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Hamilton County 2015 Budget Plan and Five Year Growth and Budget Stabilization Plan

By: Hamilton County Commissioner Todd Portune

I. Introduction and Executive Summary

I am looking to a 2015 county budget that sets Hamilton County on a Five Year Responsible Growth and Development Plan that will, at the end of the program, increase county revenues through shared services savings, economic growth and development by over $35 Million annually. It takes advantage of savings that we have generated through careful consideration by the Board of County Commissioners ["BOCC"] of various cost-savings initiatives; through a new robust city-county Shared Services Committee, and through new revenues that are the result of:

a.) our past actions in support of economic development; and
b.) ongoing work in the transportation and property redevelopment arena; and
c.) new revenues deriving from utilizing existing bond revenue options available to Hamilton County through prudent and limited usage of a bond financing means made available under the Ohio Revised Code.

There are several key components of my proposed 2015 Budget and the Budget Document I have prepared they are:

A. My Budget embraces a number of general concepts and basic fiscal principles. Among these are that the 2015 Budget must be:
   1. structurally balanced; and
   2. Rely on reductions in costs of operations; and
   3. Actively pursue Shared Services opportunities; and

4. Utilize current and revised revenue figures; and
5. Implement all available dollars including unencumbered casino revenues; and
6. Consider implementation of ORC 133.082 "Securities Issued in Anticipation of Taxes Collected"; and
7. Work toward reducing operations in areas where mandates are unfunded and the activities are not policy priorities of the county; and
8. Coordinate activities with the Hamilton County Treasurer to increase annual revenues generated by county investments strategies in order to begin to replenish the over $20 Million in annual revenues lost from our investment yield since pre-recession times; and
9. Utilizes future revenues from quantifiable economic development activity

B. As a Matter of Policy Priorities, My Budget Supports:

1. Maintaining and Expanding Public Safety Initiatives including collaborative work with the local jurisdictions aimed at reducing the cost of 911 dispatch costs;
2. Improving the County's Public Health and in particular focusing upon infant mortality rate reduction and Expanding Access to Health Care;
3. Invests in Transit Oriented Development opportunities in partnership with all 49 local political jurisdictions in Hamilton County; in the county's Eastern Corridor, I-75 Corridor and Freight corridors; bike and pedestrian path construction and linkage; new express transit service; and enhancing the region's ability to serve as the inland Port of choice to Gulf and Atlantic seaboard ports; and
4. Provides Support for Full Utilization of the County Land-Bank and Expanded Property Reclamation and Redevelopment.
5. Supports other specific and targeted economic opportunities via the Port Authority, HCDC and other activity sponsored by Hamilton County as opportunities arise.
6. Supports coordinated activity joint with the City of Cincinnati, all other local municipalities and townships in the Cincinnati MSA to oppose state cuts in the Local Government Fund, or increases of unfunded mandates.
7. Requires development of a local growth and development policy that is legal and enforceable and

that results in greater opportunities for local employment and local contracts being filled by local contractors.

8. Implementing a fiscally responsible shifty in county tax policy that reduces reliance on special property tax levies for statutory and general county obligations.

C. My Budget Requires Balancing 2015 to be a part of a Five Year County Budget Stabilization Plan. I am requiring a five-year plan based upon a limited Five Year 0.25 cents on the dollar increase in the County Sales Tax; growth of existing revenues; reductions in costs; shared services; new economic opportunities; and Quantifiable Results.

II. 2015 Budget Revenue Increases and Adjustments: [Total 22.3 Million]

A. Implement a limited Five Year increase in the county sales tax at 0.25 cents on the dollar generating an estimated $35 Million/year. **Total value for 2015 - $35 Million**

B. Reduce county property taxes by supplanting special property tax supported services as indicated below with new sales tax revenues. [$18 Million reduction in county property tax burden] **Total value for 2015 - $18.2 Million**

C. Add $500,000.00 in billed services for Crime Lab operations to Asset Forfeiture Fund [drug forfeiture money] recipients [i.e. Sheriff, Prosecutor and other local law enforcement]. **Total value for 2015 - $1 Million**

D. Target reductions in cost of operations in county government of a minimum of incremental $1 Million reductions in costs due to shared services [cumulative total over five years, $15 Million in total savings over five years] **Total value for 2015 - $1 Million**

