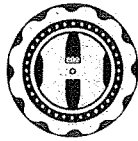


On motion of Mr. Hartmann, seconded by Mr. Monzel the following amended working policy was adopted. Please note: Mr. Portune voted against exploring privatization of the Facilities Department...see page 10 of the attached policy.



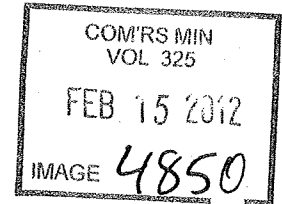
# Hamilton County

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# Revitalizing Hamilton County's Future

## A working policy agenda for 2011 and 2012

Approved: February 1, 2011

[Amended February 15, 2012]

By Greg Hartmann  
President  
Hamilton County Board of Commissioners

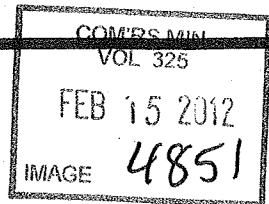
Chris Monzel  
Vice President  
Hamilton County Board of Commissioners

Todd Portune  
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## Introduction

Occasional sparks of economic recovery are on the horizon. Yet, while many economists describe their version of what will be the "new normal" post-recession economy, Hamilton County families and businesses are already living it by adjusting their household finances and business decisions to successfully meet their needs in the new economic era.

The national economic downturn has had an unmistakable impact on Hamilton County government. During the last three years, our County budget has been reduced over \$62 million (23%), our workforce has been reduced by 1,400 employees and a jail has closed. I am proud that our entire workforce from our independent elected officials, to County Administration, to supervisors, to entry level workers are making smarter, more efficient and responsive decisions to adapt our daily operations to the fiscal realities of the current economy.



While we will still face great challenges, I am optimistic and confident in Hamilton County's bright future. Our greatest challenges include maintaining the fiscal health of the County while pro-actively enhancing the environment for job creation and business investment in our local economy. If we address these budgetary and economic concerns head-on, develop a plan for progress and enthusiastically devote ourselves to implement these changes, we will prosper.

To begin the process of revitalizing Hamilton County, we must create a strategic framework that addresses both our budgetary challenges and need for adaptability while bolstering economic growth potential in our County and in the Greater Cincinnati region. In response to these needs, I advance the following policy priorities for Hamilton County:

- 1. Support and Strengthen The Environment For Job Creation**
- 2. Address Strategic Issues Affecting The Fiscal Health of the County**
- 3. Kick-Start New Cost Saving Measures**
- 4. Defend Our Public Safety Needs**
- 5. Reduce Property Taxation**

The recommendations within these policy priorities both continue several initiatives by the previous Commission yet also represent a first step in a new direction to enhance the County's fiscal health and enable economic growth in the years ahead. In a change from the past practice of annual policy goals, this two-year policy platform recognizes the significant effort which will be necessary to meet objectives within each of these priority areas. A two-year time frame also ensures that these goals can be fully considered in the context of the 2012 budget process. A number of these recommendations will require adequate time to responsibly consider, offer for public discussion and implement successfully.

These proposals are submitted to my fellow Hamilton County Commissioners for consideration in order to formally adopt guiding policy priorities of the Hamilton County Commission in the coming weeks. I look forward to feedback from the Board, independent elected officials and Hamilton County residents on this agenda.

FEB 15 2012

IMAGE 4852

## Support and Strengthen the Environment for Job Creation

As we pursue the path to economic recovery, Hamilton County must at every step strategically support an environment conducive to the attraction and retention of jobs in our community. There are many existing resources available to enable Hamilton County to be directly involved in the advancement and development of our local economy.

**Port of Greater Cincinnati Development Authority:** It is imperative for the Port Authority Board to develop a strategic master plan and corresponding recommended budget. We look forward to working with the Mayor and Cincinnati City Council in consultation with the Cincinnati USA Regional Chamber of Commerce, Cincinnati Business Committee, the Ohio Kentucky Indiana Regional Council of Governments and additional economic development experts to implement this much needed direction. It has been nearly two years since the reformation of the Port Authority Board occurred in 2009 and a base funding agreement was established between the City and the County. Since then, the Port has operated under only a basic directional framework to remediate brownfields, foster large scale economic development and create and inland port. It is crucial that the Port Authority generates a formal recommended plan representative of a long-term vision that is based upon the transformative economic development powers granted to port authorities by Ohio Revised Code. This long-term tactical course of action should explore every possible innovative funding mechanism available by studying other successful Port Authorities across the nation. A key funding tool for potential Port Authority activity includes development of a Bond Fund for which funding must be identified.

