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COUNTY OF SUMMIT  
THE HIGH POINT OF OHIO

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**COUNTY OF SUMMIT  
2022 BUDGET PLANNING  
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# Budget and Goal Setting Process

## Operating Budget

The Charter of Summit County requires the County Executive to submit the annual operating budget and appropriation ordinance to County Council (Art. II, Sec. 2.03(8)). The County Council must approve a final appropriation ordinance by April 1 according to state law. The Charter requires the following information be submitted as part of the budget proposal:

- a.) A statement of estimated revenues from all sources, including fund balances from the preceding year.
- b.) A statement of proposed expenditures, shown by department, office, agency, authority, board and commission, and by activity, character and object and not exceeding estimated revenues for such year.
- c.) A schedule of estimated revenues and proposed expenditures for each county department, office, agency, authority, board and commission, on a quarterly or frequent basis, and;
- d.) A summary of the contents of the proposed operating budget.

The Charter also requires the Executive to submit a written message to County Council explaining the budget in fiscal terms, and outlining the proposed financial policies of the County. The message must identify any proposals for major changes in financial policies and the reasons for the change. The message incorporates the Executive's goals for the fiscal year.

## **2022 Budgetary Goals & Strategy**

The Summit County Executive's Office and County Council work jointly to manage the County's annual budget, with the goal of maintaining a fiscally responsible plan that seeks to preserve fund balances and provide services at prudent levels over the long term. This marks the first time in 14 years our budget will exceed the level at which it stood prior to the start of the great recession. In 2008, however, the County had nearly 1,000 employees more than it does today. On a monthly basis, the Executive's Department of Finance and Budget updates a five-year forecast which trends general fund revenues, expenditures and expected fund balances and provides an update to the Executive, County Council and the public. This forecast is used for modeling future year budgets and making decisions related to staffing, services and capital investment in the County.

## Budget and Goal Setting Process

Additionally, the County also updates long range forecasts for its levy-funded agencies (Board of Developmental Disabilities, Children's Services Board, and Alcohol, Drug Addiction and Mental Health Services Board), Sanitary Sewer Services Department, Engineer's Office, Real Estate Assessment Fund, Jobs and Family Services Fund, and Child Support Enforcement Agency, all on a quarterly basis. These forecasts, along with the County's annual Capital Improvement Plan, have proven essential for designing budgets that allow Summit County to operate as the most efficient of Ohio's large urban counties and provide a roadmap used to balance the County's ability to address priorities ranging from the current opiate epidemic to upgrades and the potential consolidation of the County's dispatch operations.

Summit County operates at the lowest county sales tax rate of any county in the state at .50%. Only Stark has a similar rate, with 86 of the 88 counties operating on higher sales tax rates. Other large urban county rates in Ohio include Lucas - 1.50%, Franklin - 1.25%, Cuyahoga – 1.25%, Hamilton – 1.25% and Montgomery – 1.25%. Summit is also the only county in Ohio that, based on a charter provision, cannot enact an emergency piggyback tax without putting the measure on the ballot. As a result, Summit County has the lowest General Fund budget of any of the large urban counties in the State of Ohio.

The Department of Finance and Budget (DFB) prepares monthly, a one year and five-year forecast document for presentation to the County Executive, County Council and other interested parties as requested. These forecasts form the basis for ongoing budgetary planning and are presented as part of the County's annual operating budget. Additionally, the Department of Finance and Budget collects and review updated five-year forecasts for the County's other major operating funds on not less than an annual basis and includes those forecasts as part of the County's annual operating budget. These forecasts are prepared by the chief budgetary officer of the department administering the major fund.

The unencumbered fund balance in the General Fund at the end of the year 2021 was \$8,058,759. For budgeting purposes, it is the goal of the County to maintain a carryover unencumbered fund balance in the General Fund and Budget Stabilization Fund of no less than 17.3% of the budgeted operating expenditures for the year. The County maintains a Budget Stabilization Fund to be used only in emergency situations. The balance in the Budget Stabilization Fund is projected to remain at \$25,325,501.00 at year-end 2022. By regulation of the Ohio Revised Code, these funds are not to be certified by the Budget Commission of the County as an available source of funds until they are needed for

## Budget and Goal Setting Process

an emergency situation. For 2022, the targeted balance would be \$21,878,507 (17.3% of \$126,465,356) with the actual projected balance totaling \$34,994,303.

