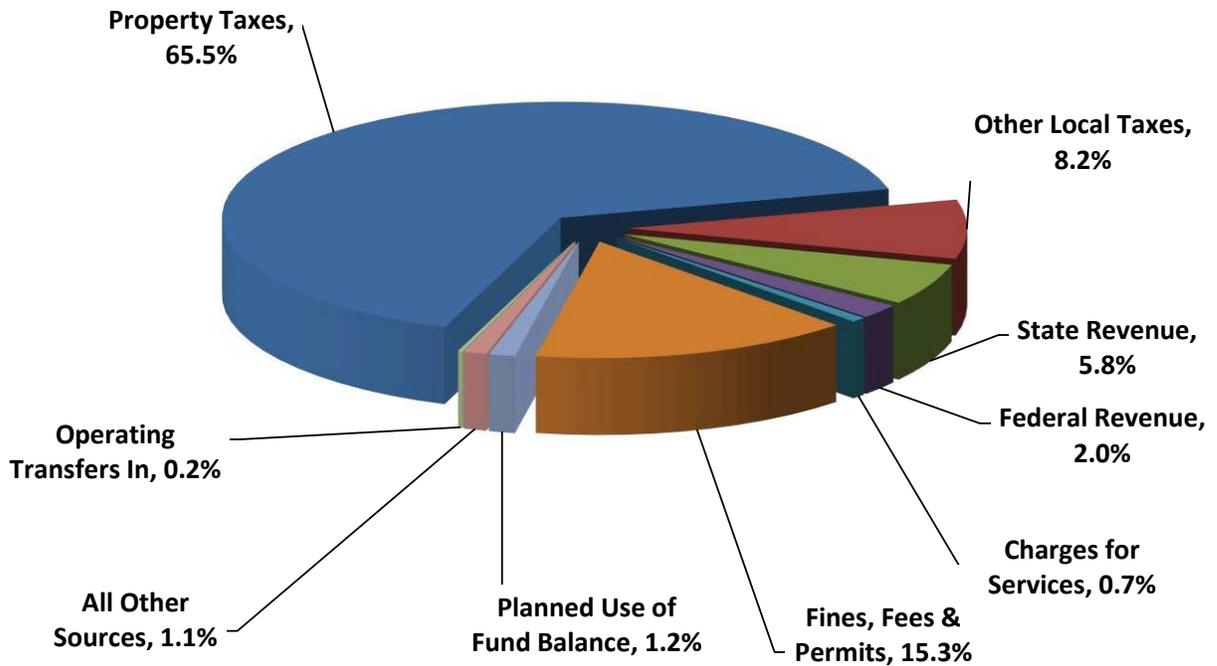


GENERAL FUND SUMMARY



FY 2020 ADOPTED BUDGET

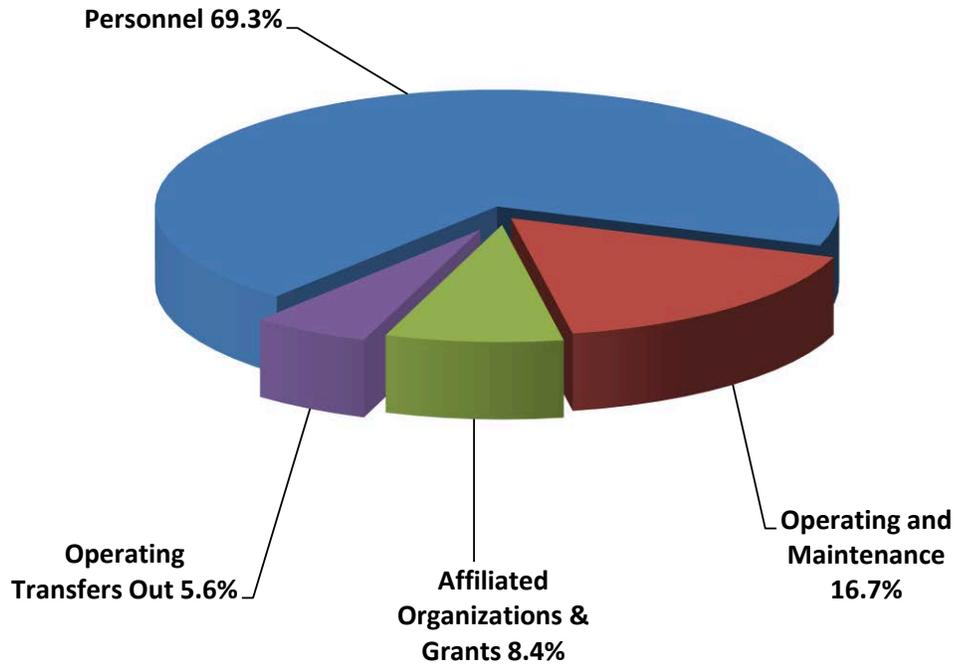
Where the Money Comes From....



SOURCES OF FUNDS:

	<u>FY20 Adopted</u>	<u>FY19 Amended</u>
<u>Revenue:</u>		
Property Taxes	\$ 288,746,885	\$ 295,445,000
Fines, Fees & Permits	67,448,000	68,400,853
Other Local Taxes	36,308,399	34,475,000
Intergovernmental-State	25,527,804	24,180,762
Intergovernmental-Federal	8,970,869	6,986,833
Charges for Services	2,948,307	3,186,676
Other Revenue/Interest Income	4,942,690	2,257,000
Subtotal	434,892,955	434,932,124
<u>Other Sources:</u>		
Planned Use of Fund Balance	6,290,393	8,549,645
Operating Transfers In	1,028,392	1,449,824
Other Financial Sources	100,000	200,000
Subtotal	7,418,785	10,199,469
Total Appropriation Sources	\$ 442,311,740	\$ 445,131,593

.....and Where the Money Goes



USE OF FUNDS:

	<u>FY20 Adopted</u>	<u>FY19 Amended</u>
Personnel	\$ 306,666,160	\$ 308,696,762
Operating and Maintenance *	73,851,705	77,221,514
Affiliated Organizations & Grants	37,202,257	40,969,230
Operating Transfers Out	24,591,618	18,244,087
Total Appropriation Uses	\$ 442,311,740	\$ 445,131,593

** Includes any spending contingencies, restrictions or cost savings from other sources*

Personnel expenses represent the largest use of funds for General Fund Operations