**FEBRUARY 2012 UPDATE:** The County continues to work with the Port Authority to assist with its reformation and use as a strategic economic development resource. The County Administrator served on the interview task force for the new Port Director. A revised performance contract is under development between the County and the Port which will hold the Port accountable for meeting various performance goals including the development of an operational plan for review by the County each year. This agreement has been developed in concert with the City to ensure that there is coordination between the direction both governments are providing to the Port. Finally, the County, in developing the Land Bank has established a funding mechanism which will provide the Port with the financial resources to make progress on this specific Board priority.

**County Economic Development Function Assessment:** Hamilton County currently spends \$1.3 million in direct support of economic development entities including the Port of Greater Cincinnati Development Authority, Hamilton County Development Company and the Cincinnati USA Regional Chamber of Commerce. An economic development function assessment is necessary to identify needs regarding coordination, overlap in function and optimization of the County's \$1.3 million annual economic development budget with expected results. It may be necessary to reallocate or consider concentrating this funding to provide the resources needed to advance County economic development efforts.

**FEBRUARY 2012 UPDATE:** With the hiring of the new Port Director, the County has taken the opportunity to ensure that the individual agencies charged with carrying out the County's economic development mission are aware of their specific charge and role. To further address this issue, the Administration will be overseeing HCDC's efforts to modify the County's Comprehensive Economic Development Strategy in 2012. This planning exercise will develop a 5-year plan highlighting the County's major economic development priorities and the institutions or partners charged with achieving those goals.

FEB 15 2012

IMAGE

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## Support and Strengthen the Environment for Job Creation (cont'd)

**Transportation Planning and Policy:** Hamilton County will continue to seek robust investment in existing transportation assets and future projects that enhance our transportation system to support economic development in the Greater Cincinnati region.

Hamilton County will work in partnership with Ohio Kentucky Indiana Council of Governments (OKI) and with regional partners and stakeholders to effectively secure the backing, support and investment of federal authorities and the Ohio Department of Transportation into these transportation improvement priorities and will further work in partnership with ODOT to successfully persuade Congress into adopting a Transportation Infrastructure bill in 2012 that will support and advance, and provide funding for, these priorities.

The Board, the Transportation Improvement District (TID), Hamilton County Development Company and others, shall work collaboratively with regional and state partners to promote Transit Oriented Development and Public Private Partnership opportunities to fund and advance these transportation planning, policy and construction priorities.

Hamilton County will utilize the policy direction of the TID and work collaboratively with the City of Cincinnati, other municipalities and townships, the Port Authority and the OKI to coordinate priority projects and funding requests. The TID will give emphasis to priority projects including the Brent Spence Bridge, I-75 and I-71 corridors and freight transportation infrastructure deficiencies including:

- Development of a Port Intermodal Facility along the Ohio River; and
- Enhancing Queensgate rail yard; and
- Eliminating congestion in the Mill Creek Corridor; and
- Providing better access to and egress from the Sharonville freight yard; and
- Work to champion and advance the I-75 "through the valley" corridor program of projects including reconsideration of interstate access benefiting Cincinnati State and the Cincinnati neighborhood of South Cumminsville.

**Intermodal Freight Transportation:** In coordination with the Port Authority, State and federal assistance will be sought to support and expand intermodal freight transportation capacity in the southwest Ohio region. Ohio's freight traffic by road, rail and waterway will double by 2020 and will double nationally by 2035. We must leverage our strategic location on the river with existing rail assets to position Cincinnati to attract and retain companies which rely on efficient access to the global marketplace.

**FEBRUARY 2012 UPDATE:** In 2012, the Administration will be working with the new Port Authority Director and OKI to develop a strategic approach on this issue on behalf of the Board. This effort will take into consideration ongoing work of the Board with the Transportation Improvement District, OKI, Chamber of Commerce, and other inland port stakeholders to develop an operational framework for an active inland port. The TID currently conducts monthly meetings with all necessary stakeholders to further this work.

FEB 15 2012

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## Support and Strengthen the Environment for Job Creation (cont'd)

**Land Bank:** As the region continues to rebound from the economic downturn, it must deal with multiple community-related impacts including blighted, unproductive properties spawned by the foreclosure crisis. Counties have been granted the ability, through State law, to form and fund Land Reutilization Corporations, or Land Banks, in order to obtain and return these properties to productive use in the community. Additionally, land banks may be used to strategically assemble property for commercial economic development purposes. The Board and County Treasurer, together with interested community stakeholders, will work cooperatively during 2011 to create a plan for implementing and funding a County Land Bank.

