



Cuyahoga County Executive
Armond Budish

CUYAHOGA COUNTY, OHIO

2018-2019 Biennial Budget

October 10, 2017

Dennis Kennedy, CPA, County Fiscal Officer

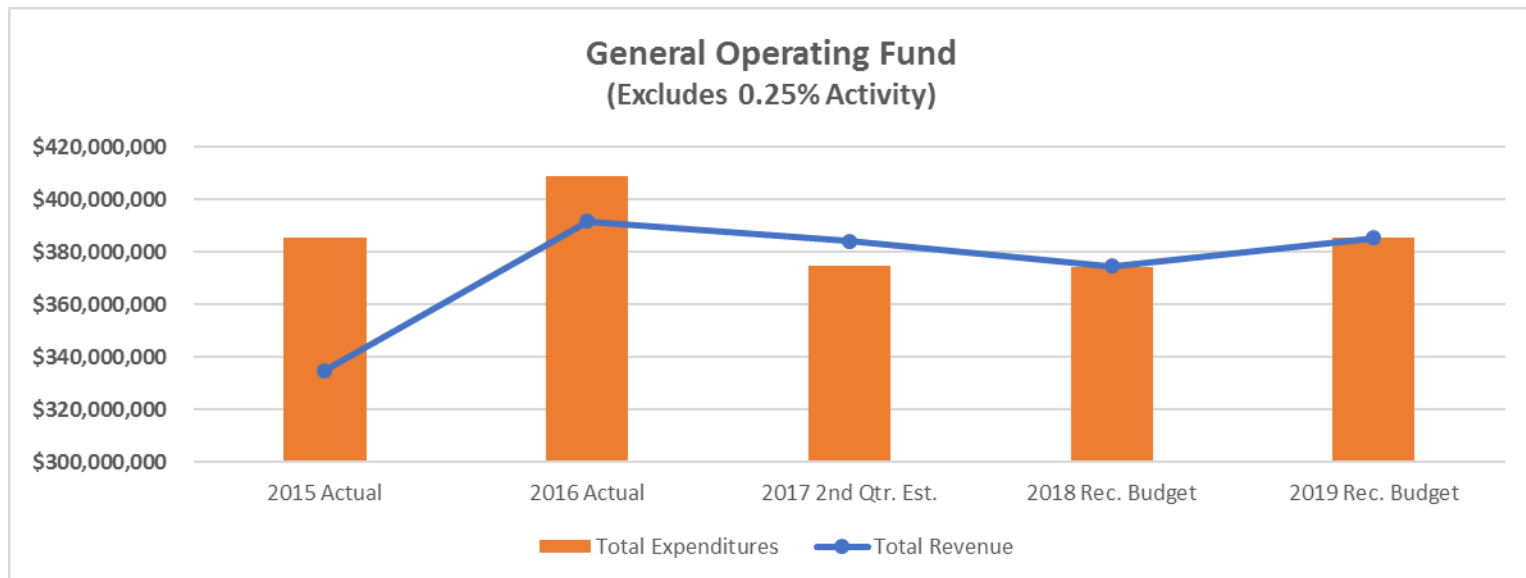
Maggie Keenan, Office of Budget and Management

