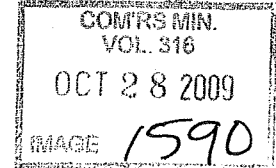


On motion of Mr. Pepper, seconded by Mr. Portune the resolution was adopted.



22-1
RESOLUTION SETTING THE BOARD OF COUNTY COMMISSIONERS' 2010 BUDGET GOALS

BY THE BOARD:

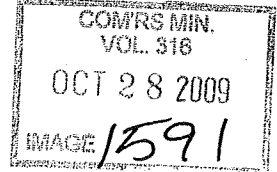
WHEREAS, a role of the Board of County Commissioners in budget development is to set goals for attainment through the budget; and

WHEREAS, the 2010 Budget Policy Goals Resolution is a key companion document to the 2010 Budget, outlining the overarching direction and priorities of the Board of County Commissioners for the coming year;

NOW THEREFORE, BE IT RESOLVED, by the Board of County Commissioners for Hamilton County, Ohio that the goals for the 2010 budget are:

1. The primary challenge facing Hamilton County remains providing a **full complement of services that meet state and federal mandates** and that satisfy the needs of the community in the midst of a challenging economic climate, while **balancing the budget and replenishing County reserves, particularly at this time of declining revenues**. Items that reduce expenses, increase revenues or provide new approaches that stabilize the budget will be given priority. Maintaining a solid financial foundation is essential to all services and functions the County performs.
2. Within these budget challenges, the primary challenge facing Hamilton County remains **enhancing and creating economic development opportunities that create jobs; reducing crime; and enhancing the quality of life in County neighborhoods**. Items that help address these goals shall be given funding priority. Among these, turning around the local economy to climb out of the recession sooner than what is happening nationally, getting relief from state and federal government on unfunded mandates, and improving *safety* to collectively enhance the quality of life for all people in the County are the most pressing short-term needs faced by the County generally, and a great many of its jurisdictions. Many of the County's departments and agencies have a direct impact on these priorities. Adequately resourcing and improving those functions are of the highest priority as we budget for 2010.
3. With population being stabilized in the vast majority of the County's jurisdictions, working in partnership with those jurisdictions—including the City of Cincinnati and the many first ring suburbs in the County—to improve their *quality of life* and stabilize population gains is a top budget priority as is supporting County functions that assist in that effort.

Long-term, the only way we're going to solve our budget problem is through strategic economic and job growth, which will also lead to an increase in County revenues. To accomplish this goal we must implement **more effective and robust County economic development efforts** and support systems for local governments, along with a more robust economic development infrastructure within County government. The 2010 budget



will carry out state and federal mandated County responsibilities to the extent state and federal funding is provided. In the event funding is not provided Hamilton County will aggressively pursue state and federal funding, or failing that, alternative sources of funding for these mandates. If no funding is otherwise available the County will ascertain whether it is legally obliged to provide such **services before funding the same and will consider all options** available before resorting to the use of existing local revenues, or the need to raise new revenues to fund them.

4. To further assist the Board in carrying out its budget authority and in meeting its duty and responsibility in adopting a balanced budget that carries out the County's mandates, legal obligations and adopted budget priorities, the County Administrator shall provide full staff and administrative support to the **Hamilton County Government Reform Task Force**. The County Administrator shall further consider whether to recommend that the Board initiate consolidation and other efficiency initiatives for the following subject matter areas:

- Human Resources functions;
- Budget review and financial officers;
- Information Technology (IT) services;
- Overhaul/review of County buildings to optimize organizational space usage given the reduction in force and currently vacant buildings and floors;
- Prosecutor Consolidation;
- Communication Center Consolidation;
- Streamline Building and Zoning Departments;
- Consolidation of Police [uniformed law enforcement] functions between the Sheriff and local municipal and township law enforcement forces;
- Assist in orchestrating the consolidation of other public safety, emergency management and First Responder services;
- Consolidation of administrative functions including the collection of and distribution of tax revenues; and
- Consolidation of Public Health functions including Boards of Health and the equitable distribution of, and availability of, public health services and clinics for general and oral health.