GENERAL FUND SUMMARY

Prime Account Summary

ACCT DESCRIPTION	FY16 ACTUAL	FY17 ACTUAL	FY18 ACTUAL	FY19 AMENDED	FY20 ADOPTED
40 - Property Taxes	(250,976,507)	(253,574,154)	(276,604,440)	(295,445,000)	(288,746,885)
41 - Other Local Taxes	(32,673,591)	(32,530,120)	(31,430,273)	(34,475,000)	(36,308,399)
43 - Intergovernmental - State	(23,143,769)	(23,874,375)	(22,424,187)	(24,180,762)	(25,527,804)
44 - Intergovernmental - Federal & Local	(8,876,513)	(7,650,925)	(9,963,935)	(6,986,833)	(8,970,869)
45 - Charges for Services	(3,408,401)	(2,752,322)	(2,335,215)	(3,186,676)	(2,948,307)
46 - Fines, Fees & Permits	(65,979,565)	(64,529,687)	(61,188,448)	(68,400,853)	(67,448,000)
47 - Other Revenue	(1,582,431)	(1,460,135)	(684,517)	(949,500)	(636,858)
48 - Investment Income	(858,905)	(1,098,719)	(2,190,484)	(1,307,500)	(4,305,832)
TOTAL REVENUE	(387,499,683)	(387,470,436)	(406,821,499)	(434,932,124)	(434,892,955)
51 - Salaries-Regular Pay	183,722,958	185,292,971	189,650,832	225,357,285	232,112,485
52 - Salaries-Other Compensation	13,934,316	16,072,889	20,558,497	15,521,896	16,048,707
55 - Fringe Benefits	69,108,034	71,916,798	79,200,247	92,675,828	89,231,322
56 - Vacancy Savings	-	-	-	(24,858,246)	(30,726,354)
TOTAL SALARIES	266,765,308	273,282,657	289,409,576	308,696,762	306,666,160
60 - Supplies & Materials	8,203,008	7,894,886	9,350,990	9,905,864	9,002,499
64 - Services & Other Expenses	9,372,490	9,594,063	9,799,584	12,082,161	12,305,858
66 - Professional & Contracted Services	31,521,620	31,716,015	32,232,667	38,478,847	38,057,527
67 - Rent, Utilities & Maintenance	14,087,251	14,587,034	15,150,457	17,840,911	17,094,337
68 - Interfund Services	(1,990,825)	(1,538,377)	(891,142)	(531,225)	(658,406)
70 - Capital Asset Acquisitions	1,519,673	3,346,047	3,258,479	5,976,199	2,740,773
TOTAL OPERATING & MAINT	62,713,218	65,599,668	68,901,037	83,752,757	78,542,588
89 - AFFILIATED ORGANIZATIONS	29,155,953	30,178,843	30,441,104	31,600,857	31,769,777
90 - GRANTS	4,764,000	4,299,500	6,155,280	9,368,373	5,432,480
95 - CONTINGENCIES & RESTRICTIONS	-	-	-	(6,531,243)	(4,690,883)
94 - OTHER SOURCES & USES	(183,638)	(113,977)	(112,148)	(200,000)	(100,000)
TOTAL EXPENDITURES	363,214,840	373,246,691	394,794,849	426,687,506	417,620,122
99 - PLANNED FUND BALANCE CHANGE	-	-	-	(8,549,645)	(6,290,393)
96 - Operating Transfers In	(1,458,073)	(1,521,066)	(857,931)	(1,449,824)	(1,028,392)
98 - Operating Transfers Out	18,889,791	15,735,000	16,527,693	18,244,087	24,591,618
NET TRANSFERS	17,431,718	14,213,934	15,669,762	16,794,263	23,563,226
TOTAL GENERAL FUND	(6,853,125)	(9,811)	3,643,112	-	-

GENERAL FUND SUMMARY

Net Expenditures by Division

DIVISION/DEPARTMENT	FY16 ACTUAL	FY17 ACTUAL	FY18 ACTUAL	FY19 AMENDED	FY20 ADOPTED
MAYOR'S ADMINISTRATION:					
Administration & Finance	(240,400,292)	(245,662,747)	(264,345,656)	(292,243,863)	(286,716,400)
Information Technology	8,732,302	9,149,464	9,367,294	9,913,078	10,237,619
Planning & Development	380,159	359,233	401,359	403,537	400,892
Public Works	17,417,992	17,970,521	20,648,773	23,221,075	23,123,239
Health Services	21,348,964	22,597,570	26,163,910	28,136,548	28,436,521
Community Services	7,737,210	7,367,785	8,410,826	9,852,979	9,520,616
SUBTOTAL	(184,783,665)	(188,218,174)	(199,353,495)	(220,716,647)	(214,997,512)
SHERIFF:					
Sheriff Administration	16,960,646	20,540,370	21,812,899	24,004,617	20,978,925
Law Enforcement	61,853,154	64,240,824	69,200,019	74,689,966	74,881,351
Jail	75,566,089	73,620,266	79,495,337	81,792,311	80,335,499
SUBTOTAL	154,379,889	158,401,459	170,508,255	180,486,894	176,195,775
JUDICIAL:					
Chancery Court	(1,876,148)	(1,675,673)	(2,081,543)	(2,732,677)	(3,150,189)
Circuit Court	(347,482)	(138,261)	330,010	941,323	949,220
Criminal Court	663,496	1,824,287	4,097,969	962,161	1,312,906
General Sessions Court	4,622,950	6,289,644	7,551,136	7,371,691	8,108,911
Probate Court	584,196	621,560	660,614	764,033	785,873
Juvenile Court	13,551,008	12,837,589	13,457,596	14,129,611	14,480,361
Attorney General	9,587,590	10,224,439	11,061,803	11,884,296	11,724,009
Public Defender	6,618,729	7,286,526	9,137,314	9,265,152	9,086,876
Divorce Ref. / Jury Comm.	1,034,402	1,092,812	1,138,035	1,345,327	1,315,112
SUBTOTAL	34,438,741	38,362,923	45,352,933	43,930,918	44,613,080
OTHER ELECTED OFFICIALS:					
Legislative Operations	2,325,449	2,437,160	2,516,259	4,289,108	4,422,074
Equal Opportunity	671,355	706,675	942,955	1,699,711	1,843,219
Assessor	9,813,079	10,189,162	7,141,400	11,185,191	11,173,121
County Clerk	(6,225,878)	(6,452,201)	(6,404,464)	(6,257,635)	(6,254,096)
Register	(2,057,879)	(2,213,541)	(1,974,348)	(2,257,884)	(2,125,372)
Trustee	(17,222,818)	(17,265,923)	(17,748,407)	(16,794,259)	(16,910,637)
Election Commission	1,808,601	4,042,650	2,662,024	4,434,602	2,040,349
SUBTOTAL	(10,888,090)	(8,556,019)	(12,864,581)	(3,701,165)	(5,811,343)
TOTAL GENERAL FUND	(6,853,125)	(9,811)	3,643,112	0	0