Cuyahoga County Executive
Fiscal Office

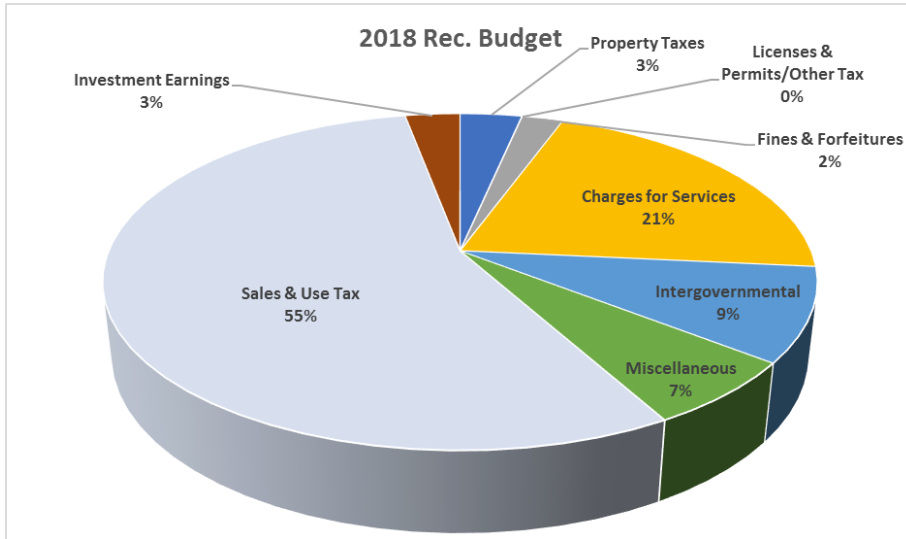
Office of
**Budget &
Management**

General Operating Fund

	2017 2 nd Qtr. Estimate	2018 Rec. Budget	2019 Rec. Budget
Revenue	\$384,073,196	\$372,569,922	\$385,236,688
Operating Expenses	\$350,674,208	\$360,997,046	\$367,636,349
Subsidies to Other Funds	\$24,173,385	\$11,386,861	\$17,551,763
Total Expenditures	\$374,847,593	\$372,383,907	\$385,188,112



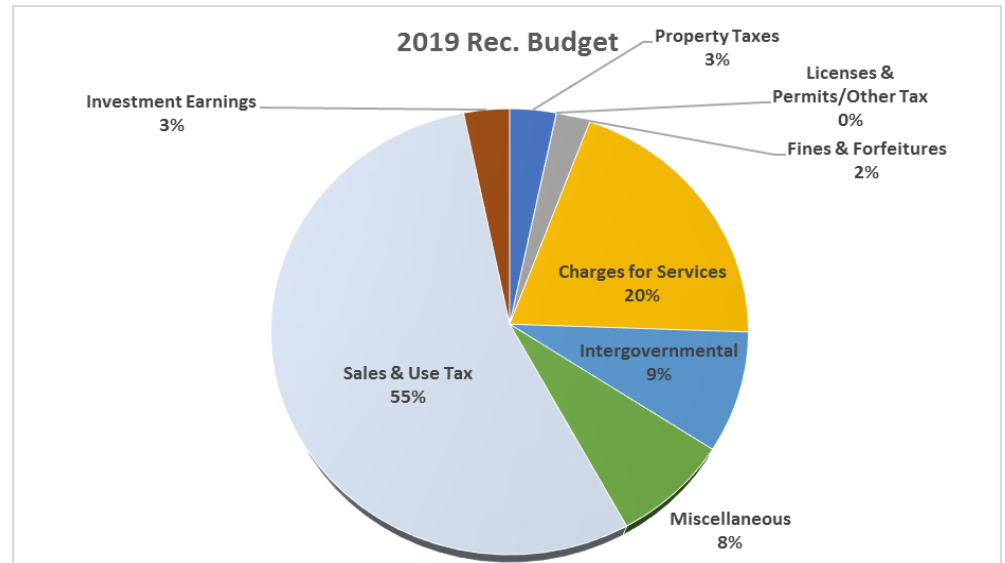
General Operating Fund



- Sales Tax drops from 60% to 55% of total operating revenue: reflects the loss of MCO Sales Tax (eff. 7/2017); does anticipate increase in transfer from 0.25% Fund to \$7.5 million in 2019 and 2020
- Charges for Services higher in 2018 than in 2017 due to revenue generated from the rental registry and from regional corrections (assumes 70% capacity)
- Anticipates allocating the \$25 million MCO Transition payment: \$4M/\$12.5M/\$8.5M in 2018/2019/2020
- Does not anticipate add'l revenue from the State to compensate for loss of MCO Sales Tax (legislation pending)

One-time revenue:

- \$4.5 million transfer of unclaimed funds in 2018: drops to \$250,000 in 2019 and 2020
- \$3 million from rental registry: drops to \$500,000 in 2019 and 2020
- \$3 million transfer of surplus cash from old capital project accounts in 2018
- \$2 million transfer of 0.25% Fund in 2018: GF reimbursement from Road & Bridge Funds for work completed on the Hotel tunnel in 2016

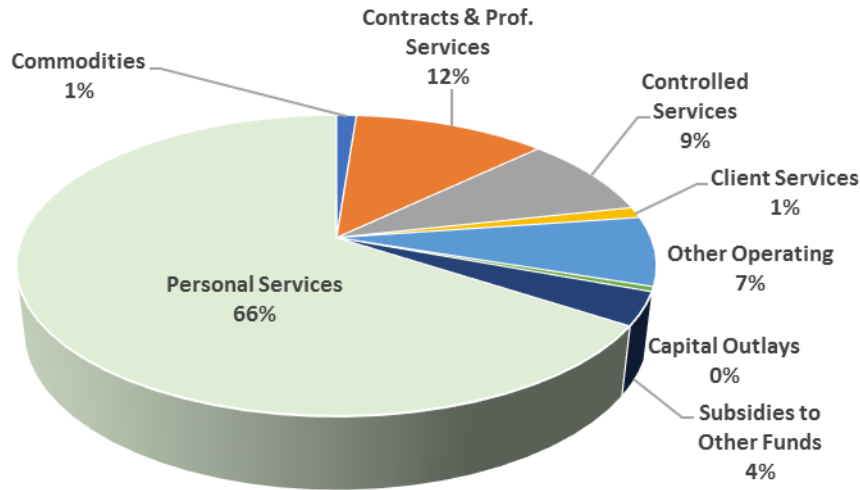


General Operating Fund

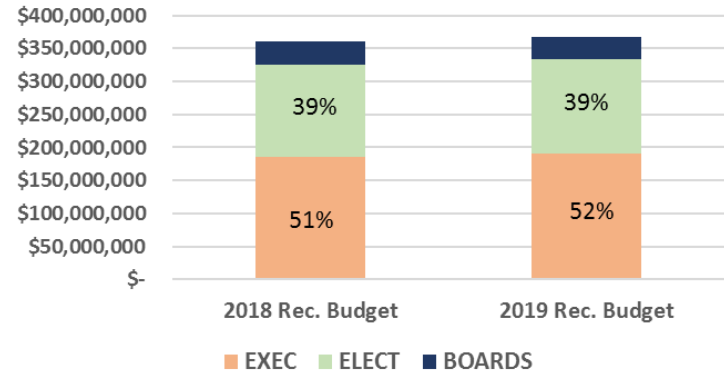
	2017 2 nd Qtr. Estimate	2018 Rec. Budget	2019 Rec. Budget	Comments
Property Taxes	\$12,489,664	\$12,489,664	\$12,489,664	Sexennial Appraisal in 2018 – will impact 2019 revenue; GO debt service decreases by \$5M in 2020 and another \$8M in 2021 – GF share of inside millage will increase
Sales & Use Tax	\$218,373,600	\$206,588,304	\$210,680,070	Assumes 2% increase on non-MCO in both years; growth rate confirmed by Key Bank; reflects transfer of \$7.5M from 0.25% Fund in both years (up \$2M from 2017)
Fines & Forfeitures	\$7,656,490	\$8,333,270	\$9,133,270	Anticipates increase in Juvenile Court; decrease in Clerk of Courts
Charges for Services	\$68,380,732	\$78,444,379	\$76,744,379	Rental registry; BOE reimbursement; Indirect Cost Plan; Regional Corrections
Intergovernmental	\$35,198,301	\$33,692,321	\$33,692,321	No change to LGF formula/amount; Assumes 45% reimbursement from State PD
Investment Earnings	\$10,000,000	\$11,100,000	\$12,325,000	Based on investments maturing in ea. year that can be reinvested at higher rates
License/Permits/ Other Tax	\$75,654	\$75,654	\$75,654	No change
Miscellaneous	\$31,898,755	\$21,846,330	\$30,096,330	MCO Transition: \$6M in 2018/\$12.5M in 2019; Add unclaimed Funds; Capital Projects cash balance (2018); Demo Fund cash balance (2019)
Total Revenue	\$384,073,196	\$372,569,922	\$385,236,688	