5. The County will aggressively pursue **state and federal incentives** to local governments to work together to study **consolidations** of partial or whole governments. The County will urge the State to consider expanding last year's grant program to give local governments who have funded studies (as we do in Hamilton County with the County-led study of code enforcement and the City-led study of heavy equipment maintenance and operation) some capacity to implement the results of those studies. Specifically, we will urge the State Aid for Local Governments to

- Fund the cost of analyzing the cost benefits of a confederation of local governments around essential life supporting functions of energy consumption and usage; transportation services; the delivery of public health services; the provision of environmental and sanitation related services; the availability of water and energy to individual consumers; emergency public safety response and patrols of all First Responder services; and such other matters that are

essential to the sustenance of and quality of life; while preserving the individual autonomy and authority of local governments.

- Provide a post-merger operating cost subsidy for three years – thereby guaranteeing savings.

These incentives would both be one-time state expenditures, but they would in reality be investments in streamlining local governments that would make them less costly to taxpayers in future years.

6. The County will work to encourage consolidation of services with other local governments throughout Hamilton County as set forth in the preceding two sections and as set forth in the attached Motion calling for the consolidation and merger of specific functions and for the sharing or pooling of certain resources; and for the overall reduction of County taxation and will continue as a Charter Member of the Government Cooperation and Efficiency Project “GCEP.”
7. The Board of County Commissioners shall continue to endeavor to **keep property taxation growth under the rate of inflation** as first established via voted Board policy beginning in December 2003. To advance this goal the County shall call upon the Hamilton County Tax Levy Review Commission [“TLRC”] to **study the potential for the consolidation and merger of one or more of the County special property tax levies** for the purpose of ascertaining whether redundancies exist, or whether operational efficiencies maybe be attained via a consolidation of effort in ways that better meet the needs of the County and that also reduce the overall level of taxation borne by County property tax payers.

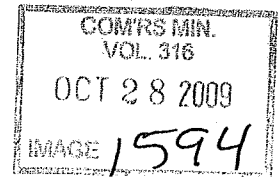
Voted levy taxation (total revenue) shall not exceed the rate of inflation for each such levy since it was last enacted, unless such increase is offset by a dollar-for-dollar reduction in another levy on the ballot in the same year, or utilizes savings achieved in prior years. In calculating this number, the initial year of the levy’s previous term shall be used as a base year, and inflation shall be defined as the Midwest Urban inflation rate published by the Bureau of Labor Statistics.

Total revenues for property taxation dedicated to the County’s general fund (2.26 mills) will not rise above the rate of inflation. Inflation rate is defined as the most recent 12 month Midwest Urban inflation rate published by the Bureau of Labor Statistics.

8. The 2010 budget will hold the growth of locally set fees (excluding MSD rate increases driven by the federal Global Consent Decree) under the rate of inflation and/or to be competitive to other jurisdictions.
9. The County will focus, to the extent permitted by severe budget constraints, on providing salaries and benefits to its employees that provide adequate compensation, competitive benefits, a healthy quality of life and peace of mind for employees and their families, and that reflect the increasing cost of living. The budget will endeavor to introduce pay equity across County divisions and departments for comparable work and/or pay classifications,

including both collectively bargained for and unrepresented employees. The budget shall eliminate the need for employee furloughs, and address long-delayed adjustments in wages and benefits for increases in the cost of living and inflation as County revenues permit.