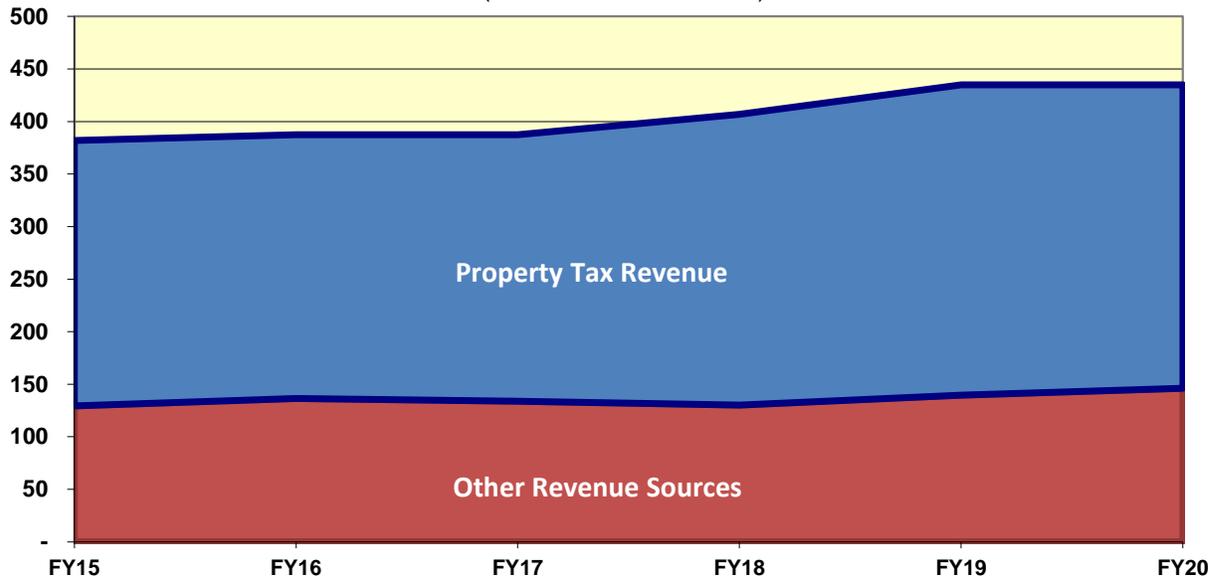
**Includes all Sources and Uses of Funds*

GENERAL FUND SUMMARY

Revenue Overview

REVENUE SOURCE	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Amended	FY20 Adopted
Property Taxes	250,976,507	253,574,154	276,604,440	295,445,000	288,746,885
% of Total	64.8%	65.4%	68.0%	67.9%	66.4%
Fines, Fees & Permits	65,979,565	64,529,687	61,188,448	68,400,853	67,448,000
% of Total	17.0%	16.7%	15.0%	15.7%	15.5%
Other Local Taxes	32,673,591	32,530,120	31,430,273	34,475,000	36,308,399
% of Total	8.4%	8.4%	7.7%	7.9%	8.3%
Intergovernmental-State	23,143,769	23,874,375	22,424,187	24,180,762	25,527,804
% of Total	6.0%	6.2%	5.5%	5.6%	5.9%
Intergovernmental-Fed&Local	8,876,513	7,650,925	9,963,935	6,986,833	8,970,869
% of Total	2.3%	2.0%	2.4%	1.6%	2.1%
Charges for Services	3,408,401	2,752,322	2,335,215	3,186,676	2,948,307
% of Total	0.9%	0.7%	0.6%	0.7%	0.7%
Other Revenue	1,582,431	1,460,135	684,517	949,500	636,858
% of Total	0.4%	0.4%	0.2%	0.2%	0.1%
Interest Income	858,905	1,098,719	2,190,484	1,307,500	4,305,832
% of Total	0.2%	0.3%	0.5%	0.3%	1.0%
Total General Fund Revenue	387,499,683	387,470,436	406,821,499	434,932,124	434,892,955
% Change from Prior Year	0.4%	0.0%	5.0%	6.9%	0.0%
\$ Change from Prior Year (Decrease)		(29,246)	19,351,063	28,110,625	(39,170)

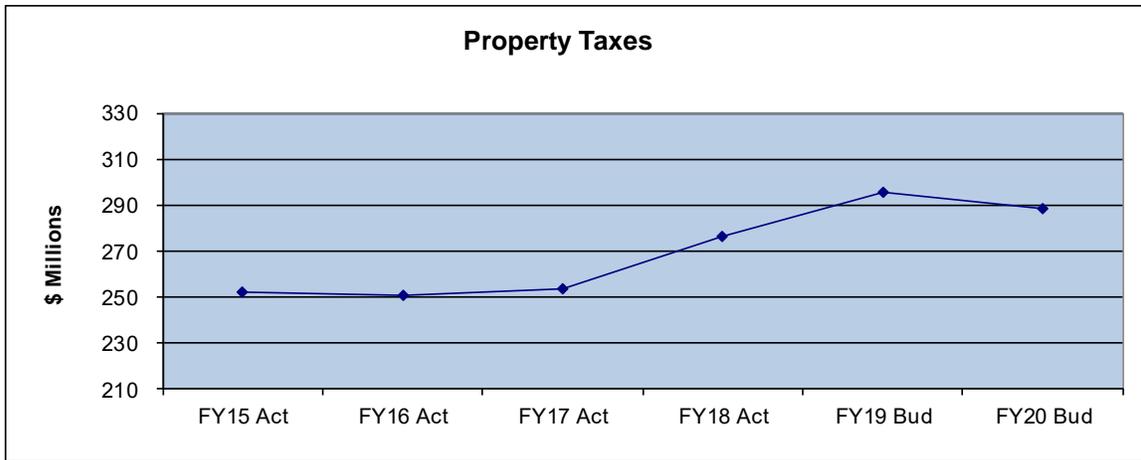
Property Tax Revenue vs All Other Sources
(General Fund, in millions)



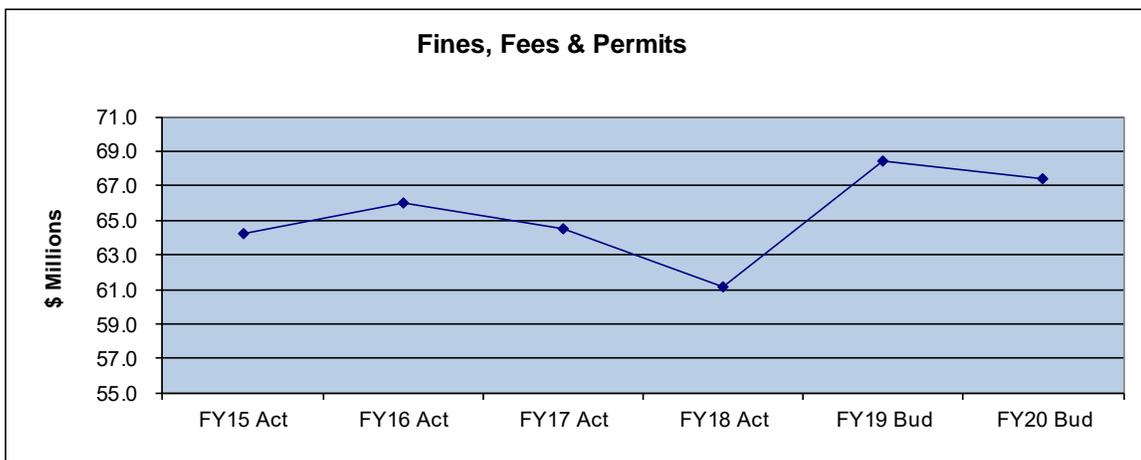
Property tax revenue has remained relatively stable as a percentage of total revenues that support General Fund operations.