General Operating Fund

2018 Rec. Budget

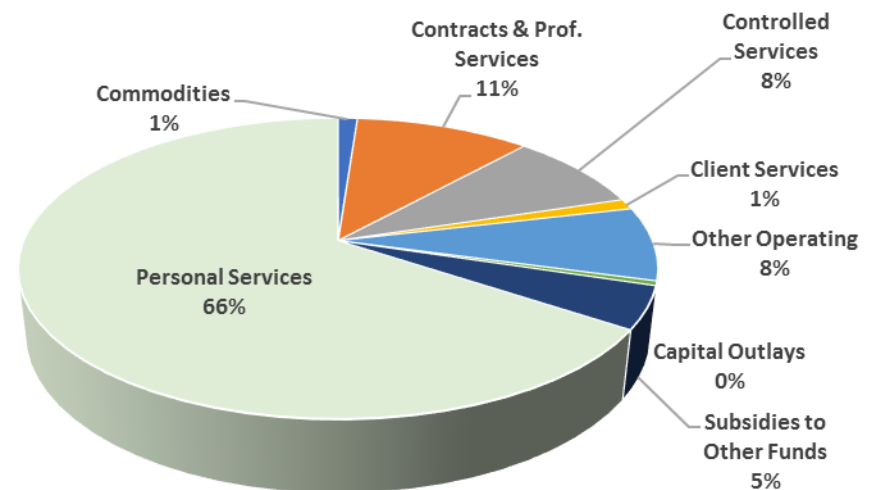


2018-2019 Recommended Budget
Operating Expenditures



- Personnel represents two-thirds of General Operating Fund expenses: 47% of FTEs are under the authority of the County Executive, 43% under the other elected officials, and 10% under the Boards and Commissions (2018)
- Other Financing Uses are the subsidies to other County Funds: increases in 2019 due to the \$4 million subsidy to the Economic Development Fund (not in 2018)
- Debt Service reflects the anticipated increase in investment earnings based on the County directing the investment of the debt portfolio

2019 Rec. Budget



General Operating Fund

	2017 2 nd Qtr. Estimate	2018 Rec. Budget	2019 Rec. Budget	Comments
General Government	\$67,073,362	\$73,421,832	\$73,404,521	Reduction to Fiscal Office, PRC; add'l funding for IT
Justice & Public Safety	\$260,157,452	\$262,826,537	\$268,838,870	Reductions to County Courts and Prosecutor's Office; reduction to Sheriff's Office
Development	\$3,389,369	\$4,072,463	\$4,204,530	Add'l funding for personnel, loan servicing
Social Services	\$6,778,181	\$6,900,338	\$6,900,338	VSC: Budget set by ORC 5901.11
Health & Safety	\$530,337	\$445,784	\$452,206	Reduction to public safety grants
Miscellaneous	\$12,745,507	\$13,330,093	\$13,835,885	\$7.2M CIP; add'l funding for equity adjustments to pay for non-bargaining EX staff
Subsidies to Other Funds	\$24,173,385	\$11,386,861	\$17,551,763	Supplant CPC subsidy with R&B Funds; maintains ASH subsidy; No subsidy to ED (2018 only) or DEMO Funds
Total Expenditures	\$374,847,593	\$372,383,907	\$385,188,112	

- **2018-2019 Base Budgets established based on 2nd Quarter estimates for 2018 and 2019 plus adjustments**
- **Assumes a 2% increase on all salaries County-wide**
- **Assumes a 6% increase in the employer share of employee healthcare costs County-wide (40% GF impact)**
- **Targeted reductions to balance**

