

2010 Budget in Brief

Hamilton County, Ohio



Board of County Commissioners

David Pepper, President

Todd Portune, Vice President

Greg Hartmann, Commissioner

County Administrator

Patrick Thompson

About the Cover

The 2010 Budget in Brief cover showcases six county entities that celebrated milestone anniversaries during 2009.



Every Child Succeeds - 10 Years

An early prevention program that provides services and support to at-risk first-time mothers, Every Child Succeeds is a public/private partnership that has served more than 15,000 families and provided more than 318,000 home visits in seven local counties during its first 10 years.



Hamilton County Communications Center - 60 Years

The Communications Center began operations on January 1, 1949 with four dispatchers serving the Sheriff and 11 police departments, comprising 20 two-way radios. Today 76 dispatchers and supervisors respond to 900,000 calls for service annually for 120 agencies with over 4,200 radios.



Green Township - 200 Years

Established in 1809 and named after Revolutionary War General Nathanael Greene, Green Township is the second largest township in the state of Ohio. Pictured is the veterans tribute bell that commemorates the township bicentennial at the state's first Veterans Tribute Tower in Veterans' Park.



Urban League of Greater Cincinnati - 60 Years

Founded in 1949, the Urban League is the region's oldest and largest community organization devoted to empowering African American citizens to enter the economic and social mainstream. Its education, job training, and business and leadership development programs express its commitment to youth, jobs and justice.



City of Silverton - 125 Years

With origins dating to the opening of a general store at Plainfield Pike and Montgomery Road in 1809, Silverton was incorporated in 1884. Strong neighborhood dialogue in the 1960s broke through cultural barriers to create an intentionally integrated community, still one of the most diverse in the region.



Lighthouse Youth Services - 40 Years

Since 1969 Lighthouse Youth Services has been a beacon of hope for youth and families, providing group housing for homeless teens, early childhood development programs, foster care for abused children, therapeutic support for families, juvenile justice programs and a crisis center for runaway youth.

About Hamilton County

Hamilton County covers 414 square miles in the southwestern corner of the state of Ohio. Located on the Ohio River, with its county seat in Cincinnati, Hamilton is the third most populous county in the state.

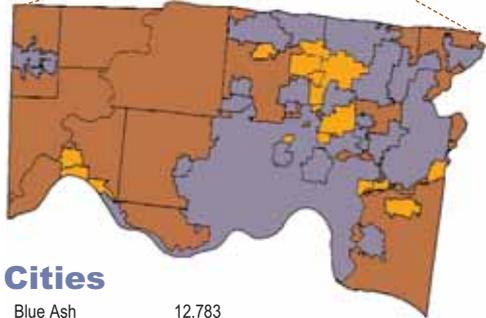
Named for Alexander Hamilton and established in 1790, the county was only the second to be carved out of the Northwest Territory. It predated Ohio statehood by 13 years and its boundaries included one-eighth of what is now Ohio.

Cincinnati was the population center of Hamilton County until the industrial era, when the city's inhabitants began to spread to the suburbs. The city contained 80% of the county's population in the 1900 census, but 2008 estimates show only 39% of the population resides in Cincinnati.

Government Structure

Hamilton County has no top executive and no single overall governing body. Administrative powers rest with a three-person Board of County Commissioners and eight other elected officials who function as the independent heads of their departments.

In 1963, the Board of County Commissioners created the appointed office of County Administrator to administer Board policies and prepare the county budget.



Cities

Blue Ash	12,783	Mt. Healthy	6,070
Cheviot	8,385	North College Hill	9,549
Cincinnati	333,336	Norwood	20,341
Deer Park	5,751	Reading	10,523
Forest Park	18,514	Sharonville*	11,128
Harrison	9,387	Silverton	5,155
Indian Hill	6,030	Springdale	10,384
Loveland*	9,443	St. Bernard	4,626
Madeira	8,558	Wyoming	8,355
Milford*	39		
Montgomery	10,458	Total	508,815

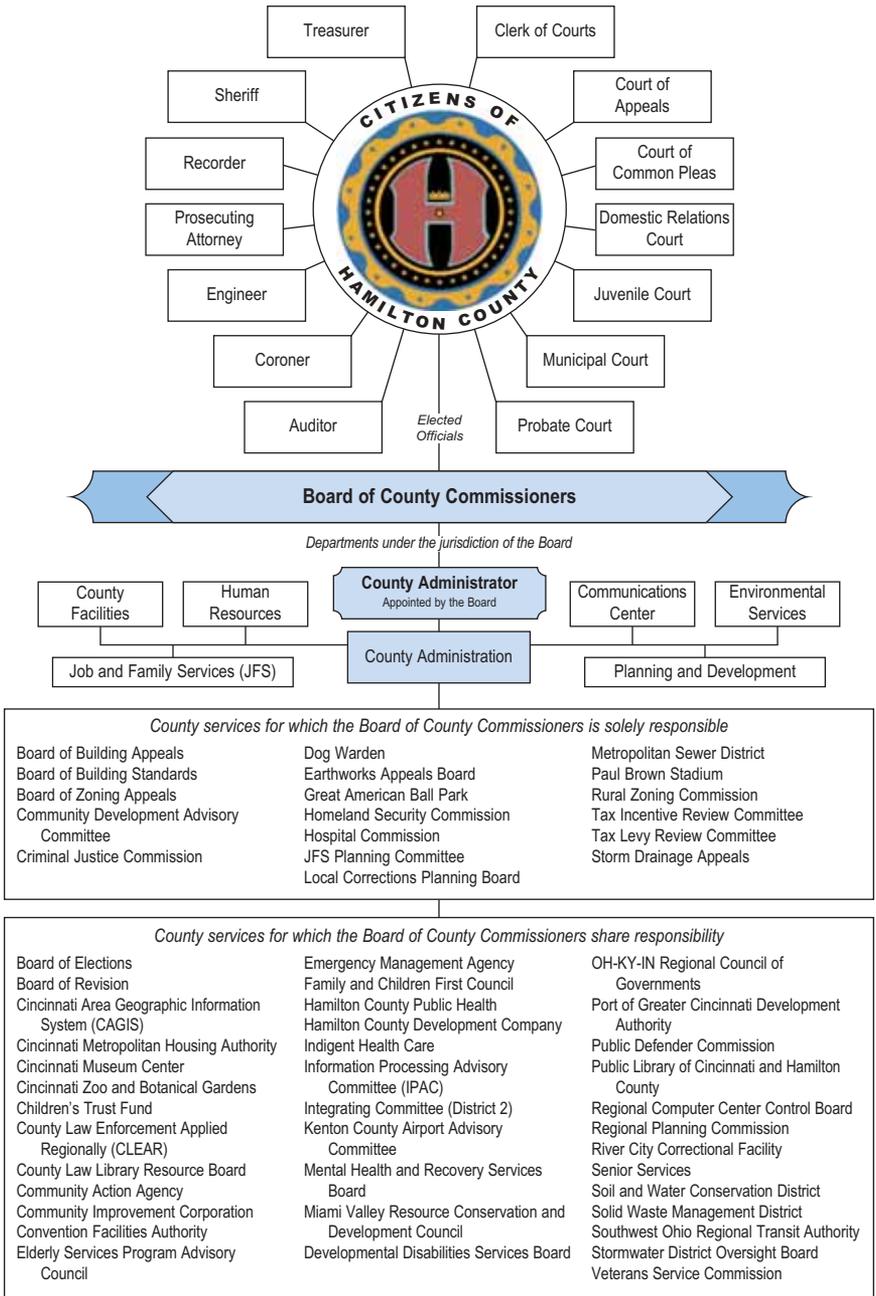
Villages

Addyston	993	Greenhills	3,837
Amberley Village	3,558	Lincoln Heights	3,911
Arlington Heights	836	Lockland	3,473
Cleves	2,688	Mariemont	3,183
Elmwood Place	2,481	Newtown	3,889
Evendale	2,955	North Bend	638
Fairfax	1,855	Terrace Park	2,220
Glendale	2,214	Woodlawn	2,645
Golf Manor	3,765	Total	45,141

