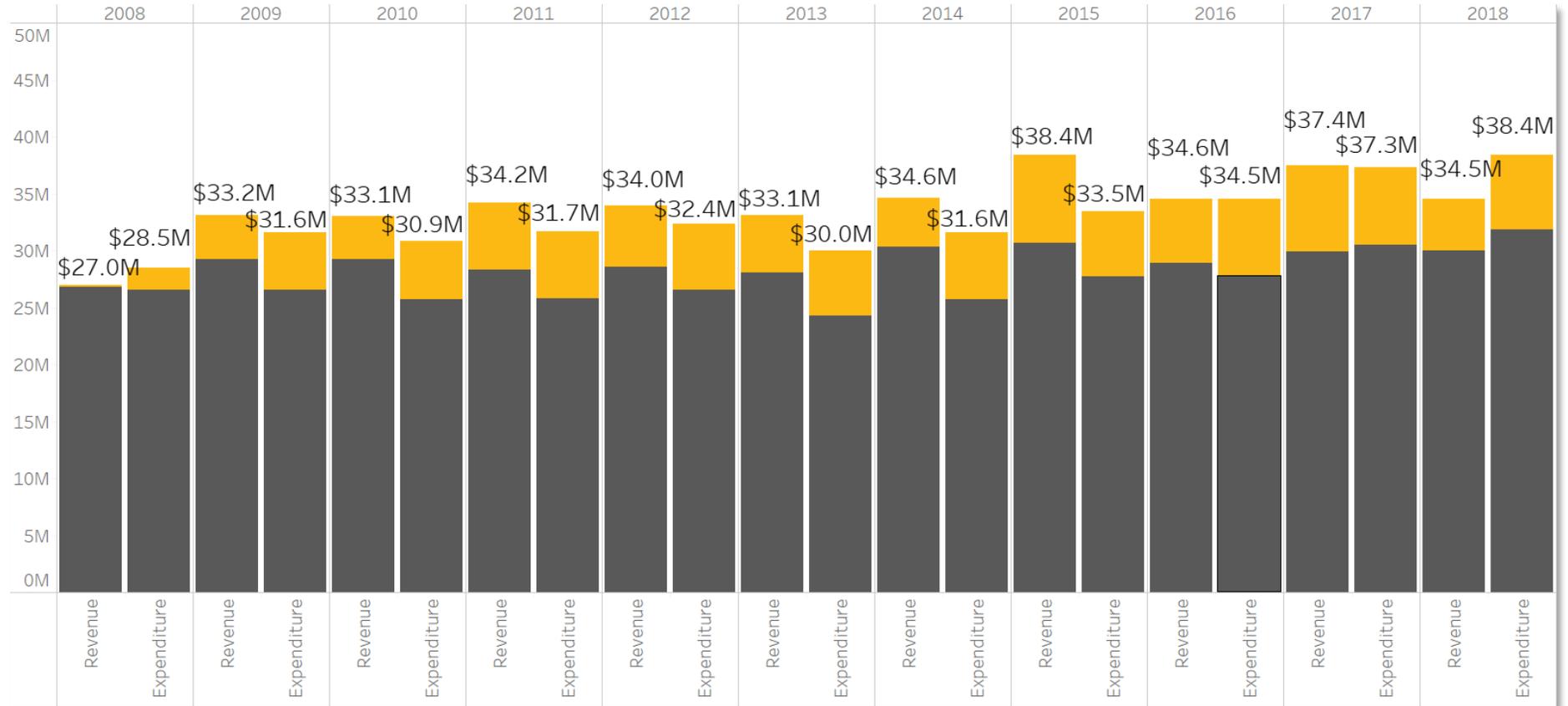
- Establish a local building department to enforce building and construction standards (Planning + Development)
- Appoint a Sanitary Engineer (Planning + Development)
- Establish a sanitary department (Planning + Development)
- Acquire, construct, maintain and operate any public water supply facilities for one or more sewer districts (Planning + Development)
- Adopt, publish, administer and enforce rules for the construction, construction, maintenance, protection and use of county-owned or county-operated public water supply facilities (Planning + Development)
- Provide snow removal and lawn maintenance service at county-owned properties (Planning + Development)

Note: Mandated vs. Non-Mandated Services were self-reported by departments and elected officials.

Public Works | Revenues & Expenditures Overview



The Public Works area is largely restricted fund supported.

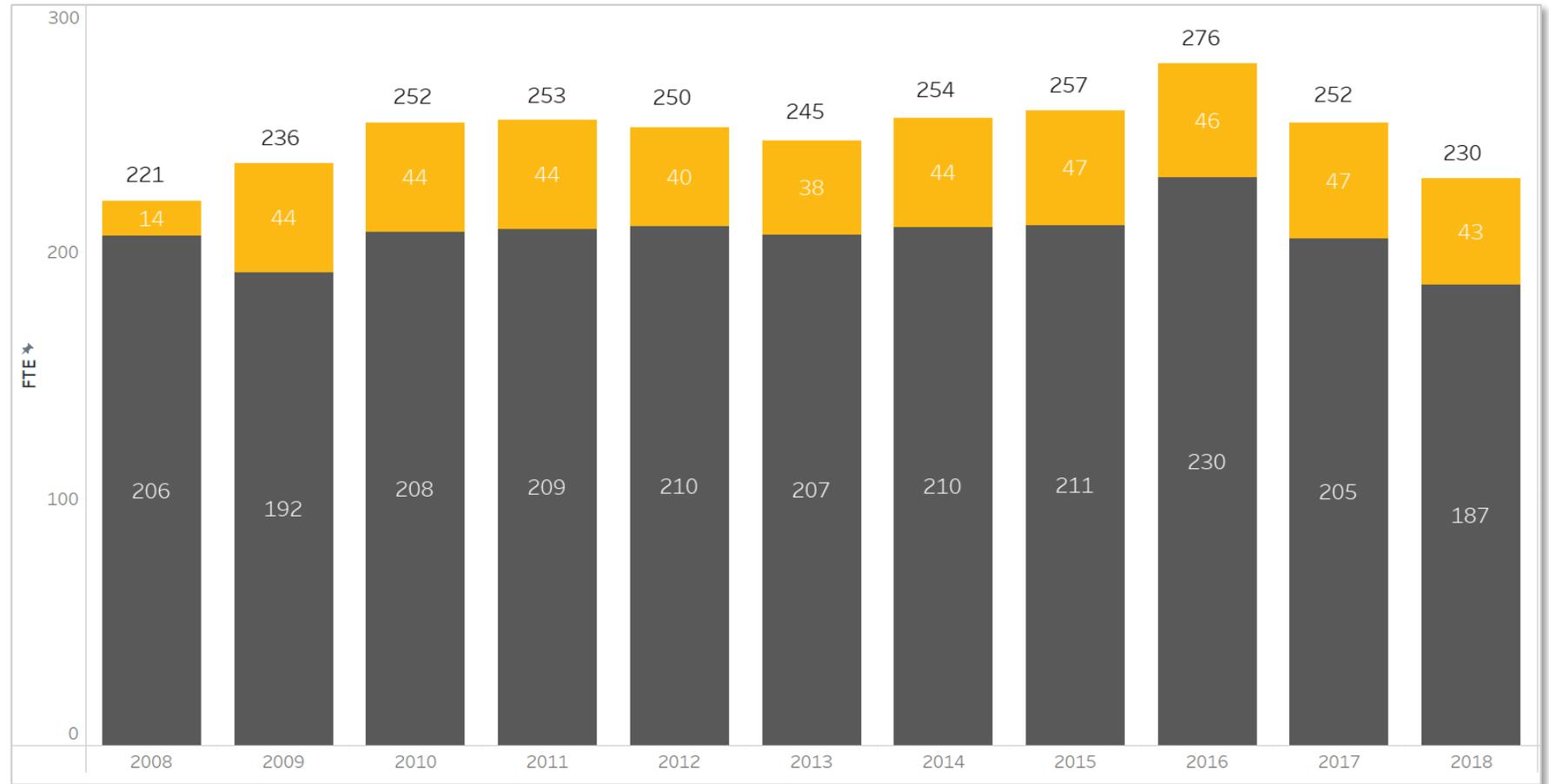


		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General	Revenue	\$0.1M	\$3.9M	\$3.8M	\$5.9M	\$5.4M	\$5.0M	\$4.3M	\$7.7M	\$5.6M	\$7.6M	\$4.5M
	Expenditure	\$1.9M	\$5.0M	\$5.2M	\$5.9M	\$5.9M	\$5.7M	\$5.9M	\$5.7M	\$6.8M	\$6.8M	\$6.5M
Restricted	Revenue	\$26.8M	\$29.3M	\$29.2M	\$28.3M	\$28.6M	\$28.1M	\$30.3M	\$30.7M	\$28.9M	\$29.9M	\$30.0M
	Expenditure	\$26.6M	\$26.6M	\$25.7M	\$25.8M	\$26.5M	\$24.3M	\$25.7M	\$27.7M	\$27.7M	\$30.5M	\$31.9M