GENERAL FUND REVENUE TRENDS AND ASSUMPTIONS

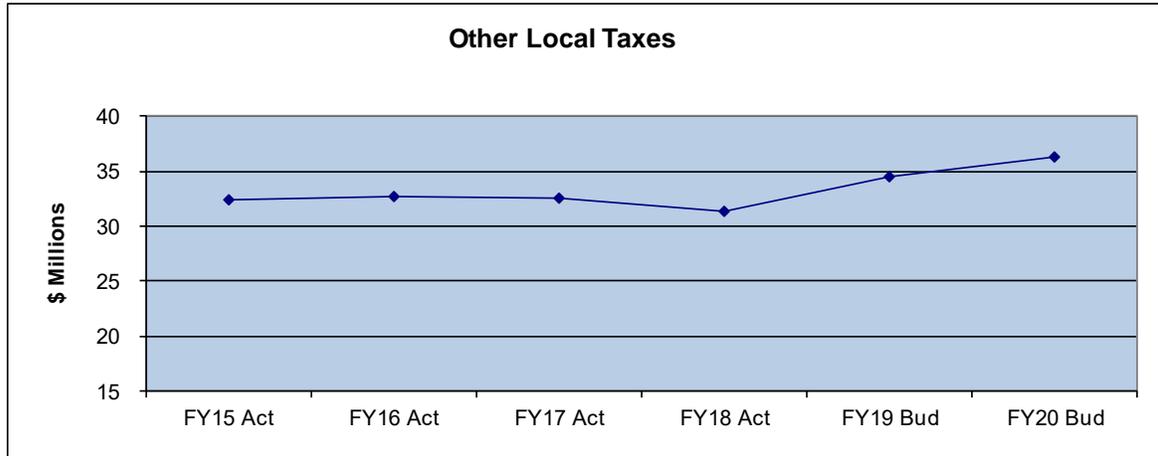
Property Tax Revenues continue to provide the primary source of operating funds for Shelby County, accounting for 66.0% of total General Fund revenues. Delinquent taxes represent only \$7.7 million (or 2.7%) of total property tax collections. Property tax revenue is projected to decline by \$2.9 million as result of current year collection trends, current assessed property values, along with the impact of expiring PILOT. The FY 2020 Adopted Budget reflects a reallocation of the current tax rate. Increased funding for Education resulted in a \$0.02 shift of the property tax rate from the General Fund’s prior allocation of \$1.49 being reduced to \$1.47. Further discussion of property taxes is provided in the "All Funds Summary" section.



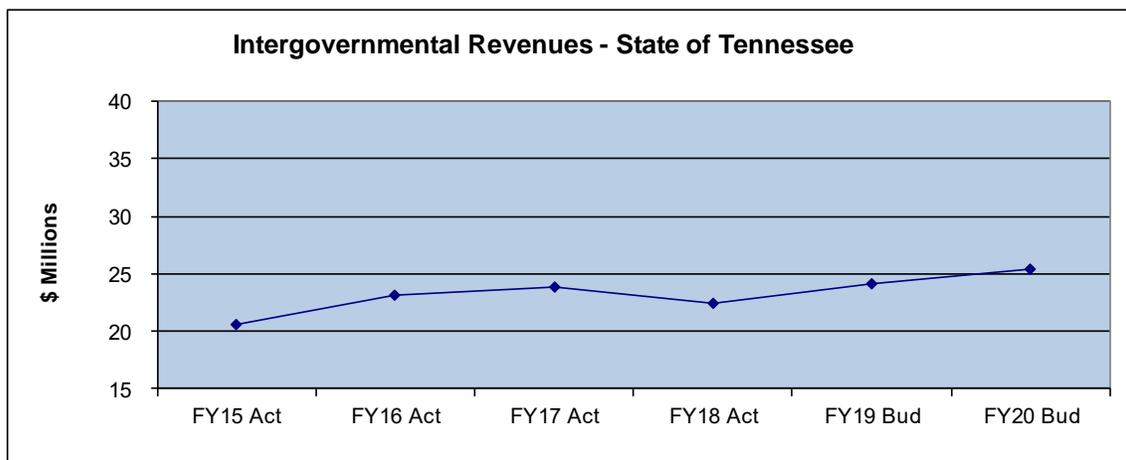
Fines, Fees & Permits represent the second largest source of General Fund income at 15.5% of total revenue. This category includes fees collected by the Courts and Other Elected Officials such as the County Clerk, Register and Trustee. The budgeted amount for FY20 reflects a projected decrease in revenue as a result of issues with the computer collections system in General Sessions Court.



Other Local Taxes account for about 8.3% of all General Fund revenue. The largest single revenue source in this category is from Business Taxes (\$16.8 million) which continues to reflect favorable economic trends. Also included are Interest/Penalty on Delinquent Taxes and In-Lieu of Tax agreements which are relatively stable. Included in FY20 is \$2.0 million of local sales tax that was reallocated to General Fund from the Road and Bridges Fund.



Intergovernmental Revenue collected from the State of Tennessee accounts for 5.9% of all General Fund revenue. State revenue includes the County share of the Hall Income Tax (\$425,600), the TVA Replacement Tax (\$7.5 million), State reimbursements (\$10.8 million of which \$5.4 million is related to the Public Defender costs), bank excise tax (\$2.5 million), reimbursements for inmates housed at the Shelby County Jail (\$2.7 million), and other revenue for various grant programs. Increased revenues are due to higher reimbursements from the State of Tennessee for elections offset by the reduction in the Hall Income Tax.



Intergovernmental Revenue - Federal & Local Sources contribute only 2.1% to the County General Fund. The largest contributor to this source is the Federal reimbursement for the Qualified School Construction Bond (QSCB) payments (\$3.1 million). This revenue source is projected to increase by \$1.9 million related to reimbursements from the City of Memphis for its November 2020 election.