Townships

Anderson	45,386	Miami	7,883
Colerain	62,536	Springfield	39,887
Columbia	3,091	Sycamore	20,450
Crosby	2,038	Symmes	15,837
Delhi	31,278	Whitewater	3,989
Green	61,371	Total	297,538
Harrison	9,387		

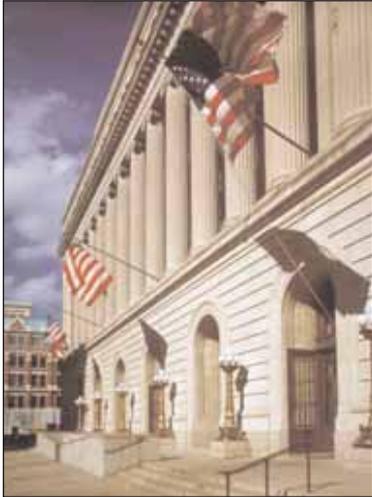
Population by Jurisdiction. *The total county population, according to 2008 census estimates, is 851,494. Estimates have fluctuated in recent years as jurisdictions have successfully challenged decreasing census figures. Populations for cities with an asterisk (*) above include only those portions within Hamilton County.*



Organization Chart Hamilton County's judges and other elected officials (grouped around the citizens at the top of the chart) function as independent administrators of their departments. The Board of County Commissioners (BOCC), and the County Administrator as its representative, have direct jurisdiction over the seven departments beneath the Board. The BOCC also has sole responsibility for the 18 other entities grouped in the next box and shares responsibility for the remaining 37 services in the box at the bottom of the chart.

Fund Structure

The accounts of the county are organized on the basis of funds. Fund accounting segregates revenue according to its intended purpose and is used to demonstrate compliance with legal and contractual provisions. The county has over 120 appropriated funds and subfunds. The county **general fund** is used to account for all resources except those required to be accounted for in another fund. **Special revenue** funds are restricted for specific purposes. The county has over 90 special revenue funds to account for tax



The Hamilton County courthouse.

levies, grants, and social service programs, among many other restricted functions. **Debt service** funds are used to account for the payment of principal and interest on county indebtedness. **Enterprise** funds track activities for which the county recovers some or all of the costs from parties outside the government. Enterprise funds include parking and stadium operations, and the Metropolitan Sewer District. The county's **internal service** funds allocate costs to other government funds. For example, the Auditor's computer center is supported through fees charged to various county agencies, the Sheriff's rotary fund supports township patrols by billing the jurisdictions that receive services, and the workers compensation reserve fund allocates costs across all funds according to employees' salaries.

Basis of Accounting and Budgeting

County accounting is performed on the modified accrual basis for all funds except enterprise funds. Revenues are recognized in the period when measurable and available to meet obligations. For enterprise funds, actions are recorded on the accrual basis of accounting: revenues are recognized when earned and measurable, and expenses are recognized as incurred. Counties in the state of Ohio are required to prepare budgets on a cash basis: revenues are recognized when received and expenses are recognized when incurred.

A Balanced Budget

The state of Ohio requires that all funds be balanced; that is, resources must equal or exceed expenditures. The Board of County Commissioners has adopted an annual goal for the general fund budget to be structurally balanced; that is, on-going revenues must meet or exceed on-going expenditures.

Fiscal Year

All counties in Ohio operate on a calendar year, January 1 to December 31.

2010 General Fund Budget

Function/Department	Revenues	Expenses	FTEs ¹
Public Safety			
Communications Center - 911 Call Center	--	1,375,180	-- ²
Coroner	1,007,700	3,745,659	42.33
Emergency Management	--	454,000	-- ²
Prosecutor	2,089,145	10,548,145	163.13
Sheriff	9,460,180	58,909,410	723.40
Judicial			
Clerk of Courts	15,243,123	11,394,878	181.38
Court of Appeals	100	58,439	-- ³
Court of Common Pleas	65,488	7,580,444	33.25
Court of Domestic Relations	422,500	3,694,122	57.00
Court Reporters	3,000	2,491,395	40.50
Juvenile Court	10,244,011	20,651,237	297.21
Municipal Court	145,924	4,915,894	76.31
Probate Court	1,228,000	2,782,124	40.00
Probation	369,471	6,461,583	120.75
Public Defender	4,800,900	12,962,000	109.50
General Government			
Auditor	135,832,258	2,072,752	22.07
Board of Elections	2,327,500	8,128,624	45.40
Commissioners and County Administration	6,170,054	2,208,183	22.92
Communications Center - Telecommunications	72,900	1,527,974	9.58
Contracts and Subsidies	260,000	1,147,568	--
County Facilities	1,820,282	20,369,552	101.50
Human Resources	5,000	2,330,731	27.31
Non-Departmentals	100,000	3,399,411	1.00
Recorder	3,450,000	1,682,664	26.00
Treasurer	11,930,350	832,000	6.60
Debt Service	--	10,237,525	--
Public Works			
Planning & Development - Building, Planning & Zoning	2,247,500	2,991,070	41.55
Planning & Development - Sewer District	2,181,770	2,135,792	2.64
County Engineer	--	571,508	-- ²
Social Services			
Job and Family Services	--	1,312,688	-- ²
Veterans Service Commission	213,000	1,527,272	10.15
Economic and Community Development			
Planning & Development - Home Improvement	--	15,564	--
Economic Development	62,887	1,228,947	1.95
Total General Fund	211,753,043	211,744,337	2,203.43

¹ An FTE is the equivalent of one full-time employee.

² Employees of these departments are accounted for in restricted funds supported in part by the indicated general fund subsidies.

³ Court of Appeals staff are employees of the State of Ohio.

General Fund Budget Summary

For calendar year 2010, the Board of County Commissioners has appropriated a general fund budget of \$211.7 million, a \$27.7 million, or 11.6%, decrease from the 2009 budget. The 2010 approved budget marks the lowest revenue and expenditure levels in the county since 1998. General fund employee positions are estimated to decrease by 279, or 11.2%, from the 2009 budget.