Public Works | People: Staffing Analysis



The Public Works area hasn't seen the same significant drop in personnel as other Hamilton County functional areas.



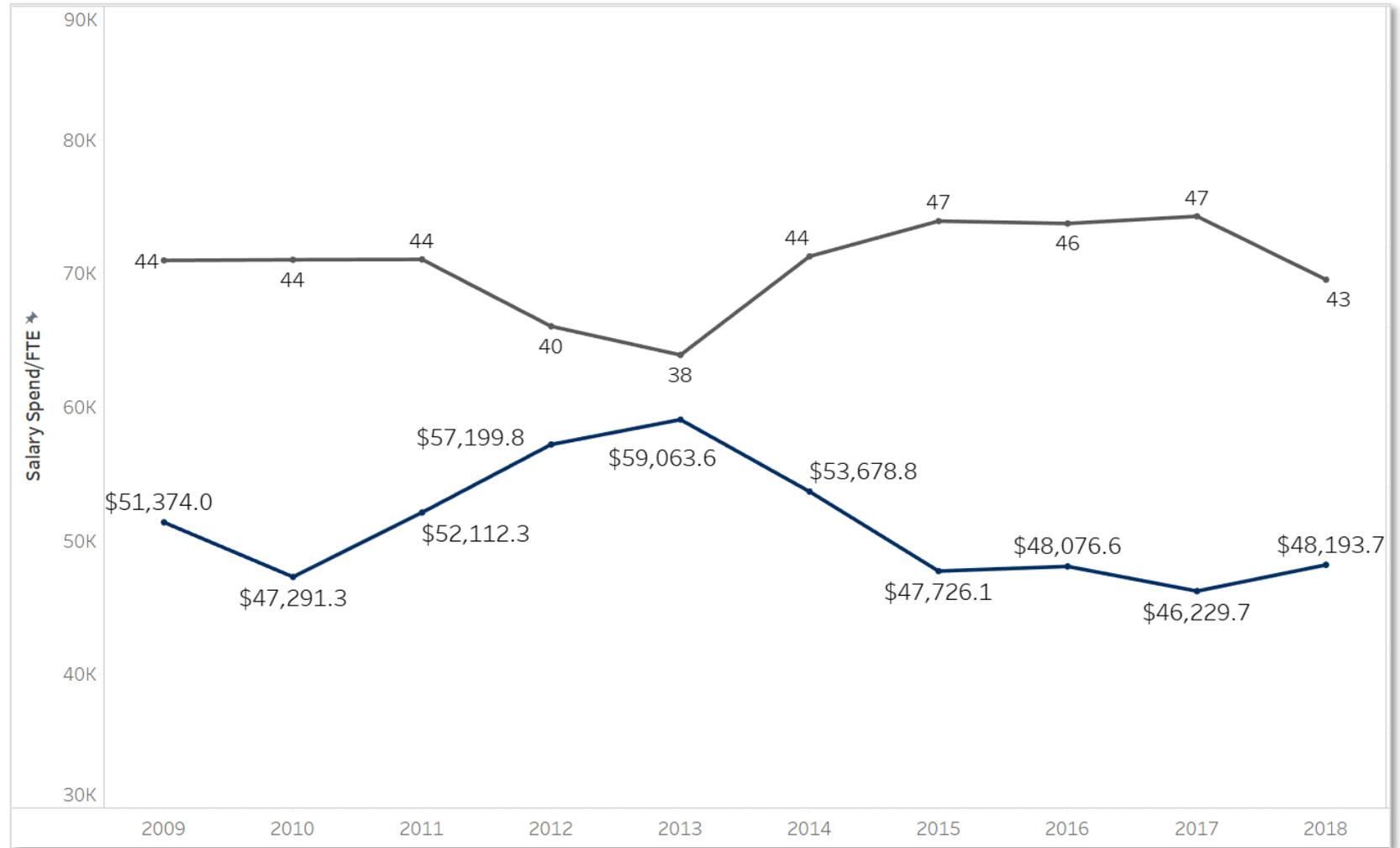
Fund	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General	14	44	44	44	40	38	44	47	46	47	43
		208%	0%	0%	-9%	-4%	16%	5%	0%	1%	-8%
Restricted	206	192	208	209	210	207	210	211	230	205	187
		-7%	9%	0%	1%	-2%	1%	0%	9%	-11%	-9%

Note: The jump in FTE's in 2008 to 2009 is due to the consolidation of the Building and Development department with community development and stormwater inspections.

Public Works | People: Staffing Analysis – General Funded Positions



This chart depicts general fund staffing levels since 2008, with the **average FTE cost each year**.