Charges for Services, Other Revenue Sources and Interest Income account for only about 1.8% of all General Fund revenues. Most of this revenue is derived from TennCare fees, Health Department Patient Services, the Inmate Phone System, the Edmund Orgill Golf Course and charges for internal print and mail services (previously recorded in an Internal Service Fund).

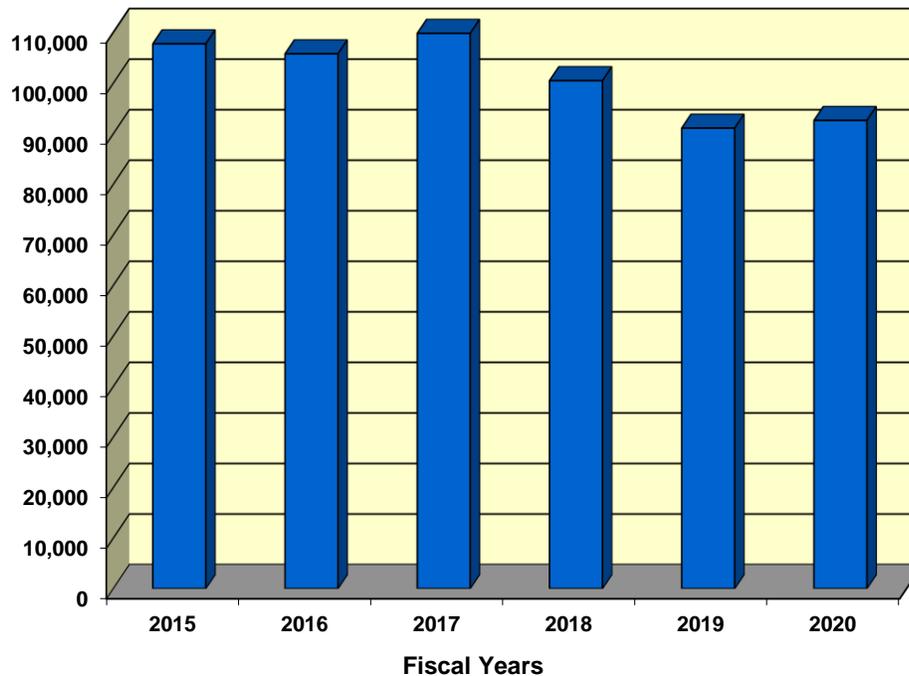
Fund Balance is a term used to express equity - the excess of what the County owns (assets) over what the County owes (liabilities) for a single fund. A healthy fund balance is important to financial planning and budgeting for the following reasons:

- To provide funds for unforeseen expenses or emergencies
- To ensure sufficient cash flow within the property tax collection cycle
- To demonstrate financial stability for higher bond ratings and lower cost of debt

Shelby County has consistently maintained its General Fund Balance as a percentage of revenue within the approved Fund Balance Policy range of 20% to 30%.

Summary of General Fund Balance

Fiscal Years 2015 - 2020¹ at June 30
(in thousands)



(\$ in thousands)	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projection	2020 Budget
Beginning Fund Balance at July 1	103,388	108,744	115,597	115,606	111,963	100,910
Revenue/Sources of Funds	381,887	387,500	387,470	406,822	430,001	434,893
Uses of Funds	-376,531	-380,647	-387,461	-410,465	-441,055	-441,183
Net Operations	5,356	6,853	9	-3,643	-11,053	-6,290
Ending Fund Balance at June 30 ²	108,744	115,597	115,606	111,963	100,910	94,620
Unassigned Ending Fund Balance ²	107,773	105,793	109,850	100,490	91,100	92,620
Unassigned as a % of Revenue	28%	27%	28%	25%	21%	21%

Note: Projected fund balance for FY19 will fall below the preferred 25% as set by County policy.

¹ Projected FY 2020 Fund Balance.

² Unassigned balance allows for carryforwards to next year.

GENERAL FUND SUMMARY

Planned Use of Fund Balance

The County Commission approved the following expenditures be funded with a planned use of General Fund reserves. These items are non-recurring in nature and, unless otherwise noted, are considered one-time expenditures.

FY20 Planned Use of Fund Balance for Non-Recurring Expenditures

40,393	County Commission Strategic Plan
500,000	Community Health Assessment
1,050,000	EpiCenter
2,200,000	Enhancing 21st Century Education Pilot Program
2,500,000	Funding for Pre-K Education
<u>\$ 6,290,393</u>	Total Planned Use of Fund Balance for Non-Recurring Expenditures