2010 Budget Process

County Administration implemented substantial revisions to the 2010 budget development process during 2009 to allow departments to better plan for and respond to budget reductions, and ultimately to implement reductions in advance of January 1. The county budget office released a general fund forecast budget to departments in May 2009, with revisions in July, to alert agency directors and their fiscal officers of the scope of the budget reductions required for 2010. During September, departments were afforded an opportunity to respond to the forecasts in working sessions with the Board of County Commissioners in advance of the release of the County Administrator's recommended budget.

The Administrator's recommendation took into account the department feedback and Commission direction to formulate a budget that addressed both, and was released six weeks earlier than the 2009 budget, on October 8. The consensus around the Administrator's budget was so strong as to allow passage with minor revisions by the County Commission on October 28, nearly two months earlier than the 2009 budget. The early passage allowed departments substantially more time to develop and implement management plans to address the 2010 reductions.

General Fund Revenues

All 2010 budget forecasts were revenue-driven, distributing available resources across general fund departments according to scenarios that reflected known liabilities and policy decisions. Economic indicators across many fronts show that a return to revenue growth will be slow and could take several years. The following items address the revenue assumptions for five of the largest revenue categories in the general fund:

- *Sales Tax.* Based on national data through November 2009, retail sales increased 1.3% from October 2009 and 1.9% from November 2008. While these figures appear promising, county sales tax collections since June 2009 (when the national economy began to grow) have still averaged a decrease of 8.4%. For 2010, sales tax revenue is projected at a 5.1% decrease from 2009.
- *Property Taxes.* The general fund property tax rate is limited to 2.26 mills and additional revenue is only realized through new development and periodic reappraisals. Based on Auditor estimates, 2010 general fund property tax revenue

will increase \$1.1 million from the 2009 budget. The next property reassessment occurs during 2011 for the 2012 collection year, and will be heavily impacted by sales activity during 2010. If the housing market does not recover during 2010, the general fund will likely see a decrease in property tax revenue for 2012.

- Local Government Fund.** This state revenue sharing mechanism is directly tied to the general revenue performance at the state level. With continued state budget pressures, LGF revenue is estimated at \$18.0 million in 2010 and represents a decrease of \$4.8 million (20.9%) from the 2009 budget.
- Real Estate Transaction Fees.** Improvement in real estate market activity throughout 2009 has resulted in a modest increase from 2009 projected revenue

Chart 1 - Variance in Major Revenue Categories, 2007-2010

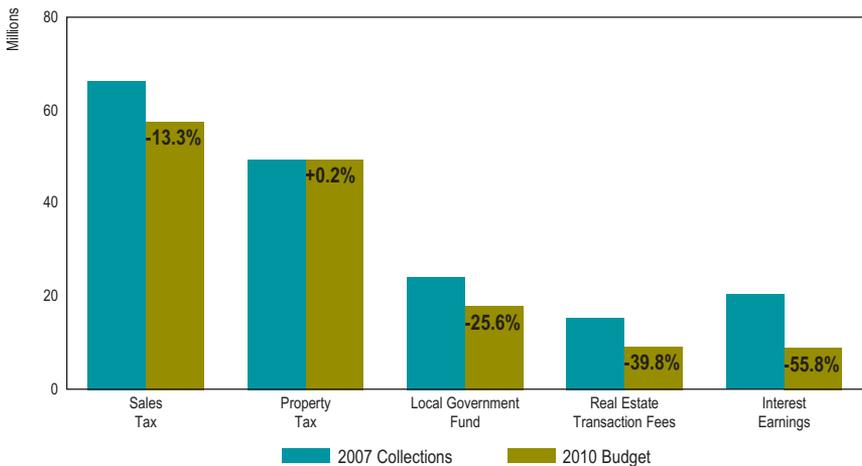
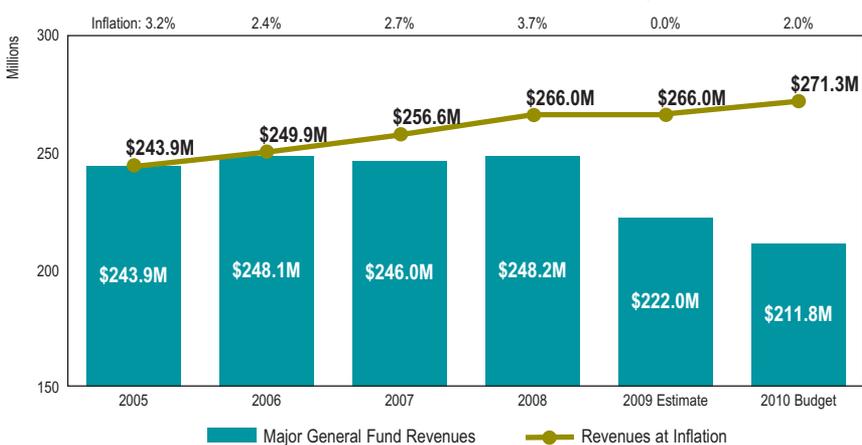


Chart 2 - General Fund Revenue Performance vs. Inflation, 2005-2010

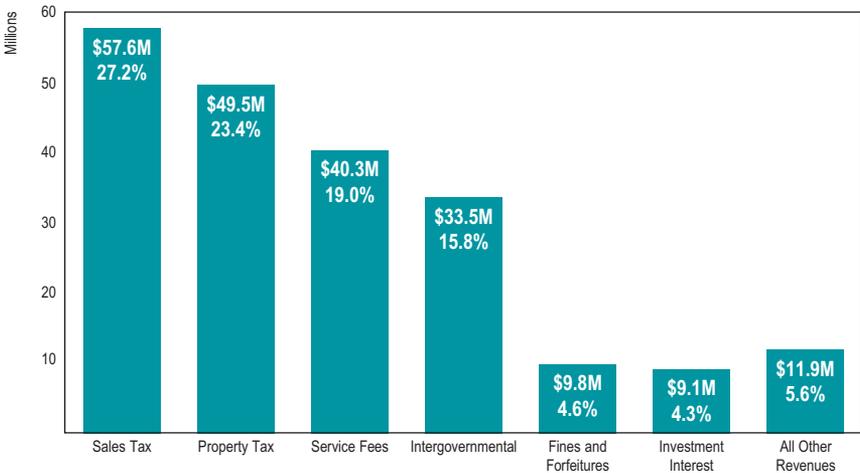


in recording fees, conveyance fees and transfer taxes. Combined, these real estate transaction-related revenues will generate \$9.4 million, still a decrease of \$2.7 million (22.6%) from the 2009 budget.

- *Interest Earnings.* Record low interest rates are expected for the foreseeable future. The federal funds interest rate is projected to remain less than one percent through early 2010. For 2010, interest earnings are projected at \$9.0 million and represent a decrease of \$4.8 million (34.6%) from the 2009 budget.

These five revenue sources are estimated at \$143.5 million for 2010, or 67.8% of the total general fund revenue estimate. The 2010 estimate for these revenue sources represents a \$32.6 million decrease from the 2007 actual receipts. Adjusted for a lack of inflationary growth in these revenue sources, the decrease is \$42.7 million. Charts 1 and 2 detail the dramatic decrease in revenue during recent years.