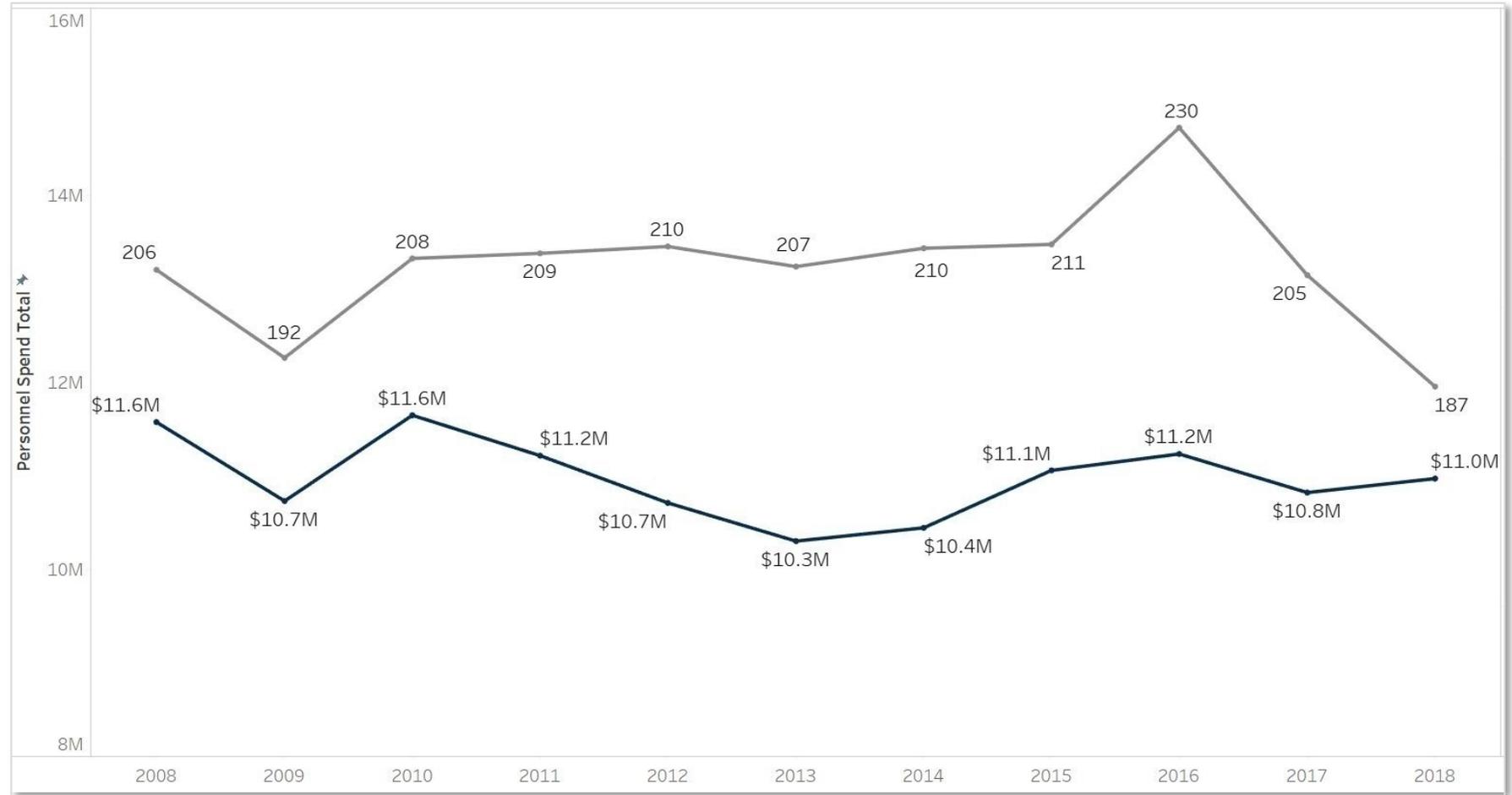


- Public Works, FTE
- Public Works, Salary Spend/FTE

Public Works | People: Staffing Analysis – Restricted Total Spend



This chart depicts restricted fund staffing levels since 2008, with the **total FTE costs each year**.



- Public Works, FTE
- Public Works, Personnel Spend Total

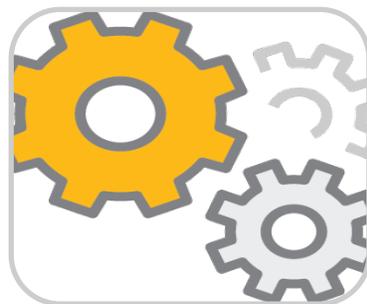
Public Works | People: Staffing Analysis – General + Restricted Total Spend



This chart depicts total staffing levels since 2008, with the **total FTE cost each year**.



- Public Works, FTE
- Public Works, Personnel Spend Total

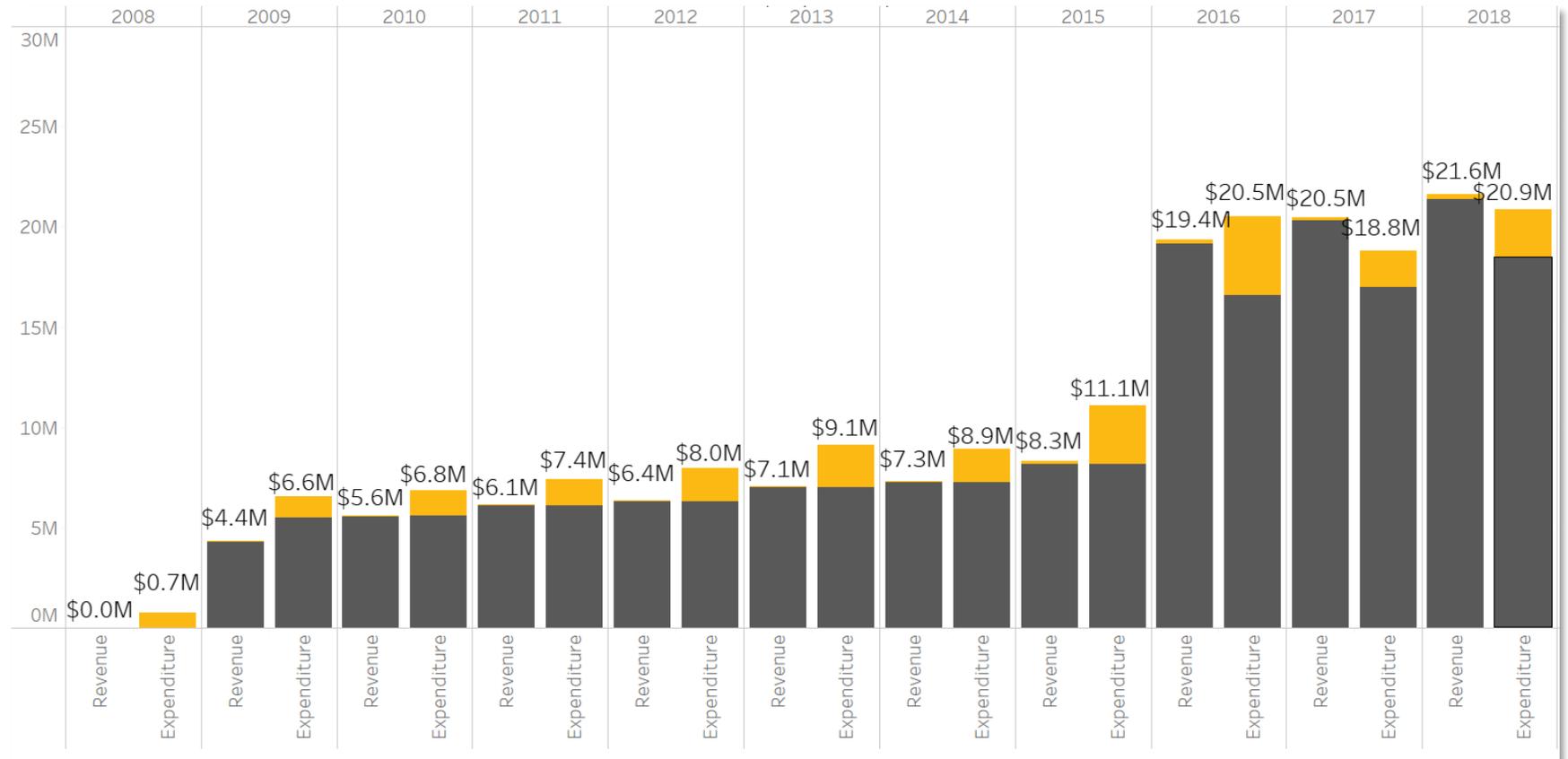


Operational Assessment: Economic Development

Economic Development | Revenues & Expenditures Overview



The Economic Development area is largely supported by restricted funds.



Note: Economic Development includes the collections of hotel and lodging taxes, which are dedicated to a restricted fund.

Note: The jump in 2016 revenues and expenditures is due to an accounting change.

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General	Revenue	\$0.0M	\$0.0M	\$0.0M	\$0.1M	\$0.1M	\$0.1M	\$0.0M	\$0.2M	\$0.2M	\$0.2M	\$0.2M
	Expenditure	\$0.7M	\$1.1M	\$1.3M	\$1.4M	\$1.7M	\$2.1M	\$1.6M	\$2.9M	\$3.9M	\$1.8M	\$2.4M
Restricted	Revenue	\$0.0M	\$4.4M	\$5.6M	\$6.1M	\$6.3M	\$7.0M	\$7.3M	\$8.2M	\$19.2M	\$20.3M	\$21.4M
	Expenditure	\$0.0M	\$5.5M	\$5.6M	\$6.1M	\$6.3M	\$7.0M	\$7.3M	\$8.2M	\$16.6M	\$17.0M	\$18.5M



What Services are **Mandated** by Ohio Revised Code (ORC)?

- None Reported – Economic Development initiatives are non-mandated by ORC. County non-mandated activities include providing financial support to Hamilton County Economic Development Corporation, REDI Cincinnati and Port Authority

Note: Mandated vs. Non-Mandated Services were self-reported by departments and elected officials.

