

# HENRY COUNTY GOVERNMENT

## PROPOSED ANNUAL BUDGET FISCAL YEAR 2020-2021

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Budget Presentation  
Public Hearing

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Presented By:  
David Smith, Director, Financial Services

## Impact of COVID-19

- Due to uncertainty caused by the economic impact of COVID-19, we are facing serious, yet uncertain revenue shortfalls and budgetary challenges resulting from the pandemic.
- A potential \$7.6M or 25% decrease in revenue from sales and use and, title ad-valorem taxes (TAVT).
- This estimate does not account for revenue loss or delay from property tax disruptions which is 57% of revenue, nor does it consider the 14% cuts from the state on various departments estimated at \$480K.
- Henry County has already incurred nearly \$1M of expenditures related to COVID-19 for personal protective equipment(PPE), HERO pay and building retro-fits and expects to continue to invest in employee safety.

- Actions being taken to mitigate these challenges and close expected shortfalls include implementing a hiring freeze for non-public safety positions, additional review and approval of seasonal hires, and halting purchases of non-essential supplies and services.
- Other actions include delaying proposed recommendations to maintain ongoing objectives of the Board of approximately \$1M until January, 2021 and review of expenditures over the summer and fall.
- We are committed to investing in our employees and plan to avoid layoffs or furloughs, but further reductions may be considered if the projected revenue shortfall is more severe.
- We will continue to balance the operating budget without the use of fund balance.



**\$168,254,952**

- ✓ **No Increase to Millage Rate**
- ✓ **No Reduction in Current Services**



**Maintain commitment to balance current year revenues with current year expenses**



**Invest in fourth judgeship and necessary courthouse maintenance**



**Fund Defined Benefit Plan at required levels (\$160k)**



**Maintain Employee Benefits at affordable level for Employees**

- Medical/Dental/Vision & Defined Contribution, Wellness Center

**Revenue Assumptions**

*\*General Fund*

Real & Personal  
Property Tax  
Digest

**4.20%**

**FORECAST**

L.O.S.T. Revenues  
budgeted  
shortfall

L.O.S.T.  
ANNUALIZED  
DECREASE

**25%**

# Expenditure Assumptions

*\*General Fund*



The general fund budget includes no use of fund balance



All department budgets will be held flat to prior year forecast with exceptions for budget priorities

The county will revisit other critical items in January, 2021 (i.e. COLA, longevity, library Saturday hours)



Department budgets will reflect the impact of un-funded mandates.

✓ 4<sup>th</sup> Judgeship



Staff will continue to achieve savings through a hiring freeze, reassignments, attrition and other organizational efficiencies.



New personnel requests within the General Fund – **7 School Resource Officers (SRO) in the amount of \$311,000** offset by BOE reimbursements **in the amount of \$311,000**



The County will absorb 100% of the **6.5% net increase** to health insurance premiums

## FY20 to FY21 Budget Summary

Adopted Budget FY20	\$163,045,000
Amended Budget FY20	\$168,914,274

### **PROPOSED BUDGET FY21**

Preliminary Budget FY20	\$168,914,274
Transfers to Grant Fund LMIG	(1,892,000)
Deletions – one time items	(3,363,001)
Additions – Salaries & Benefits	2,644,945
Additions – Operations & Maintenance	1,950,734
<b>Proposed Budget FY21</b>	<b>\$168,254,952</b>

## New FY2021 Budget Items

Insurance (100% County Pay)	\$1,556,100
4 <sup>th</sup> Judgeship Impacts	611,317
Pension (From 13.9% to 14.1%)	166,000
Sheriff, 7 SROs	311,528
Facilities Maintenance – Courthouse cleaning	246,679
Comprehensive Plans – Transportation, Parks & Recreation, Transit	400,000
Transfer Out (Debt service, development authority)	1,304,055
<b>Additions</b>	<b><u>\$4,595,679</u></b>