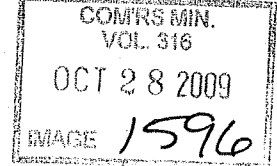
10. The 2010 budget will continue to implement the Board's desire to move toward a **performance based budgeting system** with meaningful performance measures for each County department or division.
11. The 2010 budget will continue, and as appropriate and possible, expand and improve, the **gainsharing program** to encourage savings during the budget year by rewarding County employees who save taxpayers money in 2010.
12. The 2010 budget will provide support services for the Board created, citizen-led task forces of:
 - The Port Authority of Greater Cincinnati
 - The Cincinnati Museum Center
 - Tax Levy Review Committee
 - Hamilton County Fair and Fairgrounds Task Force
 - Office of Maternal and Infant Health and Infant Mortality Reduction
 - The Criminal Justice Commission
 - The Government Cooperation and Efficiency Project "GCEP"
13. The 2010 Budget shall further expand leveraged buying for all departments under the Board and departments under other County elected officials. To the extent permissible and lawful, and in an effort to assist the 49 jurisdictions of Hamilton County, said opportunity for leveraged purchasing under the County's program shall be offered to the County's 49 municipalities and townships.
14. The County will undertake a sustained effort to increase revenues without increasing the tax burden on County residents or unfairly increasing fees on County residents. By way of example, such efforts shall include, but not be limited to: 1) examining the use of County property for operational efficiencies, possible sales and potential lease revenues, 2) cost sharing with local jurisdictions for use of the County jail for municipal offenses, and 3) impose dues or subscription fees as permissible for business and institutional users of County developed clearinghouses of information by profession or discipline.
15. Through the 2010 budget the County will continue to identify opportunities to increase the undedicated general fund reserve with a goal set of 15% of the recurring general fund expenditures.
16. The 2010 budget process will be based upon current revenue from all sources adjusted to reflect growth or reductions anticipated in 2010. The level of ongoing general fund revenue will meet or exceed the level of ongoing general fund expenditures.
17. All special funds will, to the extent possible, reimburse the general fund for both direct and indirect costs.



18. The 2010 budget will look to identify economic development opportunities that result in the **expansion, relocation, retention or start-up of businesses that generate sales tax, transient occupancy tax, property tax and/or other forms of County favored tax revenues for the County** and measures that support the same shall be given budget priority ie. Banks Project, Stimulus Investment, community, neighborhood and regional development opportunities, Convention Center expansion, Bulk Terminal Intermodal facility development; enhancing the County's freight movement capacity and recognition as a regional, if not National and International hub for the movement of freight; promotion and support of Transit Influenced and Transit Oriented Development including expanding transit operations and service [in particular the Eastern Corridor and Eastern Corridor influenced and/or enhanced transit along the Wasson line, C-Ind. Line, Norfolk Southern line, Midwest Regional Rail Initiative and Ohio Hub 3Cand D Connector line higher speed rail service]; and providing funding required for the County's match to city, state and private funds in the Greater Cincinnati Port Development Authority's Reserve fund for bond-funded development.
19. The 2010 budget will be used to coordinate special levies to ensure that there is no duplication of services and that the respective levies take responsibility for all obligations.
20. The budget will identify opportunities to develop **solutions for the Riverfront Fund** and to stave off any fund deficits. Such opportunities shall include discussions with Reds and Bengals teams about possible concessions and compromises that will leave the fund on more solid ground and should include other creative approaches such as completing the caps over Fort Washington Way in order to create options for the lease or sale of development rights that will generate new tax revenues or development fees to replenish the fund.
21. While the Board shall adopt Metropolitan Sewer District MSD budgets for Operating and Capital purposes consistent with required obligations as set forth in the Federal Consent Decree, the Board shall, nonetheless, pursue such strategies, approaches and concepts that will result in reducing the local share of such expenses as much as possible. Without limitation such strategies may include pursuing contributions from any responsible party[ies]; seeking state or federal funds; seeking to reduce costs through creative infrastructure methods such as the proposed "Green Infrastructure Build Program" for MSD. The County shall continue its efforts aimed at forging a National Coalition of similarly situated "Consent Decree" communities and at procuring federal and state funding or legislation that will generate new sources of revenue to apply against the cost of remediation and consent decree compliance, reducing the local ratepayer share of the overall cost.
22. In 2009, the County worked with the State Auditor to complete its 2007 Audit, which recommended specific management and policy changes across numerous departments under the purview of various County elected officials. Audits from prior and succeeding years remain incomplete due to the ongoing negotiations to resolve the JFS Audit. In

2010, the **County will implement the recommended changes from the 2007 Audit** as soon as possible, and work diligently, with the Prosecutor's Office, to **resolve all other outstanding issues with the JFS Audit**, so it can also bring to closure the other outstanding years for which there are not completed audits.