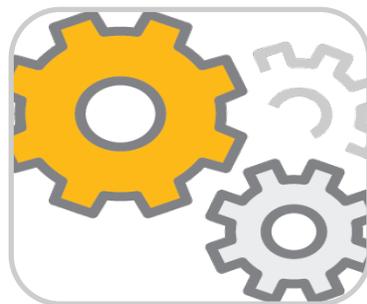
Economic Development | Observations & Peer Comparisons



- Economic development is outsourced to the Hamilton County Development Corporation (HCDC)
- Contract value is approximately \$800,000

A summary table of peer county programs is as follows:

County	Program	Structure
Franklin	<ul style="list-style-type: none"> • Smart Works – resident-centric framework for economic development, suggesting areas in which EDP might continue its commitment to business engagement and private sector job creation while also accomplishing other strategic objectives of the County. • Franklin hired a consultant to develop a five (5) year strategic plan for economic development. The plan was published in May of 2019. Plan includes a SWOT analysis of the county for economic development. 	<ul style="list-style-type: none"> • Department of Economic Development and Planning • Internal department staff
Cuyahoga	<ul style="list-style-type: none"> • Provide “job creation and economic growth as a fundamental government purpose,” by developing and administering creative and innovative programs in community development, economic development, and housing. • An Economic Development Commission was given the task of advising the Department of Development in the creation of a Five-Year Economic Development Plan with a requirement that there be annual updates and reports. To provide stimuli, an Economic Development Fund was created and a goal of capitalizing the Fund was stated. 	<ul style="list-style-type: none"> • Department of Development • Internal department staff
Montgomery	<ul style="list-style-type: none"> • Maintain a three (3) year plan for investments in community and economic development. Website provides access to statistical and geographic information for businesses. 	<ul style="list-style-type: none"> • Montgomery County Business Services Department • Internal department staff
Summit	<ul style="list-style-type: none"> • Encourage regional job growth and business development in an effort to increase economic opportunity for all Summit County residents • No information available on a strategic plan. 	<ul style="list-style-type: none"> • Economic Development • Internal department staff



Operational Assessment: Health & Social Services

Health & Social Services | Overview



The **Health & Social Services** functional area comprises the following key components:

General Fund

- Veteran's Service Commission

Restricted Funds

- Children's Services
- Developmental Disabilities Services
- Public Assistance
- Senior Services
- Mental Health and Recovery Services
- Bureau of Child Support
- Workforce Investment



Job and Family Services

- **Funded through federal, state, grant and levy contributions and is therefore self-sustaining**
- Staffing is a continual challenge
 - Over 10% of staff have over 25 years of experience
 - Over 50% of staff have less than 5 years of experience
 - Difficult to maintain staff in child services and public assistance programs due to high stress levels and low compensation
 - Unable to fill vacancies in IT department – especially management positions

Child support and welfare computer systems are in need of updates, but funding is not available



What Services are **Mandated** by Ohio Revised Code (ORC)?

- Administer state, federal and local programs designed to help those in need and help families work toward self sufficiency including local child protection, adult protection, child care, child support enforcement, workforce development, cash assistance, food assistance and medical assistance (Job and Family Services)
- Establish a Veterans Services Commission (Veterans Service Commission)
- Appropriate money to each garrison or naval branch of the army and navy union to aid defraying the expenses of memorial day (Veterans Service Commission)
- Contribute to the cost of burial or cremation for the friends and family of the deceased (Veterans Service Commission)

What Services are **Mandated** by Ohio Revised Code (ORC)?

- Educate, serve and protect community for a healthier future (Public Health)
- Oral Health and Harm Reduction Programs (Public Health)

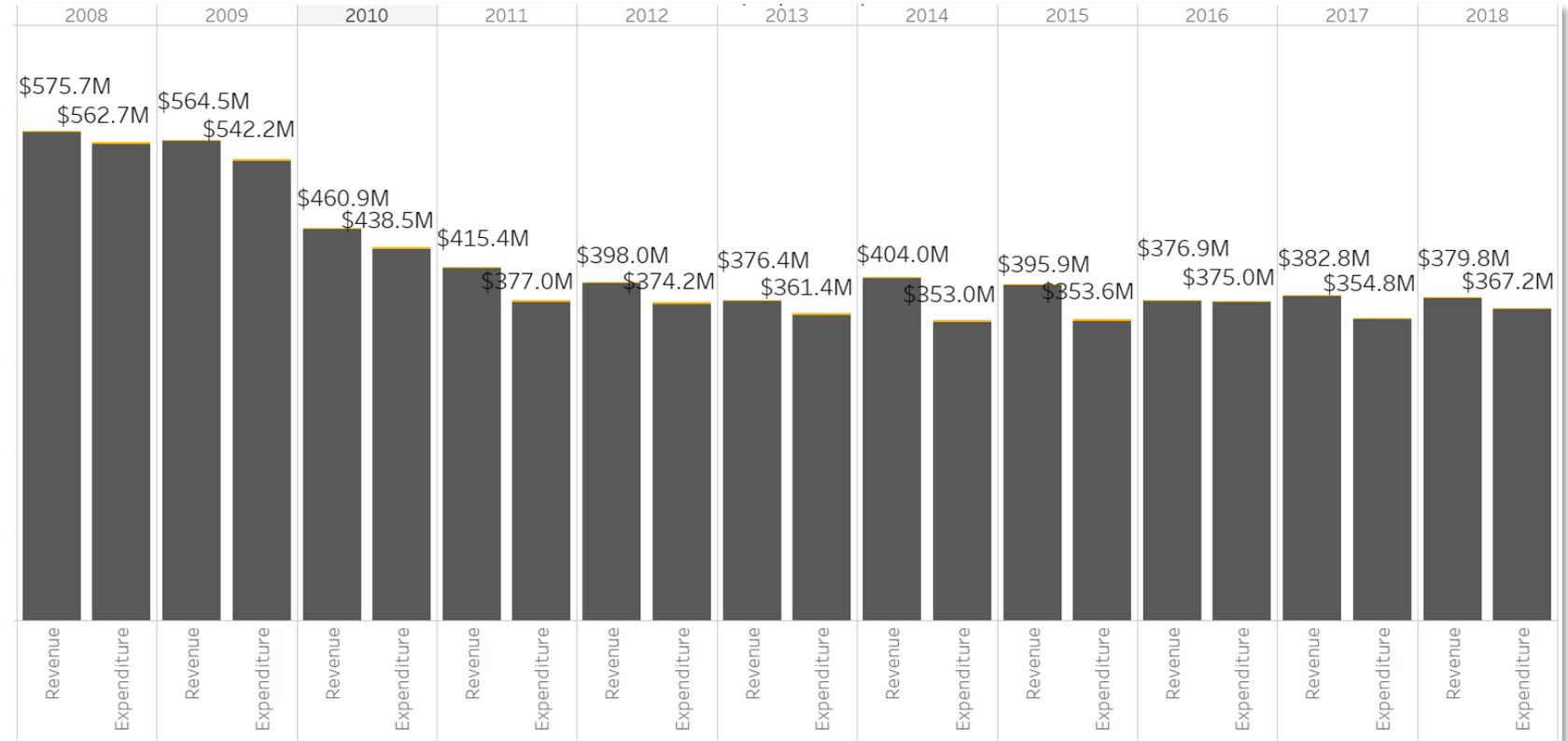
Note: Mandated vs. Non-Mandated Services were self-reported by departments and elected officials.

Health & Social Services | Revenues & Expenditures Overview



Social Services is primarily restricted funded.