Chart 3 - General Fund Revenues by Source



2010 Commission Priorities

During this economic downturn the Board of County Commissioners has concentrated its budget priorities on satisfying community needs in the face of declining revenues, while emphasizing those budget areas with the potential to improve the county's economy over both the long and short term. While maintaining its commitment to balancing the general fund budget and replenishing county reserves, the Board prioritized funding for programs that enhance or create economic development opportunities, and maintain core public safety services.

Further, the Board expressed its support for a county government reform task force and for other service consolidation efforts. The task force will review existing Hamilton County government structure and make recommendations for more efficient and

COUNTY SPOTLIGHT

Seeking Efficiencies Together

Over the past several years, Hamilton County has been working with the City of Cincinnati and Cincinnati Business Committee as a charter member of the Government Cooperation and Efficiency Project (GCEP). The goal of GCEP, now being managed by the Center for Local Government, is to examine ways for local government to improve efficiency and enhance the use of public tax dollars by sharing or coordinating service delivery.



At a time when local government is being forced to redefine the services it provides to the taxpayer based upon lower revenue expectations, GCEP presents an opportunity to ensure that entities are focused on providing those services where they maintain some level of comparative advantage or efficiency—whereas other governmental entities might provide other services at lower cost. As an example, many jurisdictions would prefer to avoid the added expense of hiring separate staff or allocating existing staff to maintain fire hydrants. They have found it simpler to contract with Hamilton County Public Works. Through this program promoted by the county’s managed competition efforts, Public Works provides hydrant service more cost effectively and with a greater economy of scale.

Through the first year and a half of GCEP’s efforts, over \$1.5 million in savings have been identified through shared service opportunities in the areas of bulk purchasing, information technology services, street marking, fire hydrant repair, and personnel training.

Additionally, larger projects are now being studied with the potential to offer significant savings to local governments in the areas of emergency dispatch/911 service, tax administration, solid waste and recycling, and fire services. The Center for Local Government is also completing two grant-funded studies on the feasibility of expanding service sharing to heavy equipment and code enforcement activities. Results from these studies should be published in early 2010.

effective delivery of services. At the same time the county will pursue state and federal incentives for local jurisdictions to study service consolidation.

General Fund Expenditures

The 2010 revised budget process did not lend itself toward budget reductions that targeted specific commodities or programs. Instead the budget office focused on accurately estimating available revenues, working with departments to identify expenditures that might be exempt from budget reductions, and then distributing the remaining resources to departments to be expended according to the the discretion of the agency director or independently elected official. Exempt items primarily included expenditures that could not be reduced due to operational necessity (i.e. utilities), state mandates (i.e. contributions to the Engineer’s office or Job and Family Services), or contractual obligations (i.e. debt service). Also exempt were all reimbursed services, as the resulting loss of revenue would offset cost savings.

Chart 4 - General Fund Expenditures by Function

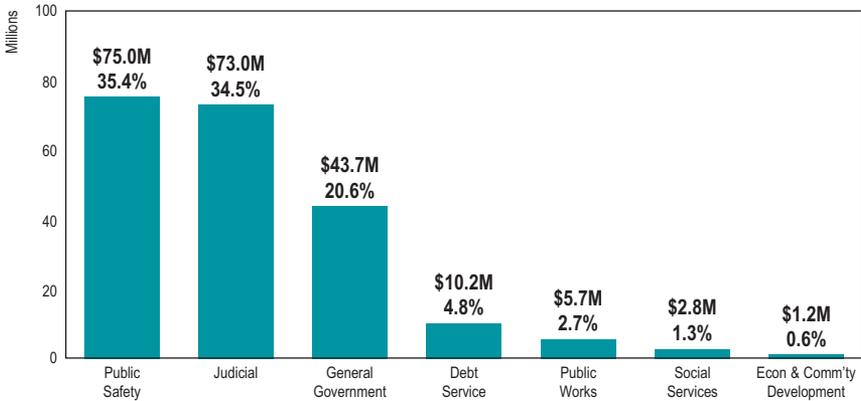
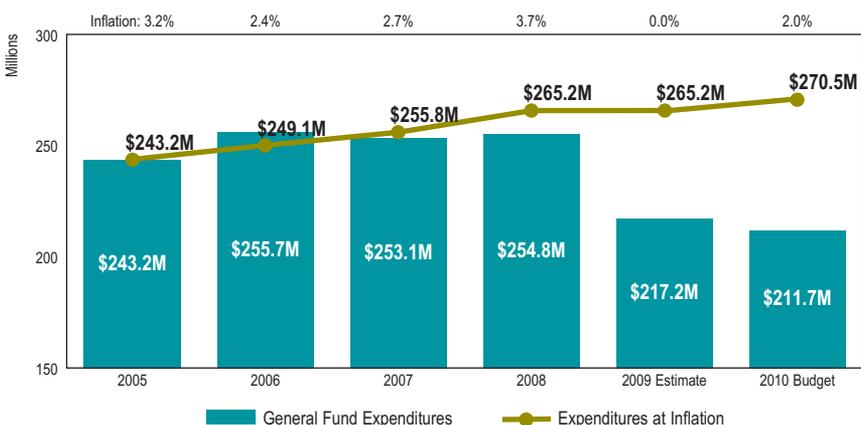


Chart 5 - General Fund Expenditures vs. Inflation, 2005-2010



Spreading County Stimulus Funding

The American Recovery and Reinvestment Act was signed by President Obama on February 17, 2009. The act provides billions of dollars in funding for infrastructure, job training, education, health care, housing, and other programs.



Hamilton County is actively participating in the stimulus programs to bolster public safety, make infrastructure improvements and investments, and to provide relief to struggling families.

An example of the programs the county is pursuing is the youth and adult employment program expansion (\$5.2 million) within the Job and Family Services department. More than \$2.0 million of the funding was used for summer 2009 youth employment. Providers

serve at-risk and disengaged youth, enrolling them in services such as:

- Work readiness workshops and interview training;
- Scholarship and college enrollment paperwork preparation;
- Financial literacy training;
- Placement in employer-based summer internships, and
- Training for improved reading, science, and math skills.

Other Hamilton County stimulus-funded programs include:

- The re-hiring of 15 Sheriff's deputies
- Additional electronic monitoring units to save jail space
- An expansion of the Neighborhood Stabilization Program
- An energy Efficiency and Conservation Block Grant
- Tax exempt Economic Recovery Zone Bonds
- Funding for the Banks Riverfront Development inter-modal transit facility
- Various road projects managed by the County Engineer

The county has created a web site at www.hamiltoncountyohio.gov/recovery to provide information on stimulus-funded projects managed by Hamilton County officials. Contact information is provided for each project. Other entities in Hamilton County also received stimulus funding, including transit organizations, school districts, townships, municipalities, etc. Please contact these entities directly concerning stimulus projects within their jurisdictions. Information is also available on the federal recovery web site at www.recovery.gov and the State of Ohio recovery web site at recovery.ohio.gov.