**FEBRUARY 2012 UPDATE:** In 2011 the County formally created the Hamilton County Land Reutilization Corporation (CLRC) with the filing of Articles of Incorporation with the State and the appointment of a CLRC Board of Directors with Commission President Hartmann named as the chair. A workgroup of internal and external stakeholders worked to educate County elected officials on how the CLRC will impact their agencies while also compiling the various policies and procedures needed to operationalize the Land Bank within the Hamilton County organization. Additionally, a funding mechanism was established for the CLRC which will be implemented in 2012. Finally, County Administration is preparing a contract between the CLRC Board of Directors and the Port Authority so that the Port may serve as the administrative arm of the CLRC. The Land Bank should begin the actual operations of repurposing blighted and non-productive properties later in 2012.

**Review Community Development Block Grant (CDBG) Funding Plan:** In 2011, Hamilton County is expected to receive over \$3 million in federal CDBG funding. Traditionally, this funding is spread thinly across many municipalities to fix sidewalks and curbs or supplement the budget of a community center. While these projects are valued in each community, we should consider whether there is a smarter, more impactful way to utilize these funds toward the same purpose. It will be necessary for us to engage the broader community and current funding recipients in a conversation about the best way to leverage and focus these dollars in times of scarce resources.

**FEBRUARY 2012 UPDATE:** In 2011, the Board approved of a revised consolidated plan which was forwarded to HUD for approval. Rather than retargeting these funds in 2012, the Administration's efforts focused on assisting the Board, from a policy perspective, with the issue of public housing in Hamilton County – in particular navigating and balancing the County's responsibility to promote and assure fair housing with the need for federal resources to promote community development efforts in the County. Ultimately, the issue was resolved with the signing of a new Cooperation Agreement with HUD and submittal of a new Consolidated Plan within the timeline permitted by Federal regulations.

**Further Reform of the Planning and Development Department:** During the last two years, this department has experienced significant changes to respond to a reduced budget and internal coordination needs. However, a core function of this department includes the building permit process which has failed to reach its full potential of enabling and encouraging the development process. The department must be prepared to handle increased permit demands in a timelier manner as our economy rebounds. In addition, the department should consider shared services opportunities in the Community Planning division to enable broader foresight in planning efforts as well as more efficient service delivery:

**Permit Waiting List:** A full review of the department budget should be conducted to reallocate the maximum funding available for staff to eliminate the backlog and extreme waiting period to obtain commercial and residential permits. Any budget or personnel function not dedicated to execute this core, mandated service should be considered for redirection to relieve this problem.

FEB 15 2012

IMAGE 4855

## Support and Strengthen the Environment for Job Creation (cont'd)

**Commercial Permitting Process Reform:** The current commercial permit process, under Ohio law, can lend itself to a time consuming and burdensome process for businesses seeking to build or expand in Hamilton County. This is not the message that we should send to those creating jobs in our community. By their nature, commercial projects are more complicated and require additional time for review. Unfortunately, the current permit process can add months to a waiting period to finalize permit approval. The department must consider new alternatives to address commercial permitting inefficiencies. If it is determined that commercial permitting inefficiencies can not be resolved internally, we should pursue state legislative action to enable more flexibility with the commercial permitting process.

**Industry Representative Advisory Board:** The County should establish an industry representative Advisory Board to offer customer-oriented suggestions on technical process improvements within the Planning and Development Department. Through this mechanism, leaders of the Department can share best practices with industry leaders to avoid process difficulties. The Advisory Board should convene several times per year and include members of the Homebuilders Association of Greater Cincinnati and the Ohio Valley Development Council.

**Shared Service Opportunities:** Hamilton County should explore shared services opportunities with the Mayor and Cincinnati City Council in the area of community planning, a function which currently exists at both the County and City levels. The Community Planning division of this County department currently comprises six employees. The consolidation of planning functions between the City and County holds tremendous advantages for our community.

**FEBRUARY 2012 UPDATE:** In 2011, the Administration hired a Development Services Facilitator to serve as the Board's point person on issues relating to customer service in the development process. The Facilitator is currently working on a slate of recommendations for the Board to consider as it relates to streamlining the process for development in Hamilton County. The Facilitator has already made a significant impact by productively managing numerous project-related development issues raised by individual customers. The Facilitator's recommendations will include ideas on reducing permit waiting time as well as enhancing the customer's general experience with the County's development process. During 2012 the Facilitator will also recruit volunteers for the Industry Advisory Panel.

