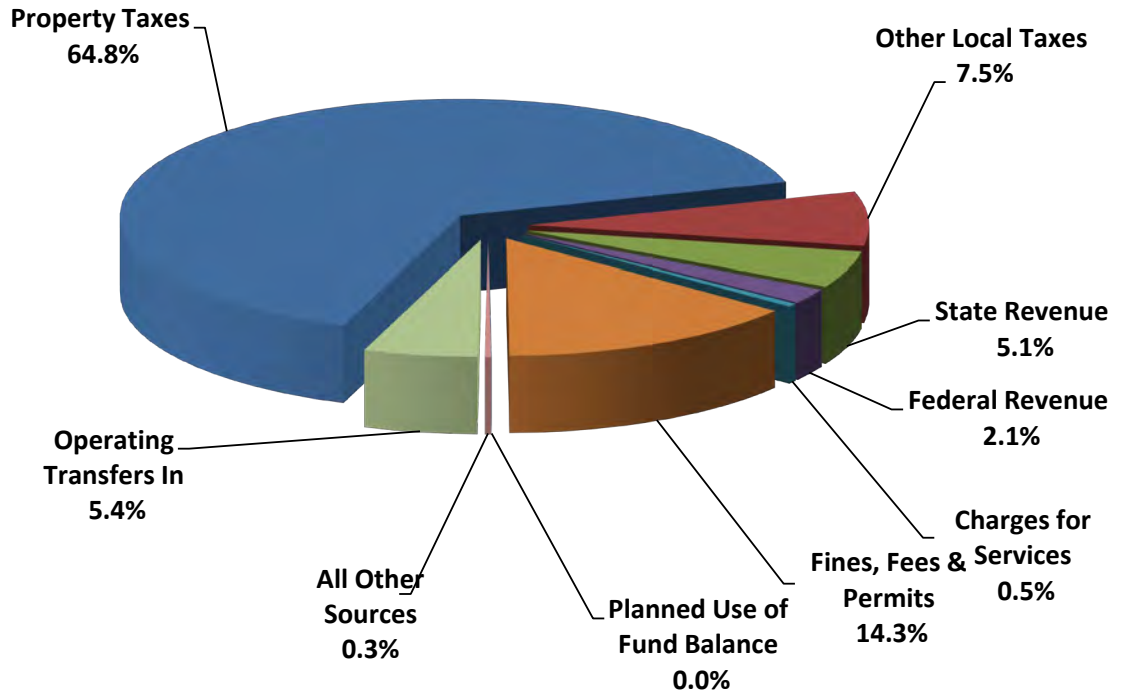


GENERAL FUND SUMMARY



FY22 ADOPTED BUDGET