0.25% Fund

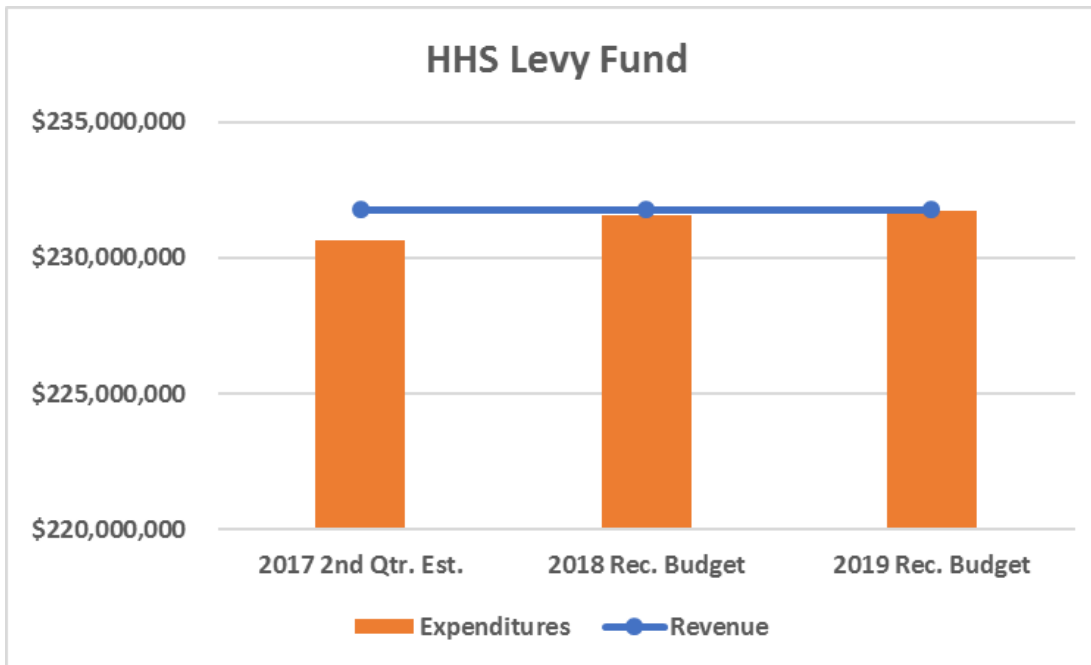
	2017 2 nd Qtr. Estimate	2018 Rec. Budget	2019 Rec. Budget
Revenue	\$77,073,149	\$58,734,752	\$56,734,752
Operating Expenses	\$11,325,000	\$10,467,316	\$8,467,316
Subsidies to Other Funds	\$44,037,769	\$47,727,250	\$47,727,250
Total Expenditures	\$55,362,769	\$58,194,566	\$56,194,566

- Assumes the transfer of \$7.5 million to the General Operating Fund, based on:
 - Historical operating surplus in this Fund
 - Return of PY operating surplus in the CCCFDC that will be transferred to the General Operating Fund (annually beg. in 2018)
- Assumes \$2 million in revenue from the Road & Bridge Funds that will be transferred to the General Operating Fund
- Does not draw on capital reserves for operating purposes



HHS Levy Fund

	2017 2 nd Qtr. Estimate	2018 Rec. Budget	2019 Rec. Budget
Revenue	\$231,755,183	\$231,755,183	\$231,755,183
Operating Expenses	\$75,787,620	\$75,787,620	\$75,787,620
Subsidies to Other Funds	\$154,850,023	\$155,795,432	\$155,929,177
Total Expenditures	\$230,637,643	\$231,583,052	\$231,716,797