**Workforce Development Funding:** Governor Kasich's proposed development entity, JobsOhio, will chart a positive new direction on job creation and retention in our state. It is likely that the direction and goals for Hamilton County's workforce development funding should be adjusted to deliver maximum benefits for employers and job seekers. An overall assessment of this funding, and how it is delivered in our County, will provide a snapshot of how to best allocate the funds in the future. Hamilton County Job & Family Services (HCJFS) is the administrative and fiscal entity for Workforce Development Funds for Adult and Dislocated Youth, which are awarded to our County through the State's Rapid Response program and other grants. The Southwest Ohio Regional Workforce Board (SWORWIB) uses these funds to deliver needed services for those seeking jobs in our region.

**FEBRUARY 2012 UPDATE:** The BOCC and county administration have provided guidance in the wake of funding cuts that left the agency searching for a more efficient way to serve the 13,000 unemployed who seek assistance from the SuperJobs Center each year. The agency is taking proposals from the current third-party vendor and other interested community organizations for a plan that will reduce administrative costs, allowing more dollars to be used to serve the public.

FEB 15 2012

IMAGE

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## Address Strategic Issues Affecting The Fiscal Health of the County

**Stadium Fund:** A solution to the crushing burden of the Stadium Fund is the dominant issue affecting the fiscal health and future of Hamilton County. Through 2032, \$1.04 Billion is owed in debt service to bond holders for the construction of the stadiums alone. Most of the debt has been refinanced to its maximum capacity – the second mortgage was taken long ago. Despite over \$60 million in sales tax revenue infused in the fund each year, at its peak, the fund will run over \$600 million into the red. The fund requires roughly \$30 million per year in new annual revenue to achieve a solution which solves the fund permanently. The new Board will continue to solicit and review unexplored revenue generating ideas, discuss solutions and monitor the finances of the Stadium Fund at 11 public Staff Meetings, once per month, for the remainder of 2011. It is a priority of the Board to ensure both sports teams participate through lease concessions in any solution to the Stadium Fund deficit.

**FEBRUARY 2012 UPDATE:** During 2011 there were periodic updates at the Board staff meetings. Throughout 2011 the Administration developed a framework with the Reds and Bengals to limit the funding exposure for stadium capital maintenance and improvements for a four year period (2012 – 2015). The framework was briefed to the Board on several occasions during 2011. In November, the Board approved increasing the property tax rollback (PTR) to the stated policy threshold of 30% of sales tax revenue collected. This resulted in a property tax reduction for eligible residential properties. To fund this tax reduction a Board majority agreed to sale Drake Hospital to UCHHealth for \$15 million. The Administration, the Prosecutor's Office and Commission Offices are working to complete the sale by March 2012.

In early 2012, the Administration secured commitments concerning 2012 capital expenditures from both teams. Pursuant to the Board's November, 2011 Sales Tax Fund resolution the Administration will be reviewing stadium operation expenditures with a goal of 25% reduction and pursue additional other event revenue with a goal of \$1 million.

Concurrent with these efforts the Administration is seeking an alternative to address the Sales Tax Bond surety issue. The Administration will brief the Board in March as to process and seek guidance to address the 2013 Sales Tax Fund deficit if the policy of full funding of the PTR is sustained.

**Monitor Status of 2011 and 2012 General Fund Budgets:** In 2011 it is clear that another significant reduction to the County budget is forthcoming from the looming \$8 billion State budget deficit to be addressed in the months ahead. A multitude of corrective State budget decisions could impact Hamilton County, including the \$18 million allocation Hamilton County receives from the State's Local Government Fund. In addition to State reductions, preliminary 2012 County revenue projections indicate an additional potential \$15 million revenue shortfall due to the ongoing retraction of the national economy, property devaluations, state reductions, and cost increases including health care, utilities and labor negotiation settlements.

**FEBRUARY 2012 UPDATE:** Hamilton County's budget office estimates that the county has ended 2011 adding \$2.2 million to its general fund reserve, bringing reserve levels to 12.6% of ongoing expenditures. Reserve growth is due to both department under-spending and revenues in excess of estimates. The 2012 budget is balanced; however, it depends on over \$7.0 million in non-recurring resources and spend-down of reserves. It should also be noted that while 2011 ended positively, three major general fund departments exceeded their budgets and year-end encumbrances increased by \$2.5 million (both of which indicate expenses near breaking points at the department level). Positive revenue results were driven primarily by sales tax, which benefited from both a base expansion and the economic recovery. 2012 revenue is unlikely to be buoyed by the same level of revenue performance.