GENERAL FUND SUMMARY

Five Year Projections

Acct	Description	FY20 Adopted	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected
Assumptions:						
	Property Tax % Increase-Current	-1.00%	1.00%	2.50%	1.50%	1.00%
	Salary Increase	1.50%	1.75%	2.00%	1.75%	1.50%
	Pension % of Salaries (5102)	21.83%	21.42%	21.12%	21.22%	20.88%
	OPEB % of Salaries (5102)	2.34%	2.27%	2.22%	2.18%	2.15%
	Health Insurance % Increase	0.00%	3.00%	3.00%	3.00%	3.00%
	Operating and Maint % Increase	-6.70%	1.00%	1.00%	1.00%	1.00%
	Property Tax Rate	1.49	1.49	1.49	1.49	1.49
	Penny Value	\$ 1,937,000	\$ 1,960,000	\$ 2,010,000	\$ 2,040,000	\$ 2,060,000
40 -	Property Taxes	(288,746,885)	(299,783,000)	(307,233,000)	(311,703,000)	(314,683,000)
41 -	Other Local Taxes	(36,308,399)	(36,308,399)	(36,308,399)	(36,308,399)	(36,308,399)
43 -	State Revenues	(25,527,804)	(25,527,804)	(25,527,804)	(25,527,804)	(25,527,804)
44 -	Federal & Local Revenues	(8,970,869)	(7,970,869)	(8,970,869)	(7,970,869)	(9,720,869)
45 -	Charges for Services	(2,948,307)	(2,948,307)	(2,948,307)	(2,948,307)	(2,948,307)
46 -	Fines, Fees & Permits	(67,448,000)	(67,448,000)	(67,448,000)	(68,448,000)	(68,448,000)
47 -	Other Revenue	(636,858)	(636,858)	(636,858)	(636,858)	(636,858)
48 -	Investment Income	(4,305,832)	(4,455,832)	(4,505,832)	(4,555,832)	(4,605,832)
	Revenue	(434,892,955)	(445,079,070)	(453,579,070)	(458,099,070)	(462,879,070)
51 -	Salaries-Regular Pay	232,112,485	235,625,027	240,174,754	244,235,385	248,176,835
52 -	Salaries-Other Compensation	16,048,707	16,269,841	16,526,987	16,756,490	16,956,649
5510 -	Retirement Benefits - County	48,806,159	48,727,573	49,006,016	50,099,718	50,036,444
5511 -	OPEB Benefits	5,231,627	5,163,940	5,151,201	5,146,908	5,152,220
554x -	Group Health Insurance	27,487,427	28,312,050	29,161,412	30,036,254	30,937,342
55xx -	Other Fringe Benefits	7,706,109	7,830,177	7,974,404	8,103,126	8,215,390
56 -	Salary Restriction	(30,726,354)	(31,177,477)	(31,755,968)	(32,358,120)	(32,857,044)
	Salaries & Fringe Benefits	306,666,160	310,751,130	316,238,804	322,019,759	326,617,835
60 -	Supplies & Materials	9,002,499	9,092,522	9,183,447	9,275,282	9,368,035
64 -	Services & Other Expenses	12,305,858	12,428,915	12,553,207	12,678,740	12,805,527
66 -	Prof & Contracted Svcs	38,057,527	38,721,734	39,401,093	40,096,010	40,806,901
67 -	Rent, Utilities & Maintenance	17,094,337	17,265,281	17,437,933	17,612,311	17,788,432
68 -	Interfund Services	(658,406)	(664,989)	(671,639)	(678,355)	(685,139)
70 -	Capital Asset Acquisitions	2,740,773	2,768,180	2,795,862	2,823,821	2,852,060
	Operating & Maintenance	78,542,588	79,611,643	80,699,903	81,807,809	82,935,816
	Affiliated Organizations	31,769,777	31,769,777	31,769,777	31,769,777	31,769,777
	Grants	5,432,480	2,600,000	2,600,000	2,600,000	2,600,000
	Contingencies & Restrictions	(4,690,883)	(4,690,883)	(4,690,883)	(4,690,883)	(4,690,883)
	Other Financing Sources	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
	Expenditures	417,620,122	419,941,667	426,517,601	433,406,462	439,132,545
	Net Transfers	23,563,226	23,563,226	23,563,226	23,563,226	23,563,226
	Use of Fund Balance	(6,290,393)	-	-	-	-
	PROJECTED DEFICIT/(SURPLUS)	\$ -	\$ (1,574,177)	\$ (3,498,243)	\$ (1,129,382)	\$ (183,299)
	Change from Prior Year		\$ (1,574,177)	\$ (1,924,066)	\$ 2,368,861	\$ 946,083

A projection of General Fund revenue and expenditures is prepared annually as the first step in the budget process to forecast expected trends through the next five years. Initial projections are updated as necessary throughout the year to incorporate new information or major changes in assumptions. Long term projections allow the Administration and County Commission to make current decisions with a more informed awareness of the future impact of those decisions.

Assumptions included in the five year projections are listed below. Specific rates and amounts are shown in the schedule provided on the previous page.

- **Property tax revenue** in FY20 is budgeted to decline by 1% with details for the decline outlined in the previous section. Starting in FY21, property taxes are projected to grow at 1% annually, with 2.5% growth for the next reappraisal year of FY22 and a 1.5% growth in FY21 in the recapture tax rate year. Realty values in Shelby County have stabilized with the economic recovery and currently show a more positive trend. Collection of delinquent taxes is expected to remain flat or decline for the next several years as the current collection rates continue at a high level. Because property taxes are the county's primary revenue source and the foundation for an accurate budget forecast, the Trustee and the Assessor provide extensive input for these projections each year.
- **Property tax rate** reflects the current allocation to the General Fund as proposed for FY20.
- **Other revenues** have been projected at current collection levels with adjustments for trending patterns. The impact of reimbursements for election cycles and reappraisals is also reflected in the appropriate years. A conservative but realistic approach to revenue forecasting has proven to be an effective predictor for future trends. Due to legal restrictions imposed by the State, the County does not have viable options for significant sources of new revenue.
- **Salary increase for employees** average 1.5% over the five-year period based on funding available in each year. Actual increases will vary based upon the federal Cost of Living Adjustment (COLA), Consumer Price Index (CPI) and other factors. Providing adequate employee compensation to attract and retain a productive workforce remains a high priority for Shelby County.
- **Pension expense** as a percentage of salaries is based on the most recent actuary report and the levels projected by year in that report. Actual costs will vary with the primary factor impacting the rate being that actual return on investments versus the 7.0% assumed annual rate of return. This return assumption may need to be adjusted in the future as market conditions evolve.
- **OPEB expense** will continue to decline annually based on actuarial reports. Changes to post employment benefit plans implemented in prior years have allowed the County to contain the growth of these expenses.
- **Health insurance** coverage is expected to increase by about 3% annually, with some uncertainty about the future status of the Affordable Care Act and insurance markets. The County has effectively managed this escalating cost factor through changes to benefit plans and cost-sharing with employees.
- **Operating and maintenance** expenses have been inflated by 1% annually, primarily to allow for increases in major contractual obligations for services and technology. The County has implemented various efficiency measures and purchasing strategies to control rising costs of information technology, telephones, printing, and vehicle repairs.

Actual revenue collections and expenditures are also forecasted on a monthly basis throughout the current fiscal year to ensure budget compliance and sufficient cash flow availability. Fund Balance policies have been adopted as guidance for maintaining adequate fund balance levels and making budget decisions concerning the use of fund balance and to establish strategies for replenishing or reducing the fund balance to target ranges. The General Fund does not absorb discontinued grant programs or cost increases from other funds.

GENERAL FUND SUMMARY

Position Control Budget

Personnel costs account for 69.3% of all General Fund expenditures. That factor makes Position Control the most significant single element for cost containment. Shelby County has implemented and maintained over the past decade several strategic efforts to control the impact of salaries and escalating fringe benefits, including:

1. **Workforce growth** has been controlled over time through planned elimination of vacant positions and careful review of any additions. Between 2004 and 2012 a steady annual decline in funded positions was a significant factor in the County's financial stability through the recession. Since then, FTE increases have been necessary, primarily to support core functions of public safety, judicial operations, and health services. However, staffing levels remain below pre-recession levels. The increases include:
 - 2016 – Addition of 21 positions for Juvenile Court security, defense and programs; transfer of 113 positions from Juvenile Court to the Sheriff
 - 2017 – Addition of 9 positions for Attorney General to manage caseload with 5 positions for the Public Defender per 75% match. General Sessions added 8 positions due to the implementation of the Driver Assistance Program and increased caseloads in Veteran's court and Criminal Court. 4 positions were added in Legislative Ops for the MWBE/LOSB program.
 - 2018 – Net addition of 16 positions for Sheriff, 9 positions for Health programs (2 repurposed from Register), and 6 positions for the Attorney General. 4 positions were added for County Clerk which was offset by a decrease of 2 positions in the Register's office. 2 positions added for Public Defender per 75% match. 1 position added in Public Works, Election Commission, and Community Services, and 1 position transferred from Drug Court to General Sessions Judges. Information Technology reduced by 1 position.
 - 2019 – Addition of 30 positions for Sheriff patrol, 6 positions for Health programs, 5 positions for the Attorney General, 2 positions for Legislative Operations, and 1 position in Community Services with a reduction of 2 positions in the Trustee's office and a partial position in Planning & Development that was moved to Codes Enforcement. 3 positions for Register were added in FY19 via resolution effective for a partial year and the full impact of the addition is seen in FY20.
 - 2020 – Addition of 2 positions for Circuit Court, 5 positions for Criminal Court, 2.5 positions for General Sessions Court, 1 position for Probate Court, 4.8 positions for Juvenile Court Judge, 1 position for Juvenile Court Clerk, 2 positions for the Attorney General, 0.5 position for the Public Defender, 3 positions were added to County Clerk, and a net of 2.5 additions in the Register. There were 6 positions transferred from the Assessor to Information Technology; 1 position was transferred from Support Services to Roads and Bridges; and, 1 position in Jail Services was moved to Sheriff's Administration.
2. **Average annual salary increases** have been limited to only 1.7% over the past 10 years. Employees have been provided with an increase in 8 of the past 10 years, as shown below:

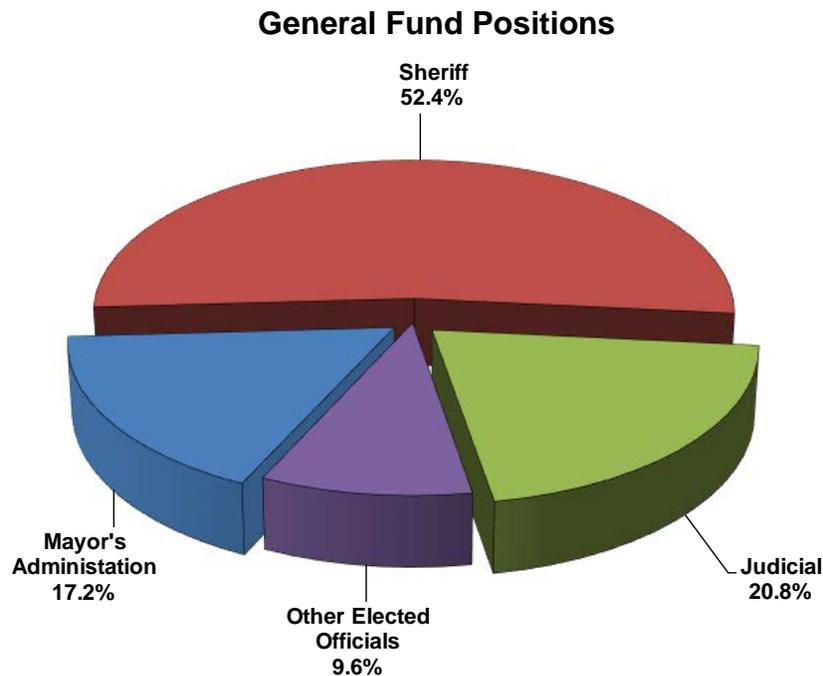
	Increase	Stipend	Date		Increase	Stipend	Date
FY20	See Note (1) Below		1/1/20	FY15	3.0%		7/1/14
FY19	3.0%		7/1/18	FY14	-	-	-
FY18	3.0%		7/1/17	FY13	1.0%		7/1/12
FY17	2.0%		7/1/16	FY12	-	\$650	1/1/12
FY16	1.7%		7/1/15	FY11	2.0%		7/1/10

- (1) A general salary increase of \$3.0 million, including benefits, has been included in the FY 2020 proposed budget. (The cost across all funds is \$3.6 million.) The increase, effective January 1, 2020, provides all public safety employees with a 2.5% general increase and all non-public safety employees with a 1.5% general increase.

- 3. **Position control procedures** require that any salary increase requests for equity or approved reclassifications must be funded from reductions to other budgeted positions or funds reserved for this purpose. This policy ensures that the base budget does not grow at a rate that exceeds any approved general annual increases. A **Hiring Oversight Committee** reviews all requests to fill vacant positions or to reclassify positions with a resulting salary increase.
- 4. **Limitations to benefits** offered for retirement and health coverage have been evaluated on an annual basis, with some reductions applied to newly hired employees. Existing employees contribute more to specified pension plans and share the cost of health coverage rate increases.

Significant challenges exist to the ongoing containment of personnel costs, including:

- 1. **Escalating costs** for health insurance, pensions and other post-employment benefits continue to be a concern. Compliance with the Affordable Care Act has had an impact on both the cost of health care programs and flexibility in the use of temporary labor. In FY 20 health costs for active employees are flat and actuarially determined contributions for retiree health declined.
- 2. **Increases for cost of living (COLA) adjustments and competitive market salary rates** are necessary to attract and retain productive employees.
- 3. **Feasibility of staffing reductions** is limited by the need to provide the required services at a level the citizens expect. Because public safety remains a high priority for Shelby County, reductions in this area are unpopular. With over 50% of all General Fund employees allocated to the Sheriff, options for reductions in other areas are limited.