# FY21 Budget Summary

## Total Revenues

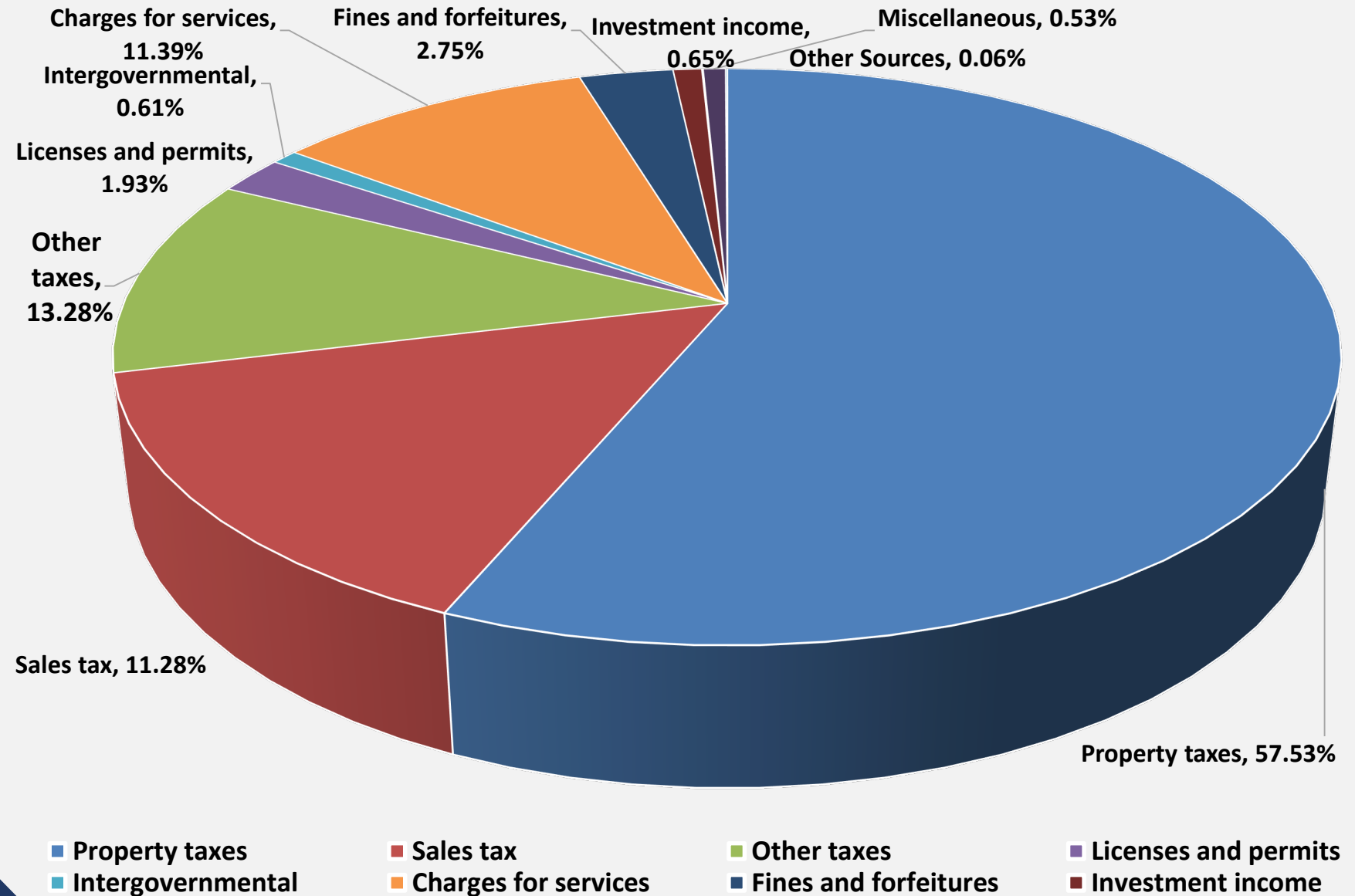
REVENUES	ACTUAL 2018	ACTUAL 2019	AMENDED BUDGET 2020	PROPOSED BUDGET 2021	% OF BUDGET
PROPERTY TAXES	87,371,030	88,987,668	92,869,591	96,788,817	57.53%
SALES TAX	24,699,765	31,982,080	25,309,688	18,982,266	11.28%
OTHER TAX	11,857,927	12,990,788	19,060,384	22,346,133	13.28%
LICENSES & PERMITS	2,999,125	2,060,789	2,828,205	3,250,067	1.93%
INTERGOVERNMENTAL GRANTS	1,801,586	1,343,658	1,193,824	1,018,024	0.61%
CHARGES FOR SERVICES	15,375,713	18,655,662	17,791,437	19,165,423	11.39%
FINES & FORFEITURES	4,620,093	5,271,038	4,521,629	4,634,670	2.75%
INVESTMENT INCOME	951,804	1,573,903	1,062,099	1,088,150	0.65%
CONTRIBUTIONS	45,225	66,544	5,500	-	0.0%
MISCELLANEOUS REVENUES	3,274,132	2,902,164	954,086	886,370	0.53%
OTHER FINANCING USES	-	-	3,317,831	95,032	0.06%
<b>TOTAL REVENUES</b>	<b>152,996,400</b>	<b>164,193,848</b>	<b>168,914,274</b>	<b>168,254,952</b>	<b>100%</b>