## Address Strategic Issues Affecting The Fiscal Health of the County (cont'd)

**MSD:** The Board of Commissioners shall adopt Metropolitan Sewer District (MSD) budgets for Operating and Capital purposes consistent with required obligations as set forth in the Federal Consent Decree. Hamilton County will remain an active participant in all matters related to the consent decree - including relevant discussions with the State and Federal government. In addition, the County will remain an active participant in the CSO Communities Coalition effort and aggressively lobby for federal and State assistance to reduce local ratepayer expenses. Included in this will be active participation by the County in recommending new EPA Policy on integrated sanitary and stormwater management, green infrastructure initiatives, adaptive and watershed management principles and regulatory flexibility that will allow for alternative approaches to be considered and implemented that save time and money.

The Board recognizes that MSD rates paid by property owners, residential and commercial, will do more to drive people and business out of Hamilton County than anything else. In recognition of that, the Board will continue to aggressively work to keep rates low and to find other ways to assist residential property owners in managing the costs of sewer assessment projects. As such the Board will examine potential policy changes that will reduce ratepayer costs.

In addition, and notwithstanding the excellent work of MSD employees and leadership, the County, through its judiciary role, will monitor and oversee MSD to ensure that its spending is kept to the minimum needed to efficiently and effectively meet the operational needs of the utility and to comply with the consent decree. Finally, the County must begin in-depth discussions with the City on the future governance of the Sewer District given the pending expiration of the 50-year joint City and County operating agreement in 2018.

**FEBRUARY 2012 UPDATE:** As owner of the Metropolitan Sewer District and lead defendant in the federally mandated consent decree, the County continues to oversee the operations of MSD's finances and technical performance – in particular MSD's performance in meeting the goals and milestones of the consent decree. The County reduced the MSD operating budget up to 10% for calendar year 2012 and will be working with the District to help identify permanent budgetary reductions that may lead to downward pressures on rates. Work on the CSO Communities effort continued in 2011 as well with focused efforts on obtaining legal and regulatory flexibility from Congress pertaining to consent decree implementation. In December 2011 the County was invited to provide testimony to the House sub-committee on Water Resources and the Environment. Testimony included Hamilton County's involvement in the CSO Perfect Storm Communities' Coalition. In early 2012, the County concluded a recruitment process for a new County CFO for MSD Operations – a position which will ensure MSD continues to perform financially in a manner which minimizes risk to the Board and ratepayers. Finally, the Administration will be spending significant time in 2012 working with the Board to determine a strategic direction on the issue of the expiration of the County/City 1968 Agreement regarding MSD.

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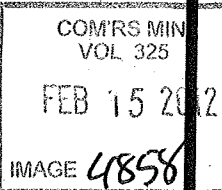
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## Address Strategic Issues Affecting The Fiscal Health of the County (cont'd)

**Continued Support of Job & Family Services Mission:** Although the County provides funding for only one state mandated function (HCJFS exclusively administers state and federal funding) the Board will remain committed to monitoring and supporting the department's important services for the needy. The ongoing efforts at HCJFS serve as a model for lean, efficient government. Faced with nearly a 50 percent reduction in funding, HCJFS has reduced staff by more than 800 positions (a 52% reduction) in two years, yet, through efforts to innovate and modernize, the agency continues to deliver critical, mandated services to this community.



**FEBRUARY 2012 UPDATE:** Hamilton County JFS continues to serve a great deal of Hamilton County residents with much-needed services. Latest figures show nearly 154,000 county residents (one in five) receive Medicaid and more than 135,000 (one in six) receive food assistance. The agency is also involved with more than 300,000 county residents on child support cases; child support income also greatly affects a family's fiscal health.

The BOCC and county administration continue to provide support to the agency, especially in the area of operational issues and technology needs. The board specifically provided guidance on processing delays in the public assistance arena and technology needs in child welfare.

**HCJFS Audit:** Hamilton County will work with the State Auditor, Ohio Department of Jobs and Family Services as well as federal agencies to complete the HCFS special audit. This special audit has remained unresolved for over five years. As a result, the County does not have audited financial statements for the year 2004 through 2006. The state and federal agencies involved in the audit must bring closure to this issue.

**FEBRUARY 2012 UPDATE:** Discussions regarding an audit resolution are ongoing. Hamilton County JFS is working with the County Prosecutor's office to come to a resolution that works for all parties.

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## Kick-Start New Cost Saving Measures (cont'd)

**County Property Sale:** During the last three years the county workforce has been reduced by 1,400 employees. Large county buildings are vacant or only partially utilized and also require costly utility service and maintenance. Hamilton County should divest itself from these non-revenue generating assets. County Administration will develop a comprehensive report on all county owned facilities and spatial options available for consideration, including the sale of these county properties.