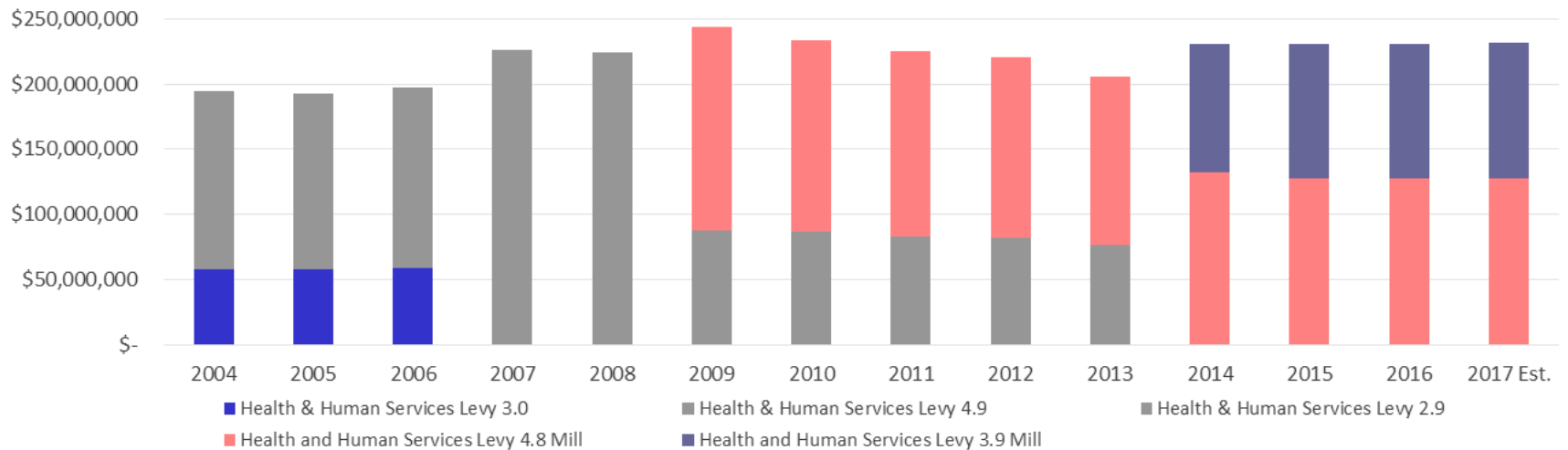
Utilization of PA Fund Reserves:

- \$11.2 million in 2018
- \$11.3 million in 2019
- \$2.8 million in 2010

Ending cash balance in 2020: \$1.2 million

HHS Levy Fund

HHS Levy Revenue: 2004 - 2017



Ballot Date	Type	Millage	Duration	Begin	Margin	Next Up
May 2016	Renewal	4.8	8 years	2017	68%	2024
Nov 2013	Replacement	3.9	5 years	2014	55%	2018
March 2012	Renewal	4.8	4 years	2013	68%	2016
May 2010	Renewal	2.9	4 years	2011	66%	2014

All Funds

	2017 2 nd Qtr. Estimate	2018 Rec. Budget	2019 Rec. Budget
Revenue	\$1,469,829,558	\$1,458,115,214	\$1,485,576,922
Total Expenditures	\$1,517,587,653	\$1,475,187,376	\$1,497,593,989

- Maintains \$39 million subsidy to the ADAMHS Board to address behavioral health care, specifically the opioid epidemic
- Includes the establishment of a Housing Fund using the cash balance in the Development Revolving Loan Fund - \$1 million in 2018, \$2 million in 2019/2020
- Assumes the transfer of \$6.5 million in Casino Tax revenue to the Economic Development Fund
- Will reflect a draw on the cash balance in the Computerization Fund for a computer refresh in the Common Pleas Court, Domestic Relations Court, and Clerk of Courts (2018 and 2019)