E. Target increases in funds due to coordinated activity with Treasurer's Office to increase available funds generated by investment yields to a minimum of incremental increases of $1 Million per year; [cumulative total $15 Million over five years.] **Total value for 2015 - $1 Million**

F. Utilize ORC 133.082 to generate funds available to County, County Subdivisions; County Taxing Authorities; County wide School Districts; Townships and Municipal Corporations at 100% of uncollected value for 2015. Amounts available for County Operations estimated to be:

- General Fund: $3.125 Million

Total Available Net New Revenues for 2015 - $22.8 Million

III. 2015 Budget Revisions [Total - $20.38 Million]

A. Add revenue support to the Sheriff's Budget for inmate medical care from the indigent care levy to new sales tax revenues [$12.2 Million]
B. Reduce county property taxes by eliminating the Family Services & Treatment Levy and replacing the revenues needed with the new sales tax revenues. [$6 Million]
C. Provide $500,000.00 to fund Commissioner Hartmann's recommended increased allocations for economic development [Redi, HCDC, Port Authority]
D. Add $4 Million annually for Facilities repair, maintenance, upkeep and IT improvement.
E. Add $3 Million annually for TID new transportation enhancement development, programs and projects.
F. Add $2 Million annually for new Housing development programming in coordination with the county Land Bank, Port Development Authority and any new approved program implementation. [see attached Crowley 14X Program – Exhibit A to this proposal]
G. Add $1 Million for infant mortality reduction to Cradle Cincinnati.
H. Support Departmental Approved Budget Requests as per the Administrator's Recommended Budget [$9.72 Million].
I. Increase General Fund Support for Communications Center 911 Dispatch fees subsidy by $300,000.00
J. Partner with the United Way toward "Best Practice" partnerships that meaningfully and measurably improve efforts at meeting targeted "Bold Goals" indicators for Hamilton County as determined [$$ to be determined following policy discussions and public hearing input on prioritizing Goals to be pursued and means to accomplish]
K. Add $100,000.00 to Contract with the University of Cincinnati Center on Economic Excellence [see attached detailed discussion – Exhibit B to this Proposal] to provide strategic targeting of county investments and methodology to score such investments as to generate quantifiable revenue results to a reasonable degree of economic certainty thereby allowing the county to use its economic development revenues wisely and strategically. Improving the County's climate for economic development activity targeted on specific key growth areas of business as guided by recommendations from a contract with the University of Cincinnati Center on Economic Excellence that allow for targeting of economic investments with an intent

to generate business activity at the following levels of opportunity including, without limitation, a focus upon:

1. Increased Property Tax Receipts resulting from property reclamation and property redevelopment for residential, commercial, retail, industrial and green-space oriented properties;

2. Increased Sales Tax receipts that are the consequence of job creation and movements toward full employment; and identifiable economic activity resulting in purchases of needed development materials and that arise out of increased expenditures from disposable income;

3. Moving to generate over $10 Billion in new development activity over five years stemming from: Property redevelopment due to Land Bank and Port Authority Actions; and Over $1 Billion worth of I-75 Corridor Construction; and $2.5 Billion in Brent Spence Bridge construction activity begun; and Over $2 Billion of additional county wide property/housing construction and redevelopment; and Transit Oriented Development stemming from passenger oriented transportation infrastructure in the Eastern Corridor, Regional Rail Plan, Express service to CVG; and Freight Corridor Transportation Infrastructure Improvements; and MSD Phase I work.

4. Generation of a **Five Year Growth and Stabilization Plan as follows:**

2015 shall include:

- A Balanced Budget at continuation levels; and
- Policy Implemented as discussed;
- Convene Three Summits during the year on Full Employment, Shared Service Opportunities and Entrepreneurial Government
- Active pursuit of Shared Services for 911 operations; Prosecution of Misdemeanors; Fleet Management; HR Functions; and Public Relations operations; and

- Explore partnerships with Local Governments in the areas of Sheriff's Public Safety Patrols and Housing Development; and
- Explore Partnerships with Local School Districts around efforts aimed at Safe Pathways to School and Reduction of Childhood Abuse and against Child Sexual Predators; and
- Commence to get under contract the I-75 Corridor Improvements; Freight Corridor Improvements; Brent Spence Bridge and
- Conclude development with the City of Cincinnati of a Local Hiring Policy designed to improve local employment and enhance individual consumer spending power and discretionary income.
- Continue expanded Property Reclamation and Redevelopment. Works to implement aggressive property redevelopment plan [attached] in partnership with local governments, community development corporations, community councils and civic organizations, faith based organizations, and Board of Realtors, Realtists, Homebuilders Association; GCEA, CAA, and Real Estate Investors Association.