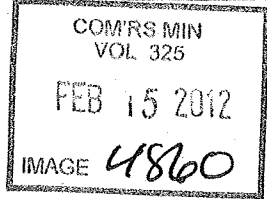
**FEBRUARY 2012 UPDATE:** During 2011, responding to direction from the Board to eliminate non-revenue generating assets – specifically those with significant carrying costs; County Administration sold two major County assets. These included the former Sara Lee/Kahn's site for an amount equivalent to \$1.07 million in revenue and reduced expenditures and the County building located at 237 William Howard Taft for \$6.15 million. Sale of both assets resulted in reduced operational expense to the County general fund while also serving as catalysts for economic development activity. Sale of the Sara Lee site will allow for the expansion of a manufacturing entity in Camp Washington and will establish a platform for the creation of an additional 200 light industrial/assembly jobs. The 237 William Howard Taft sale permits Christ Hospital to relocate various back-office functions which, in turn, will allow for the expansion of its Mt. Auburn location including the creation of additional jobs.

\*\*\* **A separate vote was taken on the following policy initiative...**

**Explore Privatization of Facilities Department Functions:** Over the last decade, the County Facilities Department has contracted out a number of service functions in order to achieve a leaner, more efficient operation. The Facilities Department operates a \$20 million budget and over 25% of this budget is based in personnel costs of 97 employees. It is again time to benchmark the Department's costs against other service alternatives and to pursue whichever course represents the best alternative for the taxpayer.

\*\*\* **Mr. Hartmann YES Mr. Monzel YES Mr. Portune NO**

**FEBRUARY 2012 UPDATE:** The Administration will be proceeding on this project following the conclusion of the Facility Master Planning effort to occur in 2012.



## Kick-Start New Cost Saving Measures (cont'd)

**Shared Services:** Hamilton County should seek every opportunity to pursue shared service functions with the City of Cincinnati and other municipalities and townships in Hamilton County. Successful examples of shared services already include the Master Bid Program in the Purchasing Department that involves 23 local jurisdictions, fire hydrant repair in Public Works, and road striping for various municipalities by the County Engineer. Additional shared services opportunities include the consolidation of County's Community Planning division with the City of Cincinnati, consolidation of the City of Cincinnati and Hamilton County Vital Statistics Divisions and a review of public safety asset-sharing and service duplication countywide.

In September 2011, the state legislature approved H.B. 153, which authorized county commissioners to establish centralized services for the following administrative and operational functions:

- |                     |                    |
|---------------------|--------------------|
| Purchasing          | Human Resources    |
| Printing            | Revenue collection |
| Transportation      | Mail operation     |
| Vehicle Maintenance |                    |

HB 153 specified that if county commissioners establish centralized services for any of the functions previously listed, it may apply to any or all of the following county offices:

- |                              |   |
|------------------------------|---|
| County Commissioners         | Clerk of the Juvenile Court   |
| County Auditor               | Clerks of Court for all divisions of the courts of common pleas, including the clerk of the court of common pleas, clerk of the county-operated municipal court and the clerk of a county court |
| County Treasurer             |   |
| County Engineer              |   |
| County Recorder              |   |
| Prosecuting Attorney         |   |
| Sheriff                      | Any agency/department/division under the authority of, or receiving funding in whole or in part from any of those county offices  |
| Coroner                      |   |
| County Park District         |   |
| Veterans Services Commission |   |

The Hamilton County Board of Commissioners will work collaboratively with all applicable departments to identify and pursue opportunities to centralize services according to authority provided by H.B. 153 in the year ahead.

**FEBRUARY 2012 UPDATE:** During 2011, the county human resources department assumed responsibility for services to the Juvenile Court and the telecommunications division explored a shared services solution for county email with the Hamilton-Clermont Cooperative Association. The latter effort will be implemented in the first four months on 2012. In addition, County Administration continues to pursue opportunities for consolidation of call center management and building services, and will actively support the work of the City-County Shared Services Commission. The County recently convened a summit on behalf of all 49 cities, villages and townships and all 18 school districts in Hamilton County on February 4, 2012, that explored shared services opportunities available immediately to be entered into that will provide for better, or expanded and or more efficient and economical service. The First Suburbs Consortium and the Center for Local Government will work to follow up on the links, gains and networking made available at the summit to ensure that progress is made in these areas.