The 2022 budget plan includes a general fund budget of \$127.1 million and total countywide employment of 2,725. This is a reduction of nearly 1,000 employees since 2008. In 2020, the County received \$94.4 million in funding under The Coronavirus Aid, Relief, and Economic Security Act, (the CARES Act), and in 2021 another \$105.1 million was allocated to the county under the American Rescue Plan Act (ARPA). While activities and projects initiated from those funds will require a substantial dedication of our time and resources over the next few years, it remains important to keep our annual operating budget separate and measured against available local and continual resources.

In addition to the positive impact the CARES and ARPA Act funds had on our operating budget in 2021, it allowed us to invest in technologies which will allow us to operate remotely and more efficiently in 2021, continuing into 2022. Investments in technology and workflow improvements play an important role in our ability to right size our County operations and ensure the delivery of quality services and value for our taxpayers. We are currently in the process of finalizing a virtual courtroom platform that will connect all of the courts and correction facilities in the County, along with prosecutors and defense attorneys. This investment totals approximately \$13 million and will streamline the criminal justice system to allow for efficient and safe operations that will ultimately save taxpayer dollars far into the future. Additionally, we are in the process of investing heavily in remote work technology for our employees, technologies that allow for on-line services such as building plan submittals and review, remote probations services and continuing a project that started in 2021, that embarks on a complete upgrade of our enterprise accounting, timekeeping and workflow systems.

In 2022 we continue our work with several of our local communities, on a scalable, state of art, countywide 911 dispatching system and facility. In October 2019, the County and City of Akron were the first two communities to go live with the new system. This proved to be an amazing collaborative effort that we should all be proud of. In 2020, the cities of Stow, Cuyahoga Falls, Green and Fairlawn are going live. In 2022, we continue to move forward with implementation of consolidating dispatch operations to improve efficiency and save even more taxpayer dollars.

The County also remains committed to maintaining and upgrading its existing facilities, while incorporating energy efficiency standards into these plans. In 2022, the County will continue with a multiyear \$19 million initiative to upgrade HVAC systems, replace roofs, and install energy efficient LED lighting at several of its facilities. At the Summit County Jail, the County will spend approximately \$10.5 million to replace heating and cooling plants, air handlers and temperature

## **Budget and Goal Setting Process**

controls along with replacing showers, sinks and toilets to provide substantial savings and reduce future water usage. These improvements along with a new RFID card reader system and the recent \$500 thousand camera system upgrade in the Jail, will continue to make the Jail a safer and more efficient County facility.

Lastly, we continue to make job creation one of our top priorities. Over the past year we also pushed forward with our Economic Development Task Force and have been developing the Development Data Hub and Summit Business Connection programs to more effectively assist local businesses. In 2022 we are pushing forward with a major initiative to develop a countywide high speed broadband network.

# Budget Preparation Process

## Budget Requests and Goal-Setting

Independently elected officeholders, boards, and commissions submit their goals and objectives, with their proposed budgets, to the County Executive through the Department of Finance and Budget. The Department of Finance and Budget prepares the operating budget and submits it to County Council along with the goals of the various offices, boards and commissions. County Council reviews the goals with each office, board and commission during the operating budget hearings.

## 2022 Operating Budget Timetable

	<u>Proposed Dates</u>	<u>Actual Dates</u>
Distribute Budget Forms Electronically	August 26, 2021	August 26, 2021
Forms Due Back from Offices	September 27, 2021	Various
Department Hearings	October 2021	October 2021
Executive Review	October 2021	October 2021
Revenue Forecast to Council	November 8, 2021	November 8, 2021
Budget Presented to Council	November 8, 2021	November 8, 2021
Council Hearings	October 18- December 6, 2021	October 18 - December 6, 2021
Appropriation Resolutions to Council Committee	November 8, 2021	November 8, 2021
Appropriation Resolutions Adopted	December 6, 2021	December 6, 2021

# Budget Preparation Process

## 2022 Capital Budget Timetable

	<u>Proposed Dates</u>	<u>Actual Dates</u>
Distribute Budget Forms Electronically	November 12, 2021	November 12, 2021
Forms Due Back from Offices	December 10, 2021	November 25 - December 10, 2021
Office Hearings	December 2020	December 2020
Executive Review	December 31, 2021	December 31, 2021
Budget Presented to Council	January 24, 2022	January 24, 2022
Appropriation Resolution to Council	January 24, 2022	January 24, 2022
Appropriation Resolution Adopted	February 7, 2022	February 7, 2022

## **Budget Preparation Process - Procedure**

The majority of the budget preparation is done using Microsoft Excel. Each department is sent an electronic spreadsheet via e-mail containing financial, payroll and programmatic information for prior years and current year-to-date along with detailed instructions on how to complete the forms. A department may receive more than one spreadsheet since they are created on an organization-by-organization basis.