Decreases in revenue and expenditures post- 2009 haven't yet rebounded.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenue	\$0.3M	\$0.2M									
General Expenditure	\$2.5M	\$2.6M	\$2.6M	\$2.4M	\$2.1M	\$2.2M	\$2.1M	\$1.3M	\$1.2M	\$1.1M	\$1.2M
Restricted Revenue	\$575.4M	\$564.3M	\$460.7M	\$415.2M	\$397.8M	\$376.2M	\$403.8M	\$395.7M	\$376.7M	\$382.6M	\$379.6M
Restricted Expenditure	\$560.2M	\$539.7M	\$435.9M	\$374.6M	\$372.1M	\$359.2M	\$350.8M	\$352.3M	\$373.8M	\$353.7M	\$366.1M

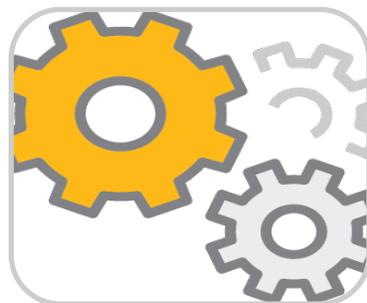
Social Services | People: Staffing Analysis – General + Restricted Total Spend



Social Services staffing has declined, with some fluctuation in staffing levels and cost in the past 5 years.



- Social Services, FTE
- Social Services, Personnel Spend Total



Operational Assessment: Recreational Activities



What Services are **Mandated** by Ohio Revised Code (ORC)?

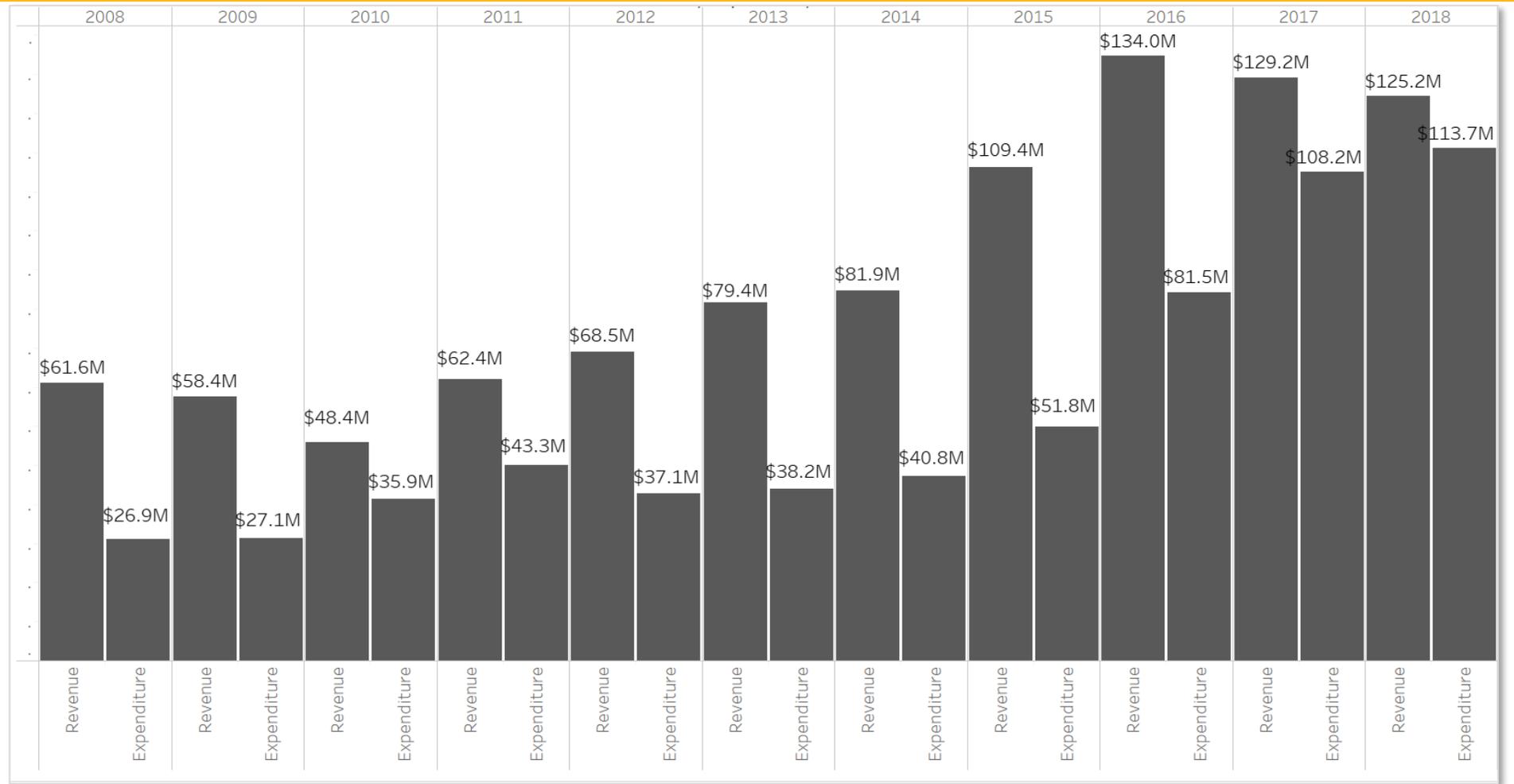
- None Reported – Recreation was reported as Non-Mandated

Note: Mandated vs. Non-Mandated Services were self-reported by departments and elected officials.

Recreation | Revenues & Expenditures Overview



Recreation is restricted fund supported.

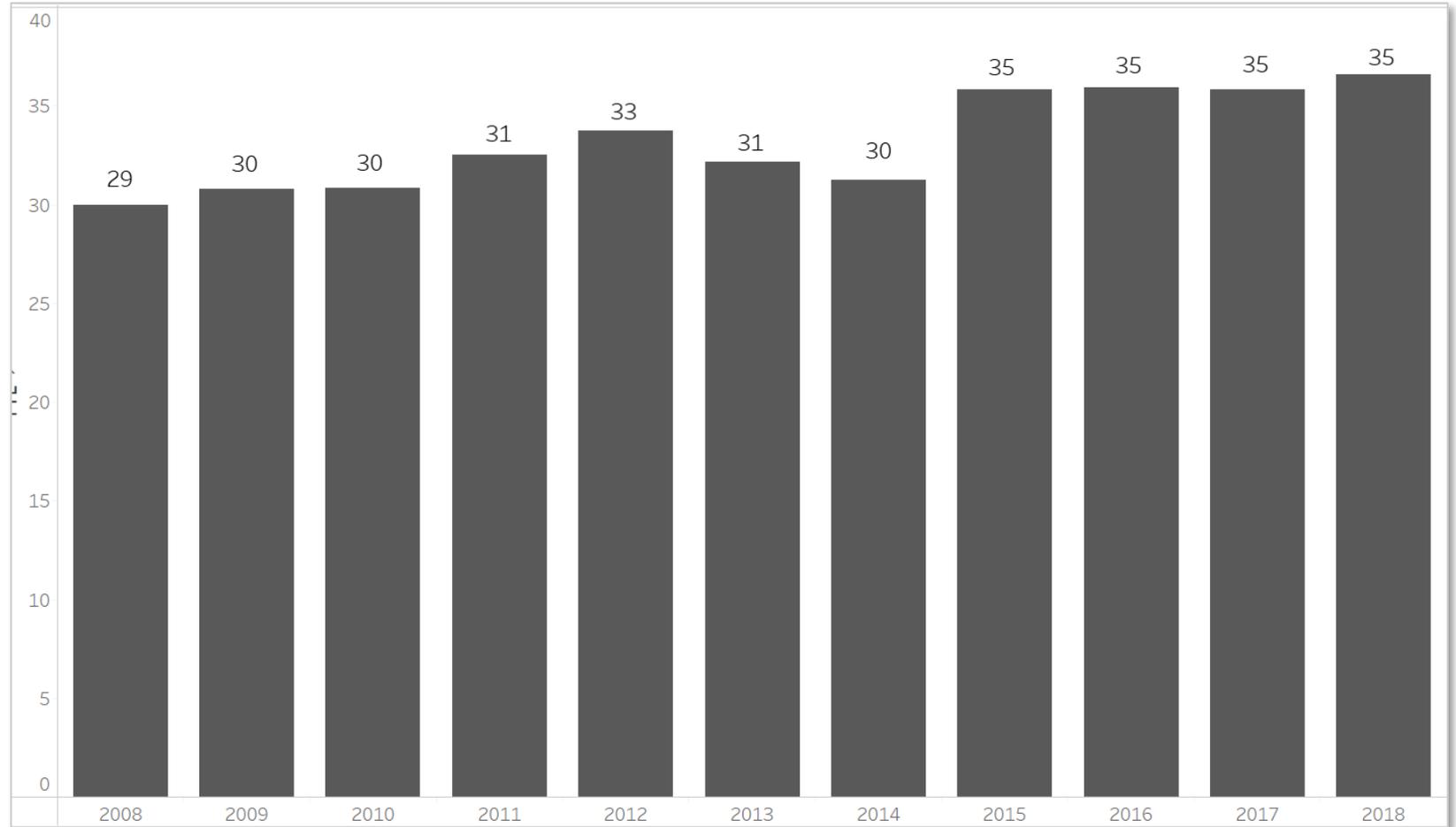


■ General
■ Restricted

Recreation | People: Staffing Analysis



Recreation FTEs have increased over the past decade, with some fluctuation in the past 7 years.