FEB 15 2012

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## Kick-Start New Cost Saving Measures (cont'd)

**State Mandated Service Review:** Given County budget projections for the years ahead, it is more important now than ever to continue to trim unnecessary expenses where we can. A majority of the costs borne by the County's general fund and restricted funds are mandated by Ohio Revised Code in order to support specific departments, services and programs. County Administration, in coordination with Commissioner offices, will conduct a line-by-line budget review of our general and restricted fund budgets to identify all mandated and non-mandated functions. This review of services will allow the County to:

- Pursue state legislative action to relieve or adjust costly state mandates
- Identify areas of service elimination for non-mandated functions

**FEBRUARY 2012 UPDATE:** The county budget office performed a review of unfunded mandates in 2011 that suggests a number of legislative actions that could offer relief to county government operating expenses. The report was included in the 2012 Administrator's recommended budget.

**Electronic Payables Program:** In an effort to streamline and automate County processes, County Commissioners in consultation with the County Auditor have begun exploring the cost efficiencies associated with the use of an electronic payment card. Using a payment card for a majority of County purchases can help reduce postage and administrative costs, improve the efficiency of payments to vendors and maximize cash flow. By utilizing technology to reduce the need for checks, envelopes and other costly paper supplies, this program will help our County 'go paperless', an important goal to continue to pursue.

**FEBRUARY 2012 UPDATE:** In early 2011 the Administration and County Auditor reviewed the potential implement of an electronic payables program. This program, which is common in the private sector, would allow for acceptance of payment by County electronic payment card. This approach is similar to a credit card in that it provides a "float" on account payment, but it also greatly reduces the need for hard checks to high transaction vendors (i.e., office supply companies). Based on the Auditor's opinion there is insufficient legal authority and not enough track record for this program in Ohio, this policy proposal is suspended at this time.

**Special Counsel Oversight and Budget:** Specialized, technical legal advice and guidance from outside counsel is necessary and valuable to the County. However, a thorough review of all Special Counsel assignments should be conducted in coordination with the County Prosecutor to firmly establish budgets, scope of work and more coordinated management of outside counsel. Board policy should be created on the use and management of special counsel. Overall reliance on special counsel has cost the County millions of dollars in the last decade. More important, the County has placed a great deal of historical knowledge and relevant experience gained in the hands of special counsel and not the County organization. This dynamic must be reversed to save taxpayer dollars and build internal capacity.

**FEBRUARY 2012 UPDATE:** The year 2011 saw a greater focus on management of legal expenses as well as enhanced cooperation between County Administration and the Prosecutor's office. Reduced expenditures in 2011 are the direct result of this focus and cooperation. Outside counsel expenditures decreased from \$2.0 million in 2010 to \$595,000 in 2011.

FEB 15 2012

IMAGE 4802

## Kick-Start New Cost Saving Measures (cont'd)

**Reduce The Cost of Energy Procurement:** The County spends over \$7 million annually on energy costs based in electric and natural gas procurement. A review of all County energy contracts should be conducted to ensure we are receiving the most cost effective rates.

**FEBRUARY 2012 UPDATE:** The Natural Gas Contract with CCAO for Natural Gas runs from April 1, 2009 thru December 31, 2014 with 3 one-year renewals. The County will need to make a decision in 2013 whether to continue with CCAO after 2014 or to bid separately. As the County scales down its operations (selling of assets, etc.) and reduces its total energy footprint the larger scale of the CCAO aggregation program becomes more attractive.

The electric power contract with Duke Retail for electric power runs through December 31, 2012. County Facilities will be examining whether to re-bid or extend the existing contract with Duke Retail.

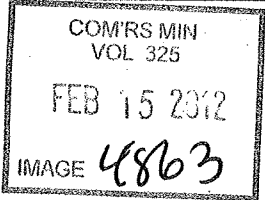
## Defend Our Public Safety Needs

**Jail Space:** The most pressing public safety need our County faces is a lack of adequate jail space to house convicted offenders. Following the rejection of two sales tax increases to fund large new jails in recent years, the loss of 800 jail beds at Queensgate has left the County in a third year with just 1,240 jail beds in the Justice Center and thousands of early releases each year. This lack of jail space undermines our justice system while frustrating law enforcement, the court system and our community.

Since 2008, the County has aggressively pursued full utilization of two contract treatment facilities and diversion programs to reduce the need for jail space. Efforts to address criminal re-entry into the community, specifically the County's forthcoming Re-Entry Strategic Plan, will also play a key role in reducing recidivism. Meanwhile, a concerted effort to ensure triaging of dangerous offenders to the Justice Center is the top priority of our Courts and County Sheriff.