23. Should the Ohio Jobs and Growth Plan, **Issue 3**, on the ballot this November, pass, the County Commission will adopt legislation to create a **new dedicated fund** for the purpose of receiving casino generated taxes, to be allocated in accordance with the pressing needs and priorities as determined by the then seated Board of Hamilton County Commissioners. The current Commission recently passed a resolution making clear its intention to use these funds to pay for its top priorities of **public safety and economic development/job creation**.
24. The Board shall exercise its seat and leverage with the **CAGIS Board** for the purpose of fashioning a strategy that preserves CAGIS; ensures its availability to local jurisdictions and to the general public; and that assures the availability of CAGIS and access to it for the common good; for expansion of development opportunities; and for the efficient operation of government and the people of Hamilton County.
25. The Board will Implement 2010 **spending controls** for all County Departments that will:
 - During 2010, all county department purchase orders for supplies or services that cost \$500 or more must be required to obtain three price quotes and must be personally approved by the Department Director. Currently this threshold is set at \$2,500.
 - The use of vendorless encumbrances in all county departments should be limited to predictable orders only and commodities should be exempt. These "blanket" purchase orders currently allow a number of commodities to evade County procurement guidelines and do not ensure the best price on behalf of County tax payers.
26. The economic downturn has caused state and local governments across the nation to consider all aspects of their budgets, including **contractual expenditures**. In 2008, Hamilton County approved 415 contracts valued at over \$54.5 million across all funds. Terms of some contracts may be temporary while other contracts contain renewal options over several years. The County Administration will coordinate with the Purchasing Department and the County Prosecutor to conduct a series of meetings to educate all County departments on their options to **identify cost savings in contracts and inform them of their rights and ability to renegotiate or rebid contracts**. For example, when legally permissible, County departments may seek to renegotiate contracts to realize cost savings in the following areas:
 - Reduced hourly rates
 - Reduced scope
 - Eliminated or deferred deliverables
 - Reduced volume



During this contract review, we will request that the Purchasing Department and County Prosecutor consider renegotiation provisions for contracts that would view a vendor favorably if a savings of 10-15% could be achieved.

27. The Hamilton County Purchasing Department is significantly underutilized by County departments. The County Administration should coordinate with the **Purchasing Department to conduct a County purchasing summit** in December 2009 for all departments to be updated on the resources and tools available to them through the Purchasing Department.
28. In order to save taxpayer dollars on purchases, the County will reinitiate efforts to **undertake reverse auctions on line**, which jurisdictions across the County are now using to save large amounts of dollars. The County will seek to undertake several pilot reverse auctions early in 2010.
29. The County must **reduce its dependency on outside consultants**, and will explore establishing a standardized billing procedure based upon payment rates and terms of compensation for all Board Controlled Department consultant contracts paid by the general fund.

Currently, a number of consultants are compensated by the lump sum with little detail of exact work performed on behalf of the County. The County should implement boilerplate contractual hourly billing rates for all consultants with rare exceptions effective July 1, 2010. In addition, the County should require detailed itemizations of all work performed on behalf of Hamilton County based upon the contractual hourly rate of consultants. This billing adjustment will better enable County departments to specifically track and access the value of each consultant based upon more stringent requirements describing the services rendered. Independent elected officials will also be strongly encouraged to implement this billing standardization for consultants.

County Administration should coordinate with the Purchasing Department and Prosecutor's Office to seek to enact this billing change effective July 1, 2010 on new contracts and implement this change on all contract renewals from that point forward.

Additionally, the County should eliminate reimbursement to consultants for food and lodging, as is standard practice in the industry. The County should reimburse for travel only for consultants outside of Hamilton County. The County's limited resources should not be spent on entertainment and lodging at this time.