The Administrator’s recommended budget took into account priorities of both the Board of County Commissioners and agency directors through its assumptions and adjustments primarily in the areas of economic development and criminal justice. The recommendation included continued funding for the Hamilton County Development Company, the Port Authority, the Cincinnati USA Regional Chamber, the OKI Council of Governments, and the county’s HIP home loan program. It also continued the consolidation of several agencies into a one-stop Planning and Development department.

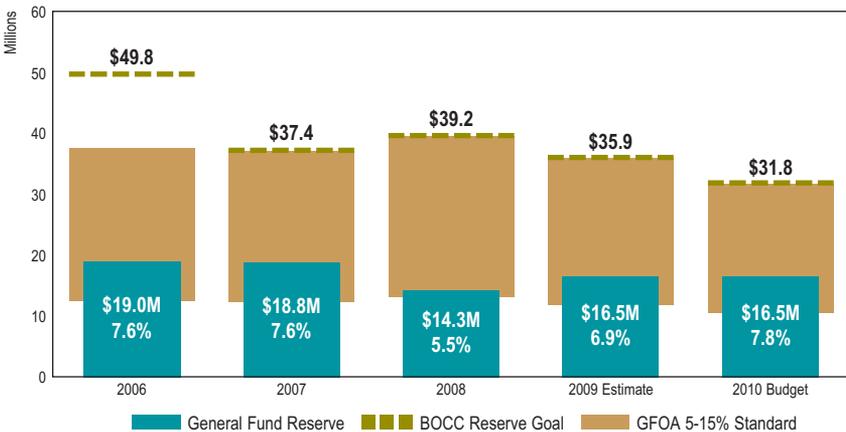
The Administrator addressed criminal justice services through the reallocation of \$3.4 million of resources to prevent the closing of floors at the county jail, elimination of the Coroner’s crime lab, curtailment of misdemeanor prosecutions, a sizable increase in public safety dispatch fees, and diminished document processing in the Clerk of Courts office.

The Board of County Commissioners, in the final phase of budget adjustments, restored \$936,000 in Sheriff patrol and electronic monitoring services through additional reductions in non-personnel appropriations to the Law Library, Human Resources, County Facilities, and several other administrative departments, and through additional revenue from the repayment of a loan to the Engineer’s office.

General Fund Reserve Balance

The county’s financial position should be considered in a broader context than just the annual budget. The most common representation of a county’s fiscal health is the general fund reserve. One of the major goals of the County Commission is to achieve a minimum reserve level of five percent of on-going general fund expenditures. Chart 6 illustrates the 2010 budget’s 7.8% projected reserve, in line with the Government Finance Officers Association (GFOA) recommended minimum of five to 15 percent of operating expenditures. The 2010 reserve is projected higher than that anticipated in October, as 2009 year-end performance exceeded budget office estimates.

Chart 6 - General Fund Reserve Balance



2010 Restricted Funds Budget

Function/Subfund	Revenues	Expenses	FTEs ¹
Social Services			
Public Assistance (JFS)	198,320,039	190,327,418	805.50
Children's Services (JFS)	81,208,432	74,482,578	--
Senior Services Levy	21,126,028	21,845,004	0.10
Bureau of Child Support (JFS)	13,027,451	13,165,418	125.00
Multi-County System Agencies	12,713,807	12,713,807	--
Workforce Investment (JFS)	5,310,944	5,311,056	--
Family and Children First Council	946,500	946,500	8.94
Public Works			
Metropolitan Sewer District	225,690,000	196,753,630	-- ²
Roads and Bridges (Engineer)	17,212,400	16,779,436	180.70
Permissive Auto Tax - County (Engineer)	4,770,000	4,750,000	--
All Other Subfunds (4)	7,714,807	7,706,369	27.50
Health			
Developmental Disabilities Services Levy	107,661,674	106,802,575	619.41
Mental Health Levy	38,197,265	39,154,714	0.15
Indigent Care Levy	48,602,607	41,964,632	1.28
Mental Health and Recovery Services	11,907,987	12,069,961	2.66
Family Services and Treatment Levy	6,767,562	1,974,690	0.71
All Other Subfunds (2)	1,935,999	80,745	--
Recreational Activities			
Paul Brown Stadium Debt/Operating	35,052,352	34,618,935	26.22
Great American Ballpark Debt/Operating	12,150,005	15,400,310	1.07
Zoological Gardens Levy	7,512,133	7,291,548	0.05
Parking Revenue Fund	6,000,000	4,868,140	2.47
All Other Subfunds (4)	5,716,770	3,357,327	0.05
Public Safety			
Indigent Care Levy - Inmate Medical	248,390	8,583,044	32.00
Communications Center - 911	7,069,896	7,235,364	81.42
Sheriff's Township Patrol (Reimbursed)	6,179,500	6,679,500	--
Crime Information Center Levy (CLEAR)	4,852,903	4,997,064	-- ²
All Other Subfunds (11)	5,550,203	8,174,812	65.38
General Government			
Medical Self-Insurance Fund	40,589,000	40,000,000	--
Real Estate Assessment (Auditor)	9,214,787	6,281,724	64.43
Workers Compensation Reserve	6,320,930	4,320,281	1.00
All Other Subfunds (10)	7,890,801	9,328,904	55.40 ³
Debt Service			
	19,027,579	19,089,579	--
Judicial (23 Subfunds)			
	10,688,358	20,480,156	151.26
Economic Development			
Convention Center	6,500,000	6,500,000	--
Parking Garage	1,232,400	1,152,548	--
Environmental Control			
Solid Waste Management	2,510,000	2,810,774	10.27
Total Restricted Funds	997,419,510	957,998,545	2,262.97 ⁴

¹ An FTE is the equivalent of one full-time employee.

² Personnel in these agencies are employed by the City of Cincinnati.

³ Includes county employees in the unappropriated Soil and Water Conservation District.

⁴ An additional 339.84 county employees are supported in separately legislated grant funds.

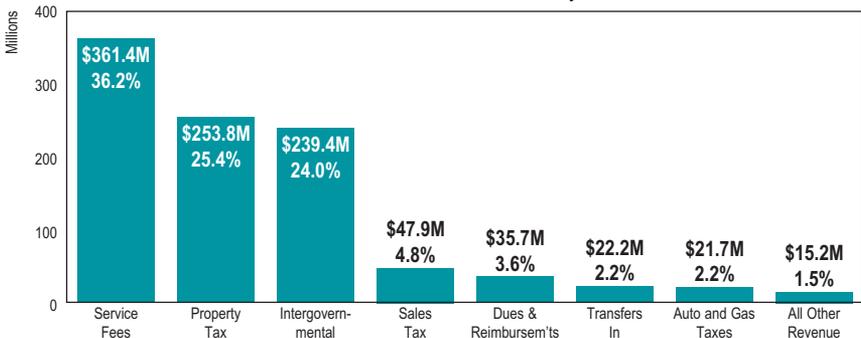
Restricted Funds Budget Summary

Across all restricted funds the Board of County Commissioners has appropriated \$958.0 million for 2010, an \$8.8 million (0.9%) decrease from the \$966.8 million appropriation adopted for 2009. Major decreases in restricted funds are related to Job and Family Services' continued state funding reductions, the end of the Drake property tax levy, retirement of 1987 renovation debt on the Museum Center, a revision in the county's state workers compensation pool, and a reduction in debt payments on Great American Ballpark due to the debt service structure. These decreases are offset by the new Family Services and Treatment levy absorbing some of the Drake levy provisions, the creation of a self-insurance fund for the management of county employee medical benefits, and payments to Cincinnati Public Schools from the proceeds of the stadium sales tax.