Capital Improvements Plan

Facilities and Airport

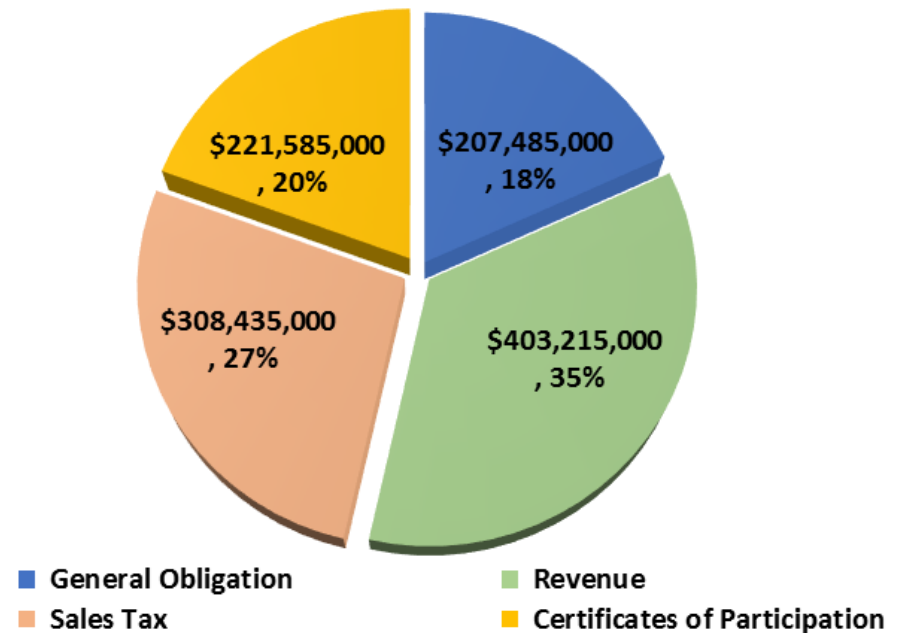
	Facilities	Airport	Combined
2017 Total Projects	\$25,784,421	\$15,350,000	\$41,134,421
2017 General Fund Impact	\$6,599,052	\$1,850,000	\$8,449,052
2018 Total Projects	\$31,183,297	\$5,000,000	\$36,183,297
2018 General Fund Impact	\$8,187,500	\$500,000	\$8,687,500
2019 Total Projects	\$9,246,964		
2019 General Fund Impact	\$9,246,964		

- **2018 CIP will be revised in early 2018 to include unfinished projects from prior years: active projects are fully funded – revision will not impact the 2018-2019 budget unless projects come in under estimate**
- **2018-2022 CIPs total more than what has been allocated in the budget (\$7.2M ea. year): this ensures that there is a plan for work that can be done if estimates for mandated projects come in less than anticipated**
- **2019 plan includes approximately \$3 million in Justice Center projects that may be canceled based on plans for the building**

Debt

As of January 1, 2018 the County has \$1.1 billion in outstanding debt

- 22 issues: General Obligation (4), Revenue (13), Sales Tax (4), and Certificates of Participation (1)
- One issue matures in 2018 (1993 GO Rock Hall)
- Three issues mature within the next years:
 - 2010 Revenue – Medical Mart – 2019
 - 2005 GO Various Purpose – 2020
 - 1992 Revenue – Gateway – 2022



Debt

Issue Type	2018 Obligation	2018 General Fund Obligation	2019 Obligation	2019 General Fund Obligation
General Obligation	\$29,762,518	\$0	\$28,944,260	\$0
Revenue	\$48,378,479	\$38,625,737	\$48,415,020	\$38,723,938
Sales Tax	\$12,511,460	\$6,507,794	\$16,718,997	\$6,502,094
Certificates of Participation	\$20,743,344	\$20,743,344	\$20,733,344	\$20,733,344
Total	\$111,395,801	\$65,876,875	\$114,811,621	\$65,959,376

- **Western Reserve Fund debt service transferred to Economic Development (i.e. Western Reserve) Fund in 2018 and 2019 from the General Operating Fund**
- **General Fund impact will be less than General Fund obligation due to other revenue sources that contribute to debt service**
- **General Obligation debt service decreases by \$5.6 million in 2020 and another \$7.9 million in 2021: this will enable the redirection of inside millage to the General Fund**