30. The County Administration should go **"paperless"** as much as possible, working with County departments to identify 10 additional forms, applications, newsletters or permits to view or submit in electronic format in 2010.
31. During the last two years, a reduction of 1,000 employees in the County workforce combined with recent building space consolidations or closures compel the need for a **comprehensive review of all County owned facilities**. The County Administration

should provide a formal report to the Board of Commissioners on all spatial options available for consideration including the enhanced use of County buildings for alternative purposes or sale of County property.

32. Over \$1 million of the general fund budget is currently allocated toward the economic development activities of Hamilton County. This funding supports several entities that perform economic development functions on behalf of the County including the Port Authority of Greater Cincinnati, the Hamilton County Development Company (HCDC) and the Cincinnati USA Regional Chamber of Commerce.

In 2009, Hamilton County and the City of Cincinnati jointly enacted a successful reformation of the Port Authority to extensively broaden the powers of the entity and appoint new board leadership. Now that the reformation is complete, it is essential for the Port Authority to develop a strategic plan in consultation with the County and the City, assemble its funding and begin executing their plan. It is reasonable to assume that the funding needs for this entity will eventually exceed the County's current \$350,000 per year contractual obligation with the Port Authority.

Therefore, the Commissioners should **reevaluate the most efficient use of general fund dollars as a means to pursue robust economic development activity in 2010 to prepare for the 2011 budget and beyond.**

33. Board controlled departments are required to **eliminate all non-essential travel** and reimbursed travel in 2010. Teleconferencing is encouraged. Other independently elected officials are encouraged to adopt this policy to the extent they do not have legal or accreditation requirements to fulfill.
34. The line item descriptions "*Miscellaneous Contractual Services*," "*Miscellaneous Payments*" and "*Miscellaneous Maintenance Agreements*" are used with great regularity in the General Fund Budget. In fact, the line item description including the word "miscellaneous" in the general fund budget totals approximately \$16.3 million in spending.

In order to make sincere adjustments to the County Budget, spending must be more specifically articulated; it should be easy for anyone to review a department's budget and ascertain that exactly \$1.5 million was spent on *ABC Consulting* versus a non-descript line item listed as *Miscellaneous Contractual Services* for \$1.5 million.

The County Administration and Budget and Strategic Initiatives Staff should work with all County departments to re-classify spending with the line item description as "miscellaneous" by 50% in 2010. The Budget Department should prepare for near abolition of the word from the County budget, except in limited circumstances, in 2011.

The allocation, accounting and expenditure of taxpayer dollars is never "miscellaneous."

BE IT FURTHER RESOLVED that the Clerk of the Board be and is hereby authorized and directed to certify copies of this Resolution to the County Administrator, to all Department Heads and to all Elected Officials of Hamilton County.

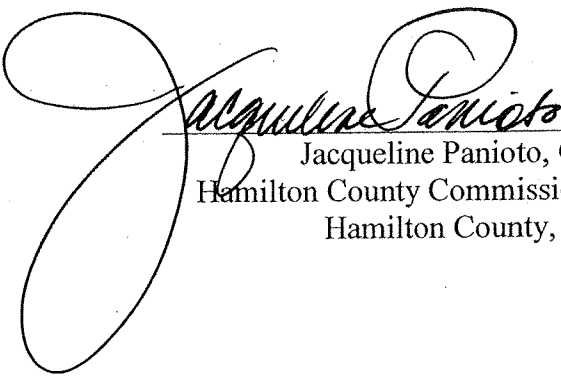
ADOPTED at a regularly adjourned meeting of the Board of County Commissioners of Hamilton County, Ohio this 28th day of October, 2009.

Mr. Portune YES Mr. Pepper YES Mr. Hartmann YES

CERTIFICATE OF CLERK

IT IS HEREBY CERTIFIED that the foregoing is a true and correct transcript of a resolution adopted by the Board of County Commissioners, Hamilton County, Ohio, in session this 28th day of October, 2009.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Office of County Commissioners, Hamilton County, Ohio, this 28th day of October, 2009.



Jacqueline Panioto, Clerk
Hamilton County Commissioners
Hamilton County, Ohio