

Memorandum

To: Franklin County Commissioners and Interested Parties
CC: CCFC Board
From: Allan Feifer
Date: 7/18/2016
Re: 2016/2017 Budget Analysis

Summary

We received hundreds of pages of Budget Documents Friday Night. These documents encompass many different topics with a varying level of detail. There is insufficient time to properly analyze this volume of work before the Budget Process begins tomorrow. The CCFC has pointed this out for years to no avail. In addition, the budget process is flawed by not providing information such as year-to-date spending on an account by account level to determine projected budget underruns and overruns. Unfortunately this too continues to be an issue after years of requesting more detailed information to support budget conclusions. I will leave it to you to determine why simple steps to improve accountability and transparency are not implemented.

The proposed budget leaves the millage rate at the current level. With the Certified Tax Digest number increasing by some 3.5% this then translates into an approximate 3.5% tax increase. Another way of looking at it is that \$10,676,843 was projected to be collected in the current budget year and \$11,114,864 is projected to be collected in the 2016/2017 budget year. That's an increase of \$438,021 year to year.

The two drivers of this increase appear to be the Sheriff's budget, requesting approximately \$152,000 more after you factor in transferred inmate medical accounts and the EMS requesting a \$258,660 increase. The total of these two numbers is \$410,660, making up the lion's share of the proposed increase. However, salary increases were not addressed in the current budget either.

Detail

The Sheriff's Office has disclosed that their budget is up for several reasons. These include greater cost of ammo and a desire to increase the purchase of new cars from three to five. However, a careful review of the previous year's budgets and conversations with the Sheriff's Department highlights some other drivers making up the majority of the increase:

1. The Sheriff has built in large increases in personnel cost that, together with the purchase of additional vehicles over and above the normal amount purchased, constitute all of the increase.
2. Sargent's pay is to rise 5% and Lieutenants pay 10% in this new budget among other raises.

3. The top 10 employees of the Sheriff's office will average \$50,621 under this proposal. Furthermore, the Sheriff's Office is top heavy with many "Supervisors" responsible for few if any employees.
4. Several other accounts including Professional Services, Bond & Other Insurance, Building & Equipment, Fleet Maintenance, Office Supplies and Motor Fuels (actually down this year) would seem to be unsupported at this time.

Last year, at the budget workshop, you may remember there were a couple of highly compensated employees that were retiring which contributed to last year's budget increase. This year, it is about compensation increases.

The CCFC believes that a lack of rigor in controlling costs and a dependence on overwhelming Commissioners with hard to estimate or substantiated numbers, contributes to the general confusion. Franklin County's Sheriff's Office is among the five highest spending (per capita) Sheriff's Office in the State. While we need, respect and support the Sheriff, we cannot support an increase in the Sheriff's budget again this year.

The County EMS Subsidy has been \$505,592 for a few years. That number had been substantially lower but was raised when the county went to three full-time ambulances several years ago. A proposed increase of \$258,660 to the ambulance subsidy has been proposed. Frankly we are stymied in our ability to understand the numbers and which entity is paying for which costs. Financial numbers supplied by Weems demonstrate that spending went up from \$7.725 million to \$8.684 million between 2014 and 2015; an increase of \$959,000 or an 11% increase. This rate of spending has been maintained in the current fiscal year. The inconsistent mixing of sources and revenues does not allow fair comparisons. However, the cost of providing EMS to the County appears to be remarkably steady. Yearend EMS numbers from last year showed \$1.038 million in expense (\$978,390 in 2014) vs a projected cost of \$1.080 million for EMS services in this current year.

What appear to have changed are collections for ambulance transports. Currently, the write-off rate is 47.6% vs. 33% in the 2014/2015 comparable year. Weems wrote off \$233,205 in Fiscal Year 2014/2015. That number has grown significantly in the current fiscal year. In the first 7 months of the current fiscal year...\$390,921 was written off.

Finally, deep among the roots of the problem is Medicare reimbursement. It has been suggested that non-emergency medical transport is a growing problem. Perhaps the County needs to look at alternative transportation methods instead of high cost emergency ambulance transport that is not readily reimbursable.

As noted elsewhere, there is insufficient time to analyze in a manner and method that a \$40 something million budget deserves. However, a cursory first read of the budget screams for better accountability. The CCFC believes that Commissioners should strive for the rollback rate this year and curtail excess spending that drives these requests.

Finally, the issue of salary increases must be handled in a more even handed manner than is currently done. We know of deserving county employees that are underpaid. We also believe there are others, both in county departments and in particular, some who work for Constitutional Officers that are significantly overpaid for the work they do. It is the role of the County Commission to determine that employees and the People are properly represented. The current system works at cross purposes to that end and must be overhauled. Nothing should be construed as a "hit" on any of the excellent and competent individuals that work in the Finance Department. We fault leadership for not fixing problems.