Further discussion of restricted fund issues of note follow:

- *Job and Family Services (JFS)*. Budget challenges at the state level continue to substantially reduce revenues for JFS, resulting in a decrease in its restricted funds budgets of \$40.8 million in 2010. The continuing impact on the JFS workforce and in services to residents is further outlined in the spotlight on page 14.
- *Metropolitan Sewer District (MSD)*. In June 2009, MSD received approval from the U.S. EPA, Ohio EPA and ORSANCO of the Wet Weather Improvement Plan. The plan is designed to reduce and/or eliminate combined and sanitary sewer overflows, and improve water quality. It involves more than 350 sewer-related construction projects with a cost of \$3 billion over the next several decades. This capital investment will also spur annual increases in sewer rates. The 2010 rate increase is 11% and will increase average monthly sewer bills by \$5.07.
- *Stadium Sales Tax Fund*. For details about plans to resolve the projected shortfall in the sales tax fund, see the spotlight on page 18.

Chart 7 - Restricted Fund Revenues by Source

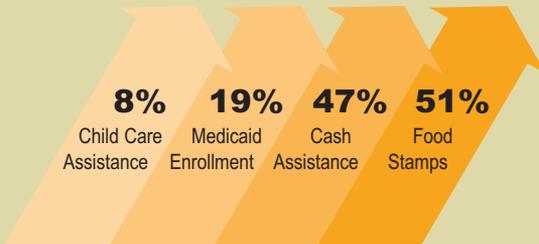


Intergovernmental revenue includes grants, Medicaid receipts, and state revenue sharing. Sales tax shows only that anticipated for use in the 2010 operating budget. All other revenue includes sale of bonds, various licenses, title fees, court fines, and investment interest.

COUNTY SPOTLIGHT

Reinventing Job and Family Services

Facing unprecedented challenges in 2009, Hamilton County's Job and Family Services (JFS) department saw an opportunity to re-invent itself, becoming a smaller, more efficient organization. The nation's difficult economy led to a perplexing problem: as state funding dropped, the number of people in need of services grew. Forced to operate on half of what JFS had received in state allocations in 2007, the agency, at the same time, was experiencing record numbers of people



Utilization increases from January 2008 - December 2009.

seeking food assistance, medical insurance and other types of aid. By the end of the year, 56,000 people per month were coming through the agency's lobby in search of help.

The drop in state revenue resulted in the loss of more than 700 agency employees (41%) forcing agency leaders to look at new ways of doing business.

First, internal resources were reallocated to meet growing needs. Management and support positions were eliminated in favor of frontline workers, and personnel from non-critical areas were moved to the agency's public assistance programs.

Next, the agency focused on its mandates—the tasks that mean the most to the residents of Hamilton County—to improve productivity and ensure resources were aligned with the needs of JFS customers. The results led to changes throughout the agency, including the transitioning of non-mandated services, such as the operation of the Mt. Airy Homeless Shelter, to other community providers.

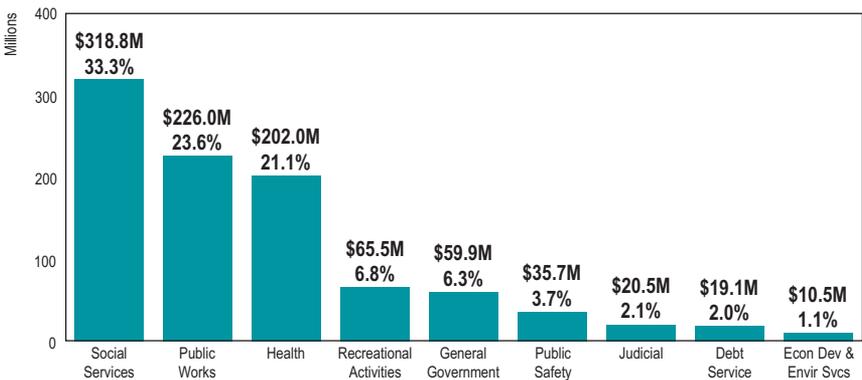
The agency also looked at new ways to conduct business to alleviate crowded lobbies and over-loaded phone lines. Innovative ideas rose to the forefront, such as helping customers get answers to questions via live Internet chats and allowing customers to fax in verification forms from any library in the county.

Finally, the agency moved quickly to utilize other resources and partnerships. It appealed to partner social service agencies for innovative approaches to helping consumers, such as stationing JFS employees at local hospitals to assist potential Medicaid patients in obtaining needed insurance.

By the end of the year, the agency was leaner and more focused, and the needs of Hamilton County's most vulnerable residents were still being met.

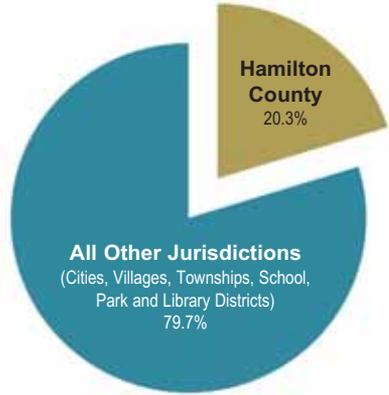
- *Drake/Family Services and Treatment Levies.* With the end of the property tax levy supporting the Drake Hospital, voters approved in November a smaller levy to support the criminal justice treatment programs that had been funded in the Drake levy. The new Family Services and Treatment Levy supports rehabilitative and integrated community re-entry services that effectively manage the risks associated with individuals who enter Hamilton County's criminal justice system.
- *Dog and Kennel Fund.* The Dog and Kennel Fund uses revenues from dog license sales to support warden patrols and emergency response to animal control issues. The County Commission increased the license fee by \$6 to \$19 for 2010 to support the cost of dog warden services.
- *Prosecutor's Delinquent Real Estate.* In December 2009 the state legislature approved a new bill to allow the Prosecutor's office to use surplus balance in its delinquent real estate fund to support the general operations of the office. As a result, the budget office will increase the Prosecutor's 2010 general fund budget to reflect the new source of revenue. This funding should assure the continued prosecution of misdemeanor charges through 2010.
- *Communication Center.* For 2010 the County Commission increased the detail rate charged to participating communities for 911 dispatching by \$1.25 per call, thus decreasing the general fund subsidy to the fund. This approach bills the users of the service rather than spreading the cost to all county residents. Rate increases of the same amount are planned for 2011 and 2012. The detail rate will be reassessed in 2012, when the statewide wireless 911 fee is scheduled to sunset. This fee currently offsets expenditures for the communications center.
- *Judicial Restricted Funds.* A number of restricted funds overseen by the county judiciary are continuing to absorb general fund budget reductions in the courts during 2010. It is not likely that these funds will be able to continue supporting general fund operations at the current level after 2010.