Fund	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Restricted	29	30 3%	30 0%	31 5%	33 4%	31 -5%	30 -3%	35 15%	35 0%	35 0%	35 2%

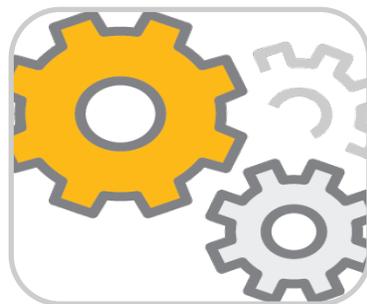
Recreation | People: Staffing Analysis – Restricted Total Spend



This chart depicts recreation staffing levels since 2008, with the **total FTE cost each year**.



- Recreational Activities, FTE
- Recreational Activities, Personnel Spend Total



Operational Assessment: Environmental Control



What Services are **Mandated** by Ohio Revised Code (ORC)?

- Establish and maintain a solid waste management district, or participate in establishing and a maintaining a joint solid waste district with or more other such boards (Environmental Services)
- Perform, on behalf of the environmental protection agency, air pollution control regulatory services (Environmental Services)

What Services are **Non - Mandated** by Ohio Revised Code (ORC)?

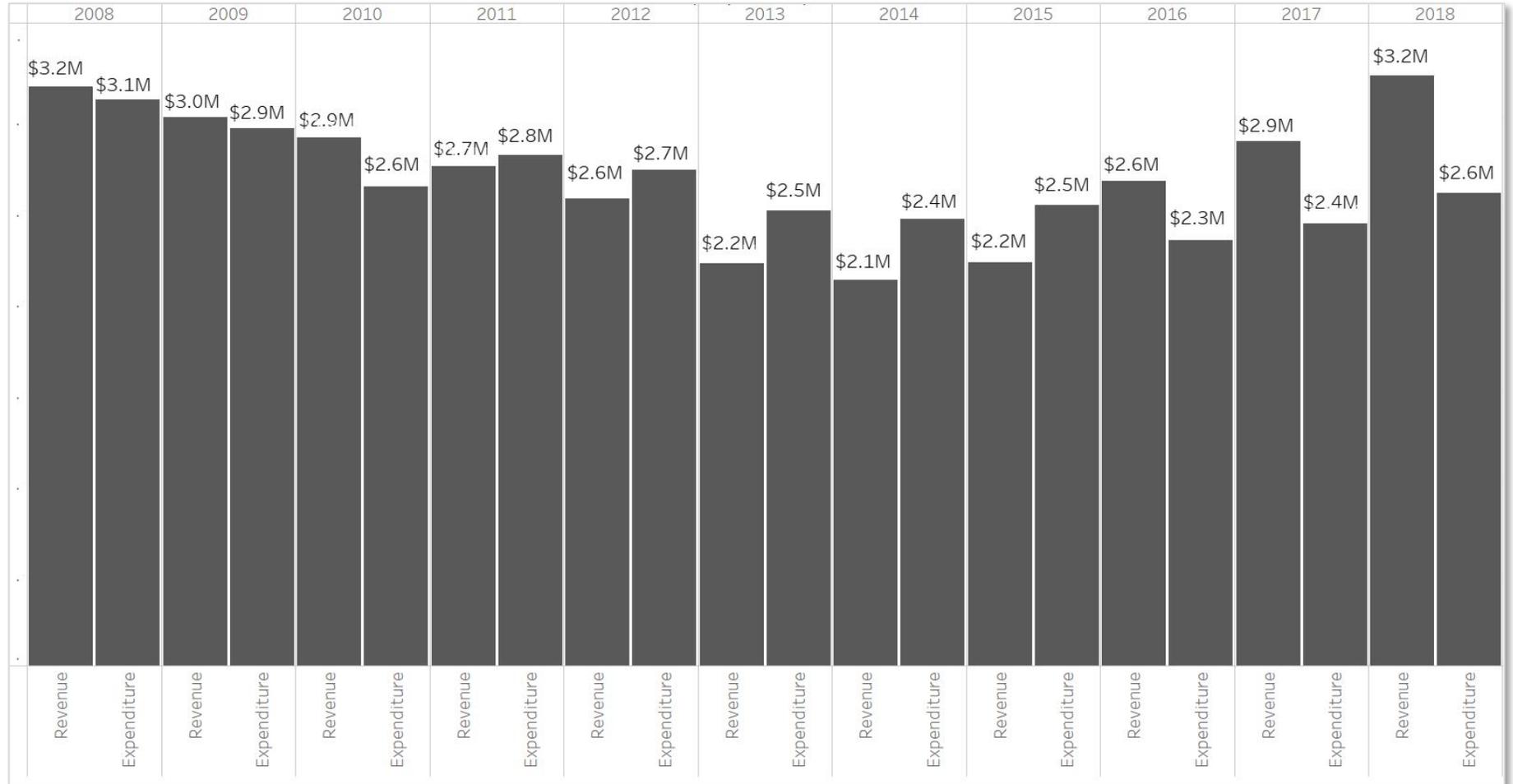
- Maintain monitoring network to collect air quality data (Environmental Services)
- Oversee compliance status of businesses and industries in five-county region
- Prepare permits (Environmental Services)
- Conduct facility inspections (Environmental Services)
- Initiate enforcement actions (Environmental Services)
- Response to air quality complaints (Environmental Services)

Note: Mandated vs. Non-Mandated Services were self-reported by departments and elected officials.

Environmental Control | Revenues & Expenditures Overview



Environmental Control is restricted fund supported.