# FY21 Budget Summary

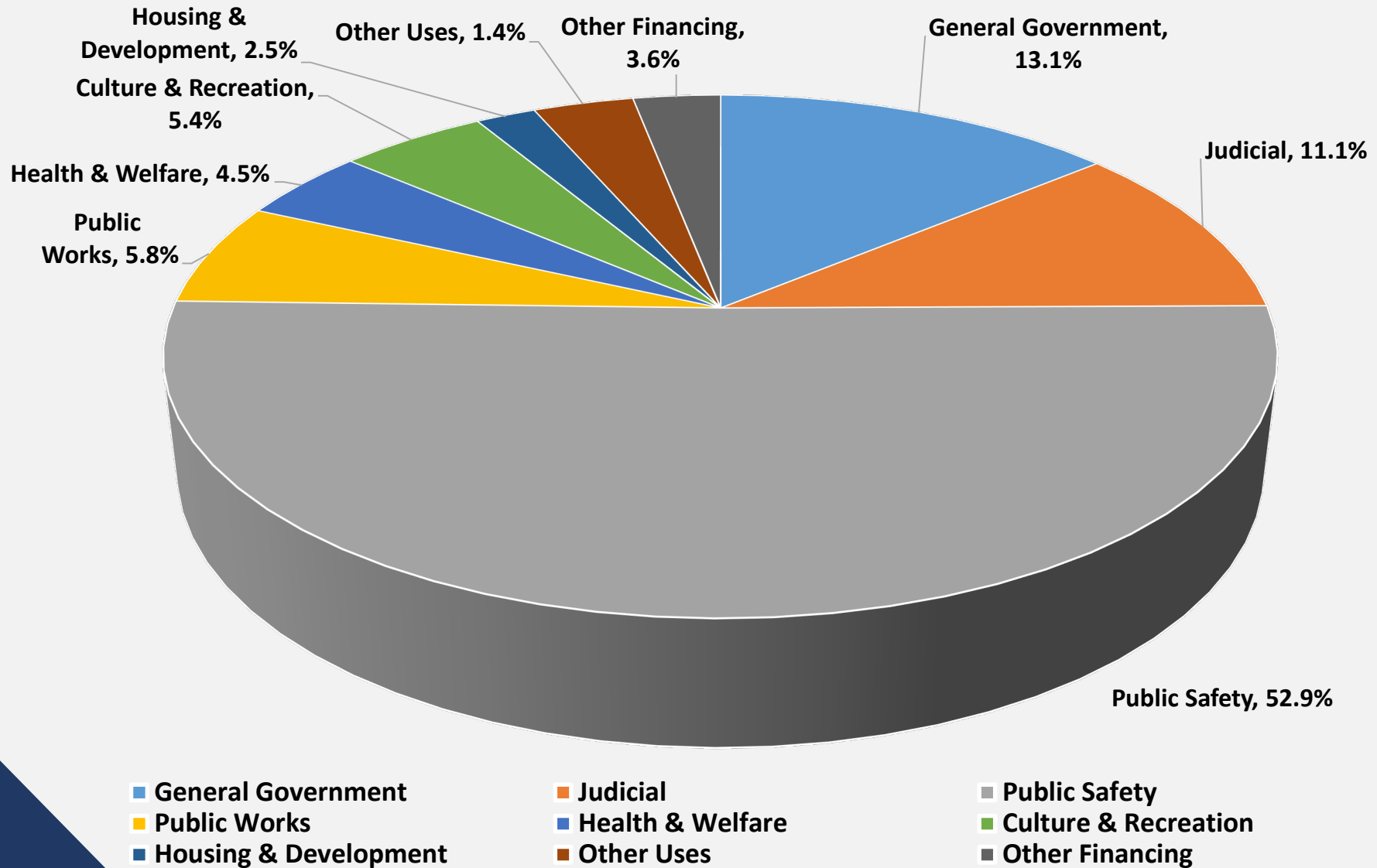
## Total Expenditures

EXPENDITURES	ACTUAL 2018	ACTUAL 2019	AMENDED BUDGET 2020	PROPOSED BUDGET 2021	% OF BUDGET
GENERAL GOVERNMENT	19,820,014	20,606,239	24,473,428	21,991,767	13.07%
JUDICIAL	15,866,563	17,353,632	19,143,932	18,704,331	11.12%
PUBLIC SAFETY	78,310,131	86,478,216	88,764,180	89,024,192	52.91%
PUBLIC WORKS	9,729,069	8,112,097	11,695,747	9,359,714	5.56%
HEALTH AND WELFARE	5,626,290	6,500,055	7,876,109	7,582,565	4.51%
CULTURE AND RECREATION	6,759,237	7,136,474	8,934,534	9,059,534	5.38%
HOUSING AND DEVELOPMENT	2,929,555	3,375,733	3,892,678	4,167,678	2.48%
OTHER USES	-	-	-	2,333,417	1.29%
OTHER FINANCING USES	-	-	4,133,666	6,031,754	3.58%
<b>TOTAL EXPENDITURES</b>	<b>149,562,446</b>	<b>155,003,678</b>	<b>168,914,274</b>	<b>168,254,592</b>	<b>100%</b>

# General Fund Revenues



# General Fund Expenditures



## Financial Summary

The annual budget across all funds (includes enterprise) totals **\$218,877,093**

Reflecting a net increase of **\$31,496,876** or **16.8%** from the fiscal year 2020 adopted budget due to the addition of the capital fund.

Budget assumptions include:

- The increase of Property Tax
- An increase in personnel costs due benefits changes, and Pension contribution increases
- A decrease in one time items (e.g. cyber incident, insurance claims, small equipment purchases, etc.)

The General Fund budget remains primarily flat to the fiscal year 2020 amended budget.

Shifted \$1.8M of public works items to the grants fund.

## Proposed Opportunities

A funding mechanism for deferred maintenance and major capital projects remains in play.

**Developed a 5 year capital improvement project list and related debt service**

Potential State reductions.  
COLA, Longevity,  
Library – Saturday hours

**Control Personnel Cost**

# FY2021

# FUTURE PUBLIC HEARINGS

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## **First Public Hearing-TODAY**

Tuesday, May 19, 2020 at 9:00 a.m.

## **Second Public Hearing and Budget Adoption**

Tuesday, May 19, 2020 at 6:30 p.m.

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