

# SHELBY COUNTY, TENNESSEE

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## ADOPTED BUDGET Fiscal Year 2016



**Mark H. Luttrell, Jr., Mayor**

**Prepared by the Department of Finance:**

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
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**Shelby County Government**

**Tennessee**

For the Fiscal Year Beginning

**July 1, 2014**

Executive Director

The Government Finance Officers Association of the United State and Canada (GFOA) presented a Distinguished Budget Presentation Award to Shelby County Government, Tennessee for its annual budget for the fiscal year beginning July 1, 2014. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operating guide, as a financial plan, and as a communication device.

This award is valid for the period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

# Shelby County Government

## Adopted Budget for Fiscal 2016

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# Shelby County Government

MARK H. LUTTRELL, JR.  
MAYOR

August 14, 2015

The Honorable Heidi Shafer, Budget Chairman  
The Honorable Justin Ford, Commission Chairman  
Members of the Shelby County Board of Commissioners

Dear Commissioners:

I am pleased to present the Fiscal 2016 Adopted Budget for Shelby County Government for Fiscal 2016. Our property tax base reflects increased stability in realty markets, despite a lack of population growth. This stability and moderate growth have allowed us to present a structurally balanced operating budget without the need for a property tax increase or the use of reserves. Total sources and uses of funds are balanced at \$1,203,177,055. The General Fund remains strong with fund balance at about 27% of revenue, ensuring cash flow availability and the continuation of our excellent bond ratings for optimal financing options.

Property tax projections are fundamental to the County budget because this funding source represents 64% of all revenues. The Administration worked closely with the Trustee and the Assessor to forecast property tax revenue at a penny value of \$1,670,000 - representing 1% growth over prior year actual collections. The additional tax revenue allowed us to address several significant needs in the core functional areas of Education, Criminal Justice, Community Health and Environmental programs.

**Education** is the County's primary investment and we share a common commitment with the schools for their success. As a result of strong property tax collections and declining debt service obligations, an additional \$10 million has been allocated to the Education Fund for FY16. All school systems within Shelby County will share this increase based on attendance ratios. Continued funding of \$3 million for Pre-Kindergarten programs has also been included as an important foundation for the future educational attainment of our students. Significant budgetary challenges will continue for the Shelby County Schools as the issues of OPEB liability and declining enrollment are addressed.

The need for effective **Criminal Justice** programs continues to require over 75% of all General Fund resources. This budget commits an additional \$3 million to support criminal justice functions. In a continuing effort to improve juvenile justice in compliance with the Department of Justice recommendations, Juvenile Court detention and court security services have been transferred to the Sheriff. This transition required additional funding for salary equity, training, and enhanced security. The offices of the District Attorney and Public Defender also received staffing increases for their operations.

Our community faces significant **Health and Environmental** issues that have been addressed in this budget. An additional \$1 million in funding has been allocated for health initiatives, including increased support to Regional One Health as a vital component of our health infrastructure and also for family planning and rape crisis programs. Blight control efforts have

been strengthened with additional funds to maintain and improve the quality of our neighborhoods. The County Commission also approved \$1.6 million in funding for grants to non-profit civic and charitable organizations to promote the welfare of county residents.

The many programs and services that this budget supports are carried out on a daily basis by a diverse team of skilled and dedicated employees. Investment in attracting and retaining a productive workforce with competitive compensation and benefits is critical to our continued success. The important contribution of our employees is recognized in this budget in several ways:

- A general salary increase of 1.7% is included, based on the federal COLA rate.
- Longevity pay that has long been a part of the compensation plan for public safety employees has been extended to include all employees.
- Health care plan benefits have been carefully weighed against cost to achieve a sustainable balance.
- Pension and OPEB benefits continue to be fully funded to ensure future commitments.

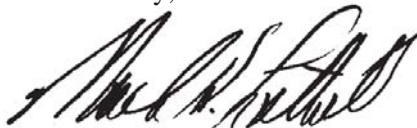
The County Capital Improvement Budget for FY16 is \$20 million, in accordance with our long term Debt Reduction Plan. The five year CIP plan emphasizes the growing need for maintenance and renovations to existing buildings and infrastructure, including the probable need to provide funding for major maintenance needs of the FedEx Forum. Investment in information technology is also recognized as a critical component of efficient and secure operations, with all projects reviewed and prioritized by the IT Steering Committee. CIP funding for schools has not been included in the FY16-20 plan, pending completion of an assessment of facility conditions.

The County's outstanding bonded debt at June 30, 2014, was \$1.27 billion and is expected to decline to about \$1.16 billion at June 30, 2015. As long as we comply with our Debt Plan that limits County funding for capital projects to a maximum of \$75 million per year, debt will continue to slowly decline to a level below \$1 billion. The major bond rating agencies have recognized our strong financial management and commitment to "live within our means" by awarding Shelby County the second highest ratings of AA+/AA+/AA1 over the past five years.

The County budget document is a management plan that reflects the sound principles of accounting and finance held by the Governmental Accounting Standards Board and is prepared in a format that fully complies with the Government Finance Officers Association. The complete budget document is available on the Finance page of our website at [www.shelbycountyttn.gov](http://www.shelbycountyttn.gov).

I want to sincerely thank the Commissioners, Elected Officials and Division Directors for their partnership and support in the development of the Fiscal 2016 Budget. As a financial plan, it reflects our shared sense of fiscal integrity and commitment to making Shelby County a great place to live, work, play and invest for the future.

Sincerely,



Mark H. Luttrell, Jr.  
Mayor