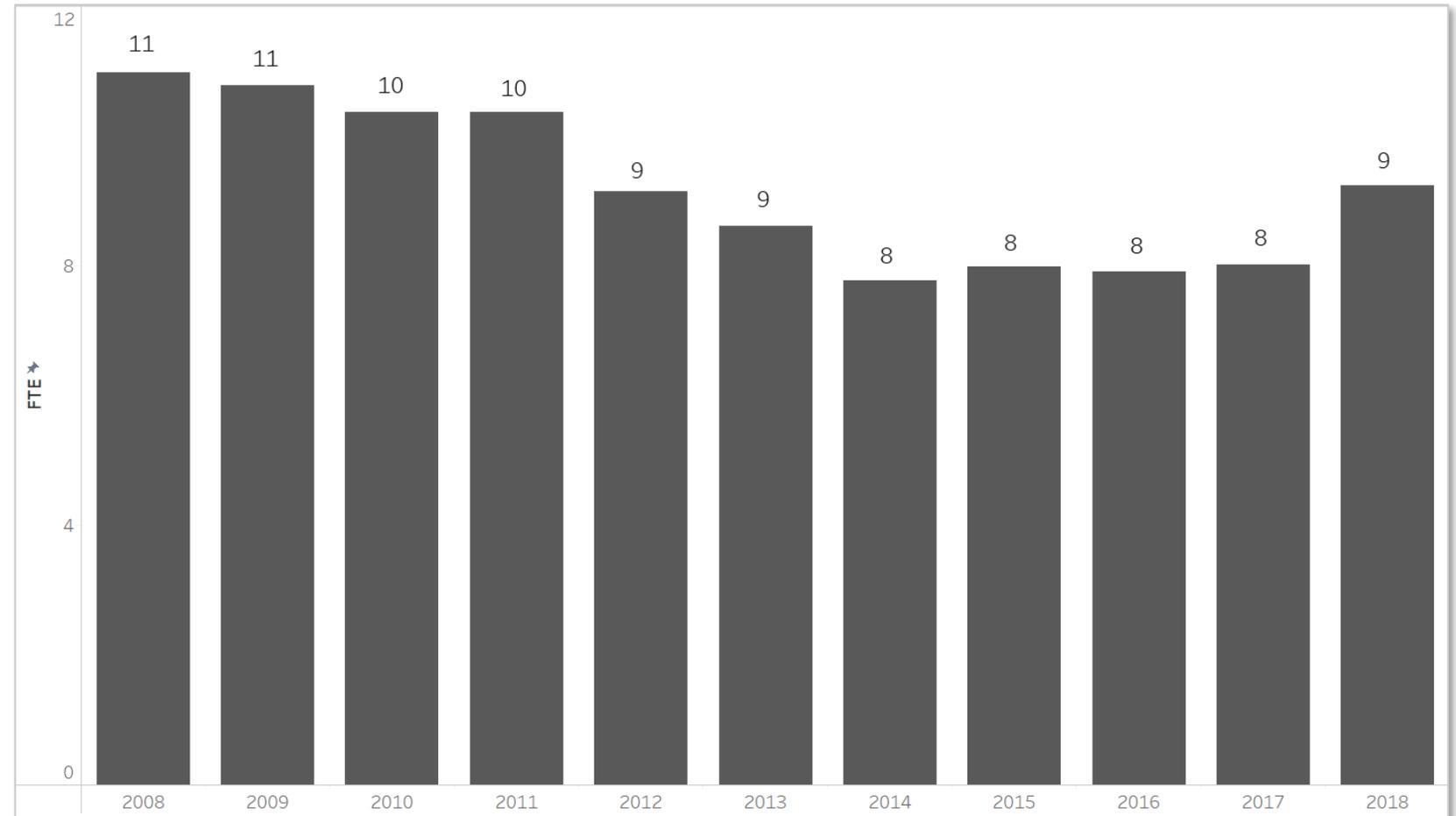
Note: Environmental Control's revenues and expenditures are both restricted

- General
- Restricted

Environmental Control | People: Staffing Analysis



Environmental Control FTEs have decreased over the past decade, with some increase in the past 7 years.



Fund	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Restricted	11	11	10	10	9	9	8	8	8	8	9
		-2%	-4%	0%	-12%	-6%	-10%	3%	-1%	1%	15%

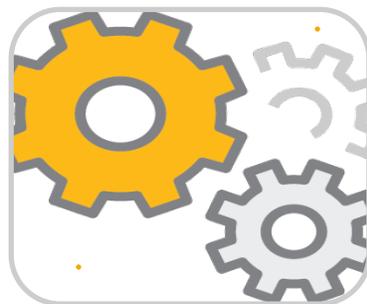
Environmental Control | People: Staffing Analysis – Restricted Total Spend



This chart depicts environmental control staffing levels since 2008, with the **total FTE cost each year.**



- Environmental Control, FTE
- Environmental Control, Personnel Spend Total



Operational Assessment: Restricted Funds

Restricted Funds | Restricted Funds for Stadiums Peer Comparisons

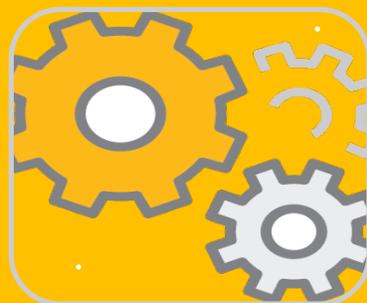


Interviews with departments referenced funding for stadiums, in particular Paul J. Brown. Hamilton County provides funding out of **restricted funds for the operation and maintenance** of Paul Brown Stadium, the home of the Cincinnati Bengals. Bonds payments on the stadium go into the 2030s, and the current agreement with the Bengals is eligible for renegotiation in 2026.

Key Observations - based on the comparison to Franklin County, OH and Marion County, IN*:

- Paul Brown Stadium and Great American Ballpark are the only stadiums not jointly owned by the City and County
- Paul Brown Stadium is the only stadium not partially funded by private funds
- Paul Brown Stadium provides the least amount of revenue sharing
- Hamilton County has the least capability to generate additional revenue from events
- All county revenue sources are tax based
- All stadiums are maintained by the County or City and County

*Note: Peer comparison is based on Franklin County, OH and Nationwide Arena (Columbus Blue Jackets), and Marion County, IN and Lucas Oil Stadium (Indianapolis Colts).



Assessment Summary Observations

Assessment Summary | High-Level Operational Observations

The following themes developed through interviews, surveys and review of materials:

Challenges with attracting and retaining skilled staff due to the current compensation and benefit packages

Aging workforce

Increasing healthcare costs

Employee morale impacted by budget cuts; increased workloads contributed to employee turnover

Facilities and building maintenance has been deferred and is becoming a critical concern to county operations

County IT systems are aging, inefficient and expensive to maintain and support

Departments and elected officials appear to not coordinate to leverage potential cost saving opportunities

Recent changes in the judicial system and the opioid epidemic appear to be causing increased workloads

Opportunities to create partnerships with other communities

Assessment Summary | High-level General Fund Observations

The analysis of general fund revenues and expenses uncovered the following observations:

Revenues have not been increasing at the same rate as expenses

General fund revenue trails Ohio peers per capita

General fund sales tax revenue trails peers on a percentage basis

Property taxes & residential assessed values have increased

Intergovernmental funds have fluctuated significantly

Budget vs. actuals are on track for revenues and off for expenses

Personnel costs are increasing although the county has fewer FTEs than a decade ago

The county lacks a central authority to control budget overruns

Assessment Summary | Structural Imbalance – Observations



What is the cause of the structural imbalance?

The cause of the structural imbalance is multi-factored. As uncovered in this assessment, key factors may include the following:

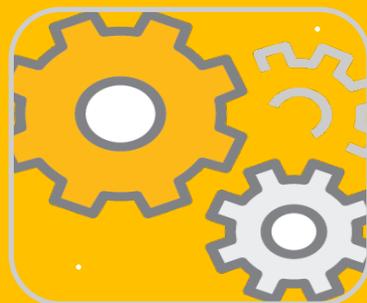
Revenue growth trails expenditure growth

Decline in intergovernmental and grant revenues

Rise in personnel costs, including healthcare

Needed investments in infrastructure (buildings, technology)

Increased demand for government services in wake of the opioid crisis that have driven jail, judicial and county administration costs



Appendix

Appendix | About this Assessment – Interviews

Over 30 interviews were conducted with Hamilton County elected officials and departments to inform this assessment.

