

## 2009 Non-Mandated Expenditures Department Response

DEPARTMENT: Commissioners and County Administration  
DEPARTMENT HEAD / ELECTED OFFICIAL: Patrick Thompson  
OCA TITLE: Office of Budget and Strategic Initiatives, Debt Management Division

*Hamilton County departments and agencies have the opportunity to respond and provide insight to the Office of Budget and Strategic Initiatives (BSI) initial assessment as to non-mandated services. This response form should be used for each specific BSI assessment; not a general response for entire department. Take as much space as necessary for each question.*

1. Are there elements of the BSI non-mandated services that you believe are mandated? If so, provide the specific Ohio Revised Code (ORC) citation, Code of Federal Regulation (CFR) and/or relevant case law information. Please be especially diligent if there is a specific service or staffing level prescribed by law.

*ORC Chapter 133, Uniform Public Securities law, provides the authority for a Board to issue debt. Each issuance is authorized by resolution of the Board and provides for the repayment of the debt (ORC 133.21 attached). Since the Securities and Exchange Commission implemented Rule 15c2-12 in 1995 the county has been required to comply with the rule which prescribes continuing disclosure requirements including the annual release of certain operating and financial data as well as the timely disclosure of certain material events affecting the issuer.*

2. Who are the recipients of the service or activity for the non-mandated service? How many recipients? Please note any internal customers, other county departments, jurisdictions, businesses, etc. If the service is geographic specific (i.e., a satellite probation office), please identify the neighborhood, township or municipality.

*County government, current and future bondholders, and all taxpayers are the recipients of the service.*

3. Are there county revenues associated with the non-mandated services? If so, please provide the methodology for any lost revenues. Please consider state or federal reimbursements, grants, fees, etc. Please note if the service or activity is included in the county's indirect cost plan.

*Interest earnings associated with the investment of bond proceeds until they are needed for the project are a source of income for the project that can reduce the overall borrowing if we are able to meet the arbitrage spending requirements. Other revenues (principal and interest) may be received from agencies that have a restricted fund funding source (i.e. JFS, Environmental Services). This function is performed by BSI staff and is partially recovered through the indirect cost plan.*

4. If the county did not provide the non-mandated service, is there the potential for increased expenditures in another jurisdiction within Hamilton County? If so, please list the specific municipality and/or township.

*There is no potential for increased expenditures in another jurisdiction.*

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5. Does the non-mandated service include Board of County Commissioner policy via resolution or motion?

*Yes. For each issuance the Board adopts a resolution authorizing the issuance of bonds.*

6. Are there contracts or agreements that preclude the elimination of a non-mandated service? If so, please provide the specific language as to termination and/or amendment terms.

*Section 4 of the legislation for each bond issuance provides: " SECTION 4. That for the payment of said Bonds and the interest thereon, the full faith, credit and revenues of the County are hereby irrevocably pledged and for the purpose of providing the necessary funds to pay the interest on the foregoing issue of Bonds promptly when and as the same falls due, and also to provide a fund sufficient to discharge the said Bonds at maturity or by mandatory redemption, there shall be and is hereby levied on all the taxable property in said county, in addition to all other taxes, a direct tax annually during the period said Bonds are to run, within the limitations of Section 2 of Article XII of the Constitution of Ohio, which tax shall be sufficient in amount to provide for the payment of the interest upon said Bonds when and as the same falls due and to provide for the retirement and discharge of the principal of said Bonds at maturity or by mandatory redemption and shall not be less than the interest and sinking fund tax required by Section 11 of Article XII of the Constitution of Ohio. Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended and collected.*

*Said tax shall be placed before and in preference to all other items and for the full amount thereof. The funds derived from said tax levies hereby required shall be placed in a separate and distinct fund, which, together with all interest collected on the same, shall be irrevocably pledged for the payment of the interest and the principal of said Bonds when and as the same fall due; provided, however, that in each year that other legally available funds are appropriated and applied to the payment of the principal and interest of said Bonds, the amount of such tax shall be reduced by the amount of such other legally available funds, so appropriated and applied to such payment."*

7. What are the equipment/non-personnel expenditure considerations with discontinuing a non-mandated service? (i.e., surplus equipment).

*Desk, file cabinets, computer.*

8. Do any of the non-mandated services include employees represented by a bargaining unit? If so, please note the union and provide information as to reduction-in-force and job abolishment considerations.

*No.*

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9. For positions within non-mandated services, are there are special circumstances that preclude a traditional job abolishment process? Separation costs will be addressed centrally including leave balance payouts, unemployment compensation and severance (based on current Commission policy).

*No.*

10. In addition to positions associated with non-mandated services, the Budget Office included a review of management layers, support staff, and currently vacant positions. Please comment on the impact of eliminating these positions.

*This function is performed by a portion of one part time person with management oversight by an assistant county administrator. There is no support staff or vacant positions.*

11. What is the performance impact of not providing the non-mandated service? For example, wait times, waiting lists, case loads, operating hours and other consequences of not providing the service.

*The impact of not performing these services is that future debt issuances would not be accepted in the marketplace.*

12. Are there any alternatives that result in savings to the general fund?

*No. Contracting this service out would result in increased costs and potential delays in response.*

13. Are there more efficient ways to deliver a mandated service that may allow for the savings to offset the cost of a non mandated service?

*None have been identified at this time. This function is staffed by a portion of a part time person, at times in consultation with bond counsel and a financial advisor.*

14. Is there an opportunity to transfer any non-mandated expenditures to another funding source (i.e., restricted fund or grant)?

*It is highly unlikely. While the county has issued debt from time to time for restricted fund agencies the repayment terms include principal and interest costs. No provision was made for administrative costs associated with the issuance or the debt service.*

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15. Does your department have any fees that could be raised to offset the cost of a mandated service?

*No.*

Other Considerations and Comments:

*While the issuance of debt is not mandated by the ORC once it is issued it is mandated by resolution of the Board.*