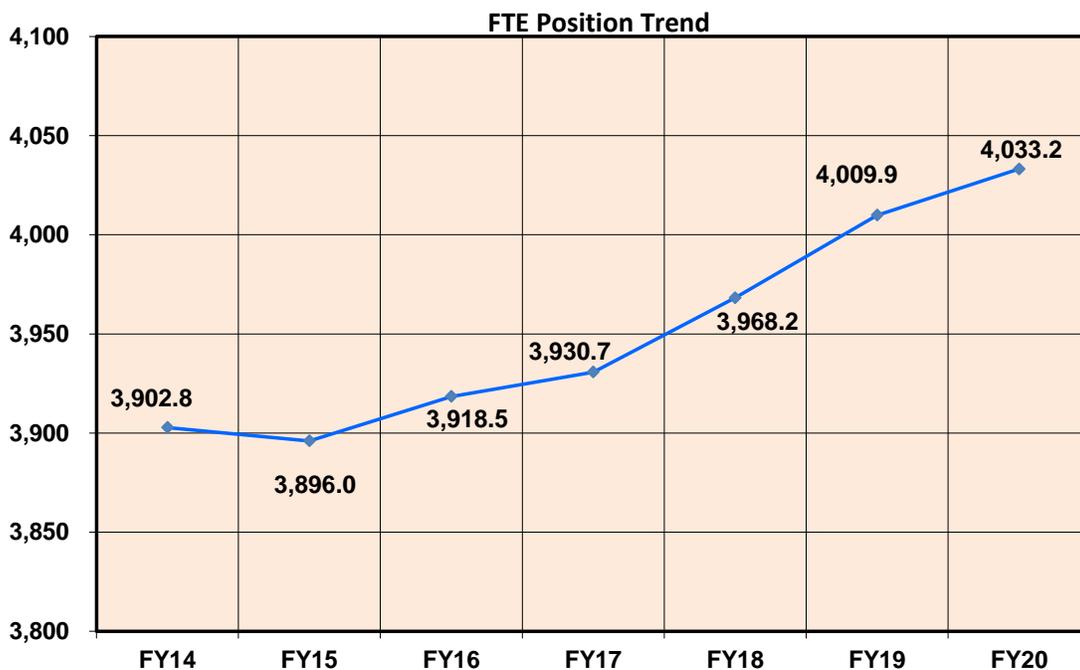


Criminal Justice functions (including the Sheriff and Courts) account for 73% of all General Fund positions.

GENERAL FUND SUMMARY

General Fund FTE Changes

DIVISION	FY14	FY15	FY16	FY17	FY18	FY19	FY20	19-20 Change
MAYOR'S ADMINISTRATION:								
Administration & Finance	187.5	180.5	174.4	173.4	174.4	177.6	177.6	-
Information Technology	85.0	87.0	87.0	84.0	83.0	85.0	91.0	6.0
Planning & Development	5.0	5.0	5.0	4.0	4.0	3.4	3.4	-
Public Works	143.0	142.0	156.0	161.0	162.0	162.0	161.0	(1.0)
Health Services	146.5	146.0	147.0	148.1	157.1	162.1	162.1	-
Community Services	96.0	94.0	95.0	95.0	96.0	97.0	97.0	-
TOTAL	663.0	654.5	664.4	665.5	676.5	687.2	692.2	5.0
SHERIFF:								
Sheriff Administration	190.0	191.0	186.0	186.0	183.0	183.0	184.0	1.0
Law Enforcement	690.3	691.0	732.0	731.0	776.0	805.0	805.0	-
Jail	1,097.0	1,083.0	1,162.0	1,155.0	1,129.0	1,127.0	1,126.0	(1.0)
TOTAL	1,977.3	1,965.0	2,080.0	2,072.0	2,088.0	2,115.0	2,115.0	-
JUDICIAL	881.5	892.0	792.0	806.2	814.7	818.7	837.5	18.8
OTHER ELECTED OFFICIALS	381.0	384.5	382.0	387.0	389.0	389.0	388.5	(0.5)
TOTAL FTE - GENERAL FUND	3,902.8	3,896.0	3,918.5	3,930.7	3,968.2	4,009.9	4,033.2	23.3
Change from prior year		(6.8)	22.4	12.3	37.5	41.7	23.3	
Cumulative Change since FY14		(6.8)	15.7	27.9	65.4	107.1	130.4	



The FTE Position count declined slightly between fiscal years 2014 and 2015. Since then (2015), a net total of 137 positions have been added, primarily to support core functions of public safety, judicial operations, and health.

GENERAL FUND SUMMARY

General Fund FTE Changes

<u>Division/Position Descriptions</u>	<u>FTE</u>	<u>Total Cost</u> ¹
<u>MAYOR'S ADMINISTRATION</u>		
<u>Information Technology</u>		
Clerical Specialist - <i>transferred from Assessor</i>	1.0	\$ 42,934
Geographic Map Technician - <i>transferred from Assessor</i>	2.0	121,831
Office System Technician - <i>transferred from Assessor</i>	1.0	60,815
Programmer Analyst II - <i>transferred from Assessor</i>	2.0	186,908
<i>Total Information Technology Department</i>	6.0	412,488
<u>Public Works</u>		
Manager A - <i>transferred to Roads & Bridges</i>	(1.0)	(98,012)
Net FTE Change - Mayor's Administration	5.0	\$ 314,476
<u>JUDICIAL/COURTS</u>		
<u>Attorney General</u>		
Administrative Services Specialist I - <i>funded from existing positions</i>	1.0	\$ -
Criminal Investigator - <i>funded from existing positions</i>	1.0	-
<i>Total Attorney General</i>	2.0	-
<u>Circuit Court Clerk</u>		
Principal Court Clerk	2.0	103,463
<u>Criminal Court</u>		
Deputy Court Clerk	2.0	107,823
Principal Court Clerk	3.0	178,915
<i>Total Criminal Court</i>	5.0	286,738
<u>General Sessions Court</u>		
Staff Attorney - <i>Environmental Court</i>	1.0	122,646
Database Coordinator - <i>Veterans Court</i>	1.0	68,189
Operations Manager - <i>Veterans Court</i>	0.5	35,855
<i>Total General Sessions Court</i>	2.5	226,690
<u>Juvenile Court Clerk</u>		
Technology Coordinator	1.0	128,889
<u>Juvenile Court Judge</u>		
Clerical Specialist	1.0	53,912
Custodial Worker	1.0	53,912
Executive Director	0.5	31,681
Judicial Clerk - <i>partially funded by grant</i>	0.3	19,008
Juvenile Services Counselor II	2.0	141,180
<i>Total Juvenile Court Judge</i>	4.8	299,692
<u>Probate Court Clerk</u>		
Principal Court Clerk	1.0	51,630
<u>Public Defender</u>		
Assistant Public Defender	0.5	31,445
Net FTE Change - Judicial/Courts	18.8	\$ 511,656
<u>ELECTED OFFICIALS</u>		
<u>Assessor</u>		
Clerical Specialist - <i>transferred to Information Technology</i>	(1.0)	\$ 42,934
Geographic Map Technician - <i>transferred to Information Technology</i>	(2.0)	121,831
Office System Technician - <i>transferred to Information Technology</i>	(1.0)	60,815
Programmer Analyst II - <i>transferred to Information Technology</i>	(2.0)	186,908
<i>Total Assessor</i>	(6.0)	412,488
<u>County Clerk</u>		
Business Analyst	1.0	80,624
Executive Assistant	1.0	66,513
Policy Advisor	1.0	65,343
<i>Total County Clerk</i>	3.0	212,480
<u>Register</u>		
Archives Deeds Technician - <i>variance represents partial FY19 funding</i>	0.8	53,532
Deeds Community Specialist - <i>added FY19 via resolution</i>	0.8	61,881
Deeds Processing Clerk - <i>added FY19 via resolution</i>	0.8	48,085
<i>Total Register</i>	2.5	163,498
Net FTE Change - Elected Officials	(0.5)	\$ 375,978
Total FTE Changes to General Fund	23.3	\$ 1,202,110

¹ Salary and benefits