Chart 8 - Restricted Fund Expenditures by Function



2010 Property Taxes

Through special property tax levies, Hamilton County taxpayers make possible many community-enriching programs. County levies support services for abused and neglected children, senior citizens, people who are developmentally disabled and mentally ill, as well as providing indigent health care, treatment alternatives to incarceration, law enforcement assistance, and support for the Cincinnati Zoo and the Cincinnati Museum Center.



Who's Taxing You? *In the average 2010 tax district presented above, less than 21% of property taxes are under the taxing authority of the County Commissioners.*

Property taxes are calculated by millage rates. One mill equals \$1.00 for every \$1,000 of property value. Taxes are collected based on 35% of a property's value. For example, if a property is worth \$100,000, the millage rate would be applied to \$35,000. In addition, taxes due are reduced by a factor set by state and by local tax credits.

Assessed Home Value	County General Fund	Crime Info Center	Museum Center	Zoo	Family Services & Treatment	Senior Services	Mental Health
Full Millage	2.26	0.54	0.18	0.46	0.34	1.29	2.99
Effective Millage	2.26	0.15	0.15	0.32	0.34	0.89	1.48
\$100,000	67.34	4.36	4.47	9.46	10.13	26.57	43.95
\$125,000	84.17	5.45	5.59	11.82	12.66	33.21	54.94
\$150,000	101.01	6.54	6.71	14.19	15.20	39.85	65.93
\$175,000	117.84	7.63	7.83	16.55	17.73	46.49	76.92
\$200,000	134.68	8.72	8.95	18.92	20.26	53.13	87.90
\$225,000	151.51	9.81	10.06	21.28	22.79	59.77	98.89
\$250,000	168.34	10.90	11.18	23.65	25.33	66.41	109.88
\$275,000	185.18	11.99	12.30	26.01	27.86	73.06	120.87
\$300,000	202.01	13.08	13.42	28.38	30.39	79.70	131.86

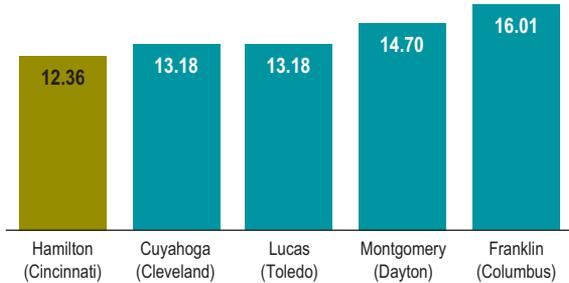
The levies highlighted in green above are part of the county budget. Those in blue—park and library levies; city, village, and township levies; and school levies—appear in this document for completeness only. While proceeds of these levies are administered and distributed by the County Auditor, the levies of these political subdivisions do not fall under the taxing authority of the Board of County Commissioners.

The calculations above should be used for informational purposes only.
For more detailed information, visit the County Auditor's website: www.hcauditor.org

When property values increase, most levies do not receive additional funding. Each year the state calculates reduction factors so that the total collections for a levy stay close to what voters originally approved.

The Board of County Commissioners attempt to maintain property tax growth at or below inflation rates each year. In 2010, millage under the taxing authority of the Board is virtually unchanged from 2009 collection rates, despite the passage of three voted levies.

The table below indicates the millage and property taxes (including credits) for homes in a representative taxing district in Hamilton County. While the total millage represents the countywide average, taxes for school districts and municipalities vary widely throughout the county.



Effective Millage Rates, 2010. The chart above shows the effective residential millage for property taxes under the taxing authority of the County Commissioners (in green below) in the five most populous counties in the state. Hamilton County has the lowest rate.

Indigent Health Care	Children's Services	Development Disabilities	Parks	Public Library	Cities/Villages/Townships	School Districts	JVS*	TOTAL
4.49	2.77	4.13	1.03	1.00	0.96	94.02	2.70	119.16
1.59	1.65	3.53	0.78	1.00	0.96	43.62	2.02	60.73
47.50	49.22	105.15	23.24	29.80	28.60	1,299.59	60.10	1,809.48
59.38	61.53	131.43	29.06	37.24	35.75	1,624.49	75.12	2,261.85
71.25	73.83	157.72	34.87	44.69	42.91	1,949.39	90.15	2,714.22
83.13	86.14	184.01	40.68	52.14	50.06	2,274.29	105.17	3,166.59
95.00	98.44	210.29	46.49	59.59	57.21	2,599.18	120.20	3,618.96
106.88	110.75	236.58	52.30	67.04	64.36	2,924.08	135.22	4,071.33
118.75	123.05	262.87	58.11	74.49	71.51	3,248.98	150.24	4,523.70
130.63	135.36	289.16	63.92	81.94	78.66	3,573.88	165.27	4,976.07
142.50	147.67	315.44	69.73	89.39	85.81	3,898.78	180.29	5,428.44

Tax rates for cities, villages, townships and school districts vary throughout Hamilton County. The total effective millage for county tax districts ranges in 2010 from 39.82 to 90.60. The average rate of taxation used for the calculations above is the rate for District 93: Indian Hill and the Madeira School District.

* Residents of Hamilton County outside the limits of the Cincinnati Public and Northwest Local school districts pay property tax for the support of the Great Oaks Joint Vocational School (JVS) District. Residents of Northwest Local support the Butler County Technical and Career Development School District (1.93 mills).

COUNTY SPOTLIGHT

Shoring Up the Sales Tax Fund

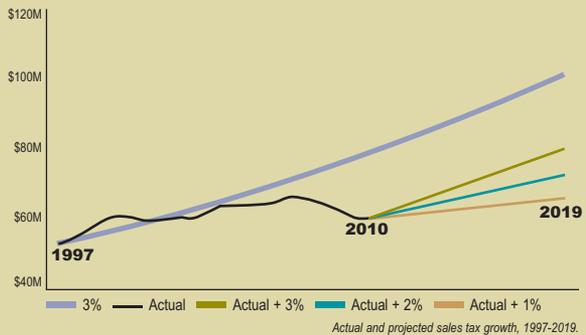
In 1996, Hamilton County voters approved an increase in the sales tax rate from 6% to 6.5% to finance the construction of two sports stadia and necessary public



improvements to replace the aging Riverfront Stadium. At the time, projected annual sales tax growth was 3%. A growth rate of 3% was considered conservative given sales tax collections from 1972 through 1995 averaged 7.7%. During the past decade, the combined economic impact of the 2001 terrorist attacks,

exponential growth in internet sales activity and the current economic recession has caused annual sales tax growth to average only 0.22%.

The lack of sales tax growth has resulted in a projected Sales Tax Fund deficit beginning in 2010 totaling approximately \$14 million. This deficit grows to over \$90 million in less than five years. The Board of County



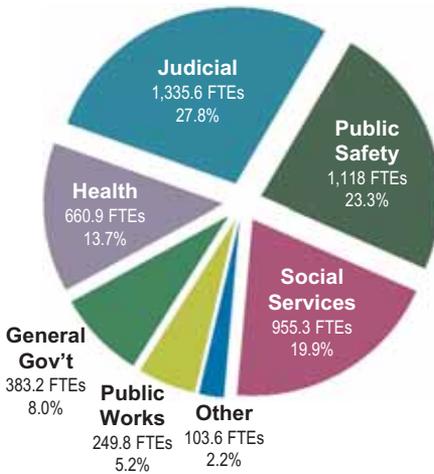
Commissioners addressed the 2010 deficit by using available fund balance in the Sales Tax Fund, a transfer from the Sales Tax Stabilization Fund, a transfer from the general fund and a reduction in project overhead costs for The Banks Riverfront Redevelopment project. For 2011, the deficit is projected at \$20 million.