In 2011, Administration will be instructed to re-evaluate all existing assets and county finances to identify any and all possible options to create some level of additional jail space capacity. By example, the County should explore the ability to identify a small or specialized facility which could house female offenders, or a lower security facility to house low level, less dangerous offenders. *We must unwaveringly pursue every possible alternative we have to protect the safety of our community.*

**FEBRUARY 2012 UPDATE:** In the fall of 2011, the Sheriff's Office engaged a professional services firm to update cost estimates for a 400-500 bed specialized facility to serve an intake, diagnostic, treatment and pre-lease center. This facility is one quarter the size of the facility proposed in the 2006 and 2007 jail initiatives. The updated cost estimates will be combined with a review of early release and process-only arrest data from the past three years in light of the closure of the Queensgate correctional facility. Concurrent with these efforts is the organizational development of the County reentry program. During 2011, the County hired a director for the Office of Entry. The director has coordinated several events to improve communications with service providers and the criminal justice system. Efforts also continue to develop resource guides for both the court system (i.e., pre-trial service, the judiciary and probation functions) and the provider community. It is envisioned that these efforts will be packaged into a single briefing to the Board later in 2012.



## Defend Our Public Safety Needs (cont'd)

**Review of County Law Enforcement:** In our review of the County's public safety funding, County Administration will also carefully evaluate the potential benefits of asset-sharing or otherwise combining duplicated functions between the County and other jurisdictions in order to reduce strain on the general fund.

**FEBRUARY 2012 UPDATE:** The 2012 budget included the transition of costs for Sheriff patrol services in the county's townships back to the townships. While this transition is anticipated to recoup \$4-5 million annually when complete, the 2012 budget assumed \$2 million in transitional support from general fund reserves. Townships are expected to largely fund their own patrol costs by 2013.

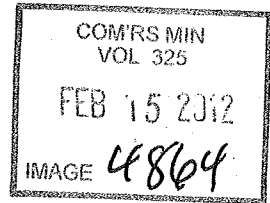
## Reduce Property Taxation

**Explore Consolidation of Indigent Care and Childrens Services Levy:** In 2011 the Hamilton County Children's Services Levy and Indigent Care Levy will both be on the ballot for renewal. Consolidation of these levies would align shared interests in constituencies served with levy funds and provide the opportunity to identify overall cost saving reductions. The levy consolidation would generate a conversation about the level of funding and scope of services Hamilton County property tax payers wish to provide to indigent care in light of federal health care reform efforts. The Children's Services Levy, which finances the cost of all children's services-related expenditures of Hamilton County, would also be considered for cost saving measures, but likely remain fully funded.

**FEBRUARY 2012 UPDATE:** The TLRC worked during 2011 to conduct a full review of both levies. The end result was a property tax reduction for the indigent care levy and a reduced levy period from five to three years to better assess changes due to health care reform. The TLRC kept the Children's Services levy millage flat.

**Consider Additional Property Tax Levy Review Criteria:** During the next two years, four of eight Hamilton County property tax levies will be reviewed by the Hamilton County Tax Levy Review Committee (TLRC) to be placed on the ballot for renewal. This fall, following the rigorous process of advancing the Indigent Care and Children's Services Levy to the ballot, the TLRC will be asked to commence a review of all criteria used to evaluate cost savings and efficiency in an effort to further reduce future Hamilton County property tax levies.

**FEBRUARY 2012 UPDATE:** While a formal review did not occur in 2011, the TLRC continues to focus on finding efficiencies in all levy funded programming.



## Reduce Property Taxation(cont'd)

**Strengthen Oversight of Independent County Boards and Commissions:** Commissioners appoint a number of individuals to represent the County on several independent Boards and Commissions. These organizations include levy-funded agencies as well as state-mandated boards required in all 88 counties which receive funding through public sources, such as property tax levies or portions of other local, state and federal taxes and fees.

In late 2010, two local taxpayer-supported boards unilaterally approved compensation increases to their staff totaling almost \$1 million in the wake of three years of County general fund budget reductions totaling \$63 million (23%). While the boards of these agencies may act independently of Hamilton County, taxpayer funds should be adequately monitored to ensure employee compensation is in line with local, state and federal budget realities.

Since the Commissioners appoint many of the representatives on these Boards, and are held directly accountable to taxpayers, we will ask our appointments to these boards to more closely monitor their decisions to ensure they are in line with our policy priorities and County personnel decisions. Board representatives will be provided each year with County personnel manuals and other relevant materials, and will be asked to report to the Board semi-annually. In addition, state legislative action will be explored to allow more local control specifically focused on personnel compensation decisions.

**FEBRUARY 2012 UPDATE:** A letter has been composed to be sent to all Board appointments outlining key personnel policies and the Board's employee compensation policy.