911 Communications	Auditor	Board of Elections	Budget & Strategic Initiatives	Clerk of Courts	Commissioners & County Administration
Coroner	Court of Domestic Relations	Courts (Common Pleas and Municipal)	Economic Development	Emergency Management Agency	Engineer
Environmental Services	Facilities	Human Resources	Juvenile Court	Office of Inclusion	Office of Reentry
Planning & Development	Probate Court	Prosecutor	Public Defender	Public Health	Purchasing
Recorder	Sheriff	Soil & Water	Stadia & Parking	Treasurer	Veteran Services

Appendix | List of Restricted Funds

General Government:

- 002 – 042: 27th Payroll Reserve
- 900 – 002: Unvoted General Obligation
- 900 – 003: Special Assessment Debt Service
- 921 – 009: Special Assessment Debt Issuance
- 931 – 003: Worker's Compensation Reserve
- 931 -004: Auditor's Computer Center
- 931 – 010: Medical Self-Insurance Fund
- 960 – 020: Reserve for Judgement & Claims
- 002 – 001: Real Estate Assessment (Auditor)
- 002 – 010: Treasurer Delinquent Real Estate
- 002 – 011: Prosecutor's Delinquent Real Estate
- 002 – 017: Treasurer's Optional Payment
- 002 – 067: Tax Certificate Administration (Treasurer)
- 002 – 074: Recorder's Technology Fund

Public Safety:

- 002 – 005: Dog & Kennel
- 002 – 006: Emergency Management Agency
- 002 – 014: Law Enforcement & Education (Sheriff)
- 002 – 050: Sheriff's Parking Violations
- 002 – 051: Coroner's Out of County Fees
- 002 – 059: Sheriff's Concealed Handgun License
- 002 – 063: Wireless 911
- 002 – 070: Sheriff Peace Officer Training
- 003 – 005: CLEAR (County Law Enforcement Applied Regionally) Levy
- 931 – 005: County 911 Communication Center

Judicial:

- 002 – 007: Victims of Domestic Violence
- 002 – 008: Probate Court Conduct of Business
- 002 – 013: Indigent Guardianship (Probate Court)
- 002 – 015: Courts Automation
- 002 – 016: Probate Court Automation
- 002 – 018: Auto Title Administration (Clerk of Courts)
- 002 – 020: Juvenile Court Indigent Driver Alcohol Treatment
- 002 – 022: Probate Court Legal Research
- 022 – 027: Common Pleas Legal Research
- 002 – 029: Court Delay Reduction (Municipal Court)
- 002 – 031: Administration of Justice (Common Pleas Court)
- 002 – 032: Probation Services
- 002 – 044: Municipal Court Special Projects
- 002 – 046: Common Pleas Mediation
- 002 – 049: Probate Court Dispute Resolution
- 002 – 054: Common Pleas Special Projects
- 002 – 062: Citizen Reward Program (Clerk of Courts)
- 002 – 065: Juvenile Court Legal Research
- 002 – 068: Domestic Relations Special Projects
- 002 – 069: Indigent Drivers (Probation)
- 002 – 071: Law Library
- 002 – 073: Juvenile Court Special Projects
- 002 – 075: Probate Court Special Projects
- 002 – 077: Probate Court Guardianship Special Projects

Appendix | List of Restricted Funds (continued)

Public Works

- 002 – 002: Solid Waste Management Fund
- 002 – 019: Water Rotary
- 002 – 024: Permissive Auto Tax Municipal (Engineer)
- 002 – 025: Permissive Auto Tax County (Engineer)
- 002 – 026: Roads and Bridges (Engineer)
- 002 – 055: Major Highway Operations – County
- 002 – 057: Stormwater Oversight (Engineer)
- 002 – 072: Stormwater Management (Planning)
- 998 – 011: Soil and Water Conservation District – General Operations
- 998 – 016: Soil and Water Conservation District – Stormwater Operations

Recreation

- 002 – 058: Hotel/Motel Lodging Tax
- 003 – 008: Zoological Gardens
- 003 – 009: Cincinnati Museum Center (Union Terminal)
- 003 – 011: Union Terminal Sales Tax
- 946 – 003: Paul Brown Stadium Operations
- 946 – 005: Great American Ballpark Operations
- 946 – 006: Parking and Public Improvement Operations
- 946 – 008: Main Street Parking Garage Operations
- 946 – 010: Paul Brown Capital Repair Fund
- 946 – 013: Parking Revenue Fund
- 946 – 014: Ballpark Revenue Fund
- 946 – 015: Ballpark Operating Reserve
- 946 – 016: Parking Repair Account
- 946 – 017: Riverfront Loan Debt Service

Health & Social Services

- 002 – 049: Bureau of Support (JFS)
- 002 – 023: Public Assistance (JFS)
- 002 – 039: Family Fund
- 002 – 045: Mental Health Local Fund
- 002 – 047: Mental Health and Recovery Services
- 002 – 060: Workforce Investment (JFS)
- 002 – 076: Heroin Coalition
- 003 – 001: Children's Services Levy
- 003 – 002: Developmental Disabilities Services Levy
- 003 – 003: Mental Health Levy
- 003 – 004: Indigent Health Care Levy
- 003 – 006: Senior Services Levy
- 003 – 010: Family Services and Treatment Levy

Appendix | Ohio County Sales Tax Rates

County	County Sales Tax	County Transit Tax	Total (includes 5.75% for State)	County	County Sales Tax	County Transit Tax	Total (includes 5.75% for State)
Adams	1.50	--	7.25	Gallia	1.50	--	7.25
Allen	1.00	--	6.75	Geauga	1.00	--	6.75
Ashland	1.25	--	7.00	Greene	1.00	--	6.75
Ashtabula	1.00	--	6.75	Guernsey	1.50	--	7.25
Athens	1.25	--	7.00	Hamilton	1.25	--	7.00
Auglaize	1.50	--	7.25	Hancock	1.00	--	6.75
Belmont	1.50	--	7.25	Hardin	1.50	--	7.25
Brown	1.50	--	7.25	Harrison	1.50	--	7.25
Butler	0.75	--	6.50	Henry	1.50	--	7.25
Carroll	1.00	--	6.75	Highland	1.50	--	7.25
Champaign	1.50	--	7.25	Hocking	1.50	--	7.25
Clark	1.50	--	7.25	Holmes	1.25	--	7.00
Clermont	1.00	--	6.75	Huron	1.50	--	7.25
Clinton	1.00	--	6.75	Jackson	1.50	--	7.25
Columbiana	1.50	--	7.25	Jefferson	1.50	--	7.25
Coshocton	1.50	--	7.25	Knox	1.50	--	7.25
Crawford	1.00	--	6.75	Lake	1.00	0.25	7.00
Cuyahoga	1.25	1.00	8.00	Lawrence	1.50	--	7.25
Darke	1.50	--	7.25	Licking	1.50	--	7.25
Defiance	1.00	--	6.75	Logan	1.50	--	7.25
Delaware	1.25	--	7.00	Lorain	1.00	--	6.75
Erie	1.00	--	6.75	Lucas	1.50	--	7.25
Fairfield	1.00	--	6.75	Madison	1.25	--	7.00
Fayette	1.50	--	7.25	Mahoning	1.25	0.25	7.25
Franklin	1.25	0.50	7.50	Marion	1.50	--	7.25
Fulton	1.50	--	7.25	Medina	1.00	--	6.75

Appendix | Ohio County Sales Tax Rates (continued)

County	County Sales Tax	County Transit Tax	Total (includes 5.75% for State)
Medina	1.00	--	6.75
Meigs	1.50	--	7.25
Mercer	1.50	--	7.25
Miami	1.25	--	7.00
Monroe	1.50	--	7.25
Montgomery	1.25	0.50	7.50
Morgan	1.50	--	7.25
Morrow	1.50	--	7.25
Muskingum	1.50	--	7.25
Noble	1.50	--	7.25
Ottawa	1.25	--	7.00
Paulding	1.50	--	7.25
Perry	1.50	--	7.25
Pickaway	1.50	--	7.25
Pike	1.50	--	7.25
Portage	1.25	0.25	7.25
Preble	1.50	--	7.25
Putnam	1.25	--	7.00
Richland	1.25	--	7.00
Ross	1.50	--	7.25
Sandusky	1.50	--	7.25
Scioto	1.50	--	7.25
Seneca	1.50	--	7.25
Shelby	1.50	--	7.25
Stark	0.50	0.25	6.50
Summit	0.50	0.50	6.75

County	County Sales Tax	County Transit Tax	Total (includes 5.75% for State)
Trumbull	1.00	--	6.75
Tuscarawas	1.50	--	7.25
Union	1.25	--	7.00
Van Wert	1.50	--	7.25
Vinton	1.50	--	7.25
Warren	1.25	--	7.00
Washington	1.50	--	7.25
Wayne	0.75	--	6.50
Williams	1.50	--	7.25
Wood	1.00	--	6.75
Wyandot	1.50	--	7.25