The budget instructions will include applicable budget assumptions that are determined by the Executive and Director of Finance and Budget. Some examples of assumptions are the overall budget increase/decrease, furloughs, health insurance plan changes. The spreadsheets are individually named with the fund and org number (org only --if General Fund), org name and year and are stored on the current year budget folder. These files are the "working" budget files, which are available for review and editing by DFB staff throughout the budget process. A list of department designees and the files sent out is kept, called List of Budgets Returned Status.xls.

The Department of Finance and Budget assigns staff to review each of the budget requests and to review requests and meet with departments to ensure budget compliance and budgets are correctly completed. If there are differences between the Original Requests and the working files, those differences are entered into a separate Access database called "YYYY Budget Changes".



# Budget Preparation Process

Therefore, if Council or a department asks why the budget submitted by the DFB is different from what the department requested, the file will show what line items were changed and the reason.

Once all the budget meetings are completed and the Executive and Director of Finance and Budget determine that the budget is ready to submit to County Council, the budget book is prepared. The previous year's book is always used as a guide for formatting and general flow purposes. Once the book is completed it is printed out for Council, the Executive and DFB. The electronic .pdf file is posted to the County website.

Once posted, the budget resolution is prepared. Once the budget resolution passes Council, including any changes, a file is prepared so the budget can be uploaded to the County's accounting system electronically, avoiding any keystroke errors.

## Public Input

Upon introduction of the budget to County Council, public budget hearings are set with each department, allowing for Council members and the public to ask questions and weigh in on the budget process and priorities. Additionally, the Executive and Council create committees from time to time, offering members of the community, a chance to participate in policy and decision-making groups to help provide direction on various initiatives.

## Budget Monitoring

The Department of Finance and Budget will throughout the year monitor line items to ensure that no line item exceeds or is projected to exceed appropriations and that the appropriations do not exceed estimated available resources of each fund.

Payroll line items- DFB runs a bi-weekly payroll projection report to review each salary and benefits account's current pay and benefits and projected expenditures. This report is sent to the Director and other DFB staff. If line item appropriations are projecting to be exceeded, the department is contacted to make arrangements to fix the projected deficit by methods such as: Executive Order Appropriation Adjustment, Council Legislation or assigning different fund-org distributions to employees, etc. If the department does not take corrective action, the Fiscal Office is contacted and the Fiscal Office will send a "Fiscal Watch" letter stating that the Fiscal Office only has authority to issue payroll checks when there are sufficient funds available in appropriations. The Director will also refer to the current payroll projections before approving Personnel Action forms, since those require a certification of available funds.

# Budget Preparation Process

Non-payroll line items- DFB runs a budget availability report at various times throughout the year to identify line items that are over budget. BANNER does have a built in NSF (non-sufficient funds) check as departments enter requisitions and invoices to alleviate the number of occurrences.

Reports- The DFB utilizes a number of reports internally and externally to assist with budget monitoring. Internal reports such as the Cash Balance report, the Budget Status report (which contain drilldown functionality to Fund-Org-Account-Program-Activity-Location) are run by all DFB staff on an as needed basis. The following reports are sent to departments monthly by the Director: Cash Balance, Uncommitted Budget, Open Order, Current Positions, Historical Revenues and Expenditures and Monthly Revenues and Expenditures. The department also sends out weekly purchase order reports and individual payroll reports to the Sheriff.

Certificate of Estimated Resources- DFB also maintains an Access database called Certificate Test. Each month this database is updated to provide a list of funds appropriated over Estimated Resources on the current Certificate. The list is then reviewed and an amendment to the Certificate is prepared to send to the Budget Commission (signed by the Director) for the next meeting so the Commission can certify changes to estimated revenues for those funds.

## **Budgetary Updates to Council/Executive**

The Department of Finance and Budget provides monthly budget updates to County Council during the Regular and/or Committee meetings. The main focus is on the General Fund but significant issues in other major funds (such as DJFS, DOES, Engineer, etc.) as well as economic trends on the local, state and national levels are presented as needed.

The Department of Finance and Budget also meets monthly with the County Executive, DOES, DJFS, Fiscal Office and Building Standards to review financial statements for those agencies and the General Fund with a strong focus on revenue streams and current trends. A five year forecast model is also used for the General Fund and is updated on a monthly basis. The projections meet the requirements of Section 187.01 of the Codified Ordinances which requires the DFB prepare five-year projections.