2016

- Utilize ORC 133.082 at 50% levels of recovery
- Continue 2015 Actions and Policy Implementation, adding to the same, commencing to complete getting under contract with county TID transit oriented development work through and Over $1 Billion worth of I-75 Corridor Construction; Over $2 Billion of additional county wide property/housing construction and redevelopment; and Transit Oriented Development stemming from passenger oriented transportation infrastructure in the Eastern Corridor, Regional Rail Plan, Express service to CVG; and Freight Corridor Transportation Infrastructure Improvements; and
- Identify and capture revenue stemming from commencement of Brent Spence Bridge construction activity and MSD Phase I sewer work

2017

- Utilize ORC 133.082 at 10% levels of recovery
- Continue 2016 Actions and Policy Implementation, adding to the same, commencing to complete getting under

contract with county TID transit oriented development work through and Over $1 Billion worth of I-75 Corridor Construction; Over $2 Billion of additional county wide property/housing construction and redevelopment; and Transit Oriented Development stemming from passenger oriented transportation infrastructure in the Eastern Corridor, Regional Rail Plan, Express service to CVG; and Freight Corridor Transportation Infrastructure Improvements; and

- Continue to identify and capture revenue stemming from commencement of Brent Spence Bridge construction activity and MSD Phase I sewer work
- Expanded Property Reclamation and Redevelopment. Works to implement aggressive property redevelopment plan [attached] in partnership with local governments, community development corporations, community councils and civic organizations, faith based organizations, and Board of Realtors, Realtists, Homebuilders Association; GCEA, CAA, and Real Estate Investors Association.
- Convene County Charter Commission to explore citizen support for Charter Reform of County Government designed to further consolidate operations; economize action and make more efficient county government.

2018

- Continue 2017 Actions and Policy Implementation, adding to the same, commencing to complete getting under contract with county TID transit oriented development work through and Over $1 Billion worth of I-75 Corridor Construction; Over $2 Billion of additional county wide property/housing construction and redevelopment; and Transit Oriented Development stemming from passenger oriented transportation infrastructure in the Eastern Corridor, Regional Rail Plan, Express service to CVG; and Freight Corridor Transportation Infrastructure Improvements; and
- Continue to identify and capture revenue stemming from commencement of Brent Spence Bridge construction activity and MSD Phase I sewer work
- Expanded Property Reclamation and Redevelopment. Works to implement aggressive property redevelopment plan [attached] in partnership with local governments, community development corporations, community councils and civic organizations, faith based organizations, and

Board of Realtors, Realtists, Homebuilders Association; GCEA, CAA, and Real Estate Investors Association.

- Act upon recommendations of County Charter Commission and place on the ballot all citizen supported Charter Reform of County Government designed to further consolidate operations; economize action and make more efficient county government.

2019

- Continue 2018 Actions and Policy Implementation, adding to the same, commencing to complete getting under contract with county TID transit oriented development work through and Over $1 Billion worth of I-75 Corridor Construction; Over $2 Billion of additional county wide property/housing construction and redevelopment; and Transit Oriented Development stemming from passenger oriented transportation infrastructure in the Eastern Corridor, Regional Rail Plan, Express service to CVG; and Freight Corridor Transportation Infrastructure Improvements; and
- Continue to identify and capture revenue stemming from commencement of Brent Spence Bridge construction activity and MSD Phase I sewer work
- Expanded Property Reclamation and Redevelopment. Works to implement aggressive property redevelopment plan [attached] in partnership with local governments, community development corporations, community councils and civic organizations, faith based organizations, and Board of Realtors, Realtists, Homebuilders Association; GCEA, CAA, and Real Estate Investors Association.
- Implement results of any voter approved Charter Reform of County Government designed to further consolidate operations; economize action and make more efficient county government; and thereby further reduce costs of county government.

I thank you for considering this budget proposal that will balance Hamilton Co0unty for next year; will fully fund necessary and critical county services, and will put us on a path toward generating a fully self-sufficient county, without the need or necessity of this limited five year sales tax increase.

Respectfully yours,