In December 2009, the Commission approved a framework for permanently addressing the sales tax fund deficit that includes dedicating a portion of the anticipated casino revenue beginning in 2013, anticipated lease concessions from the Cincinnati Reds and Cincinnati Bengals professional sports teams, and a new revenue stream.

The Commission is actively pursuing other opportunities to assist in addressing the Sales Tax Fund deficit including monitoring financial markets for stadium debt refinancing opportunities, hosting additional events at the stadia, completing the state of Ohio's original funding commitment to the stadium project, and others.

2010 Human Capital Management

The management of county personnel and benefits is a major factor in the development of the annual budget. For 2010 the transition to a self-insured health insurance program, an increase in employee co-pays, and increased premiums for HMO and POS plans (along with the reduction of county staff) are anticipated to reduce health insurance costs by \$7.0 million. New contracts for dental and life insurance are expected to save an additional \$517,000. In addition to these reductions, and the decrease of nearly 700 staff from the 2009 budget, many departments introduced furlough days during 2009 that will extend through budget year 2010. Many county employees have also received no salary adjustments since 2007. The County Administrator has proposed a 3% adjustment effective in July 2010 for all county staff, should the county meet a set of financial triggers that ensure sufficient resources to support the adjustment. This would require a mid-year budget supplement by the County Commissioners.

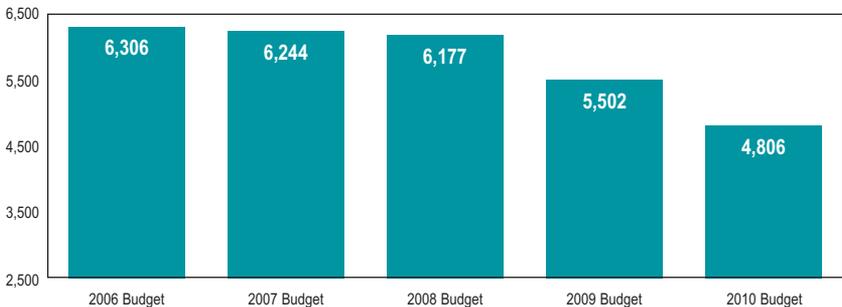


Positions by Function.

The 2010 budget includes the equivalent of 4,806 full-time positions (FTEs) across all county funds (including grant funds). This is a net reduction of 696 positions from 2009. The 2010 budgeted position count changes throughout the year subject to the implementation decisions of department directors and elected officials.

The "other" category to the left includes those departments in the areas of economic development, environmental control, and recreational activities.

Position Trends. The chart below shows the decrease of 1,500 employee positions between 2006 and 2010. Between 2006 and 2007 positions decreased primarily due to the transition of the Treatment Accountability for Safer Communities (TASC) program to community-based agencies, the consolidation of the the Alcohol and Drug Addiction Services Board and the Mental Health Board, and the transfer of the Section 8 housing program to the Cincinnati Metropolitan Housing Authority. The positions reduced since 2007 have primarily been the result of budget reductions shared across most departments.



2010 Hamilton County Elected Officials

Board of County Commissioners

David Pepper, President
Todd Portune, Vice President
Greg Hartmann, Commissioner

Joseph T. Deters, **Prosecutor**
Simon L. Leis, Jr., **Sheriff**
Dr. O'dell M. Owens, **Coroner**
William W. Brayshaw, **Engineer**

Wayne Coates, **Recorder**
Dusty Rhodes, **Auditor**
Robert A. Goering, **Treasurer**
Patricia M. Clancy, **Clerk of Courts**

Hamilton County Vision

To serve the residents of Hamilton County by providing the best and most responsive county government in America

Hamilton County Mission

To reach out to Hamilton County residents to provide efficient service of the highest quality, encourage resident participation in service development and to deliver county services equitably

This document is produced by the
Hamilton County Office of Budget and Strategic Initiatives
603 County Administration Building
138 East Court Street, Cincinnati, Ohio 45202
(513) 946-4400

Patrick Thompson, County Administrator
Christian Sigman, Assistant County Administrator for Budget and Public Safety

Public feedback on the 2010 budget may be submitted via the customer feedback link on the county website or by calling County Administration or the County Commissioners at the contact numbers listed on the next page.

Current and prior year budget documents are available for download from the county website:

www.hamiltoncountyohio.gov

Budget publications are also available at the Public Library of Cincinnati and Hamilton County.

Hamilton County Board of Commissioners

138 East Court Street, Room 603, Cincinnati, OH 45202

www.hamiltoncountyohio.gov

General Information Phone Number: (513) 946-INFO (4636)

Auditor	946-4000	Foster/Adoption Recruitment	632-6366
Auto Titles	946-4646	Health District	946-7800
Building Inspections	946-4550	Human Resources	946-4700
Clerk of Courts	946-5635	Job and Family Services	946-1000
Child Abuse/Neglect	241-KIDS (5437)	Jury Commission	946-JURY (5879)
Child Support Services Center	946-7387	Justice Center	946-6100
Commissioner Hartmann	946-4405	Juvenile Court	946-9200
Commissioner Pepper	946-4409	Law Library	946-5300
Commissioner Portune	946-4401	League of Women Voters	281-8683
Common Pleas Court	946-5800	Library	369-6000
Communications Center	825-2170	Marriage Licenses	946-3589
Community Development	946-8230	Mental Health and Recovery Services Board	946-8600
Coroner	946-8700	Municipal Court	946-5200
Council on Aging	721-1025	OSU Extension	946-8989
County Administration	946-4400	Park District	521-PARK (7275)
Court of Appeals	946-3500	Planning and Zoning	946-4500
Development Company	631-8292	Probate Court	946-3580
Developmental Disabilities Services	794-3300	Probation	946-9600
Dog Warden	541-6100	Prosecutor	946-3000
Domestic Relations Court	946-9000	Public Defender	946-3700
Elder Abuse/Neglect	421-LIFE (5433)	Purchasing	946-4355
Election Information	632-7000	Recorder	946-4600
Emergencies	911	River City Corrections	946-6800
Non-Emergency Police	825-2280	Sewer District	244-1300
Non-Emergency Fire/Rescue	825-2260	Sheriff	946-6400
Emergency Management	263-8200	Soil and Water Conservation District	772-7645
Engineer	946-4250	SPCA	541-6100
Environmental Services	946-7777	Stormwater District	946-4250
Facilities	946-5000	Treasurer	946-4800
Family and Children First Council	946-4990	Veterans Services	946-3300
		Voter Registration	632-7000

Hamilton County, Ohio
Office of Budget and Strategic Initiatives
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Cincinnati, OH 45202-1226



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