



Cuyahoga County Executive
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Cuyahoga County, Ohio

2017 Recommended Budget Update

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Management

2017 Recommended Budget Update

Budget Parameters

- Revenue and expenditure estimates are based on the 2017 estimates at Midyear, adjusted as appropriate based on the most recent data available.
- 2017 salaries increase 2% over 2016 levels; 2018 and 2019 salaries increase 2% over 2017 and 2018 levels, respectively.
- Employee health and wellness costs are budgeted 9% higher than the midyear estimate in order to accommodate the build-up of the mandated reserve in the Self-Insurance Fund and the input from the County's Benefits Consultant regarding the anticipated inflationary increase in health care expenses.
- Workers' Compensation charges have been temporarily suspended in order to draw-down on the cash balance in the Workers' Compensation Fund.
- No inflationary increase has been applied to the other expenses budget lines (e.g. contracts, client services); increases in these categories are based on known changes to contract amounts of service levels.

2017 Recommended Budget Update

General Operating Fund

	2017 Adopted Budget	2017 Recommended Budget	Adopted – Recommended Var.
Revenue	\$368,245,407	\$362,207,787	(\$6,037,620)
Expenditures	\$367,895,106	\$369,152,261	\$1,257,155
% Bal. to Expend.	21%	25%	

- A 2% increase in sales tax revenue is assumed in 2017 and 2018, which represents the smallest year over year increase since 2011. On average, sales tax has increased 4% over the prior year every year since 2011. The growth in sales tax is negated by the anticipated elimination of the application of sales tax to premiums paid by Medicaid managed care organizations effective July 2017.
- The 2017 budget is higher than the revenue estimate by \$6.9 million. This operating shortfall can be attributed to one-time expenses including:
 - \$5.5 million subsidy to the Economic Development Fund (Department of Development)
 - \$1.1 million for the cost of the \$15 minimum wage special election in the City of Cleveland (Board of Elections); this expense will be reimbursed in 2018.

2017 Recommended Budget Update

General Operating Fund

The Recommended Update includes targeted reductions including:

- \$150,000 decrease in the annual allocation to the **Department of Public Safety & Justice Services** for the cash matches for municipal firefighter grants. This funding has historically been under-utilized.
- \$1 million decrease in the nearly \$4 million annual subsidy to the **Medical Examiner's Office** for the Regional Crime Lab. The Administration will seek financial participation from the agencies requesting services. After continued consideration, the Administration now recommends that the \$1 million be restored to the subsidy, supported by returning the \$1.8 million subsidy to the Witness Victim program to the Health and Human Services Levy Fund.
- \$400,000 decrease to the budget of **Juvenile Court**, which represents the cost of mediation. The Court assesses a fee on filings to support alternative dispute resolution (ADR) that is not being fully utilized. The intent is to resume the 50/50 split between the ADR Fund and the General Fund for mediation in 2018.
- \$1.4 million decrease in the subsidy toward the Capital Improvements Plan. The **Department of Public Works** is re-evaluating the estimates for the projects and prioritizing projects based on necessity and urgency. A revised CIP will be submitted to Council for approval.
- \$1 million decrease to the Contingency Reserve and the elimination of the \$3 million vacancy reserve. Funding is included in agency budgets for critical vacancies that cannot be supported via regular attrition.

2017 Recommended Budget Update

General Operating Fund

The Recommended Update includes new funding for:

- Department of Human Resources - \$1,146,179 – training, employee development, employee recognition, consulting
- Department of Development - \$121,504 – new positions, internships, software. The Department of Development was also allocated an additional \$111,649 in special revenue funds for staffing.
- Public Defender's Office - \$74,266 – position upgrades, salary increases. The Public Defender's Office was also allocated an additional \$178,008 from the HHS Levy Fund and \$10,320 from the City of Cleveland.
- Department of Communications - \$97,817 – new position, position upgrades, other operating

2017 Recommended Budget Update

General Fund

(incl. 0.25% Fund)

	2017 Adopted Budget	2017 Recommended Budget	Adopted – Recommended Var.
Revenue	\$432,439,380	\$433,786,625	\$1,347,245
Expenditures	\$421,022,356	\$422,859,512	\$1,837,156
% Bal. to Expend.	18%	32%	

O211-0056 requires the County to maintain a cash balance of no less than 25% of expenditures in the General Fund, which includes both the General Operating and 0.25% Sales Tax subfunds.

The 2017 Recommended General Fund Budget totals \$422.9 million and results in an available ending cash balance – after accounting for the CIP and carryover reserves – of \$136.1 million, which equates to 32% of total expenditures.

2017 Recommended Budget Update

Health and Human Services Levy Fund

	2017 Adopted Budget	2017 Recommended Budget	Adopted – Recommended Var.
Revenue	\$237,656,443	\$231,002,777	(\$6,653,666)
Expenditures	\$237,622,829	\$230,380,015	(\$7,242,814)
% Bal. to Expend.	19%	24%	

O211-0048 requires the County to maintain a cash balance of no less than 10% of expenditures in the HHS Levy Fund.

The 2017 Recommended Health and Human Services Levy Fund budget of \$230.4 million results in an available ending cash balance of \$54.6 million, which equates to 24% of total expenditures.

2017 Recommended Budget Update

All Funds

- On an All Funds basis, the 2017 Recommended Budget totals \$1.48 billion. This is \$20 million less than the revenue estimate of \$1.46 billion. The increase in expenses over revenue is supported by beginning cash balances in the various funds.
- The combined All Funds ending cash balance, after accounting for the CIP and carryover reserves, totals \$467.5 million, which is 31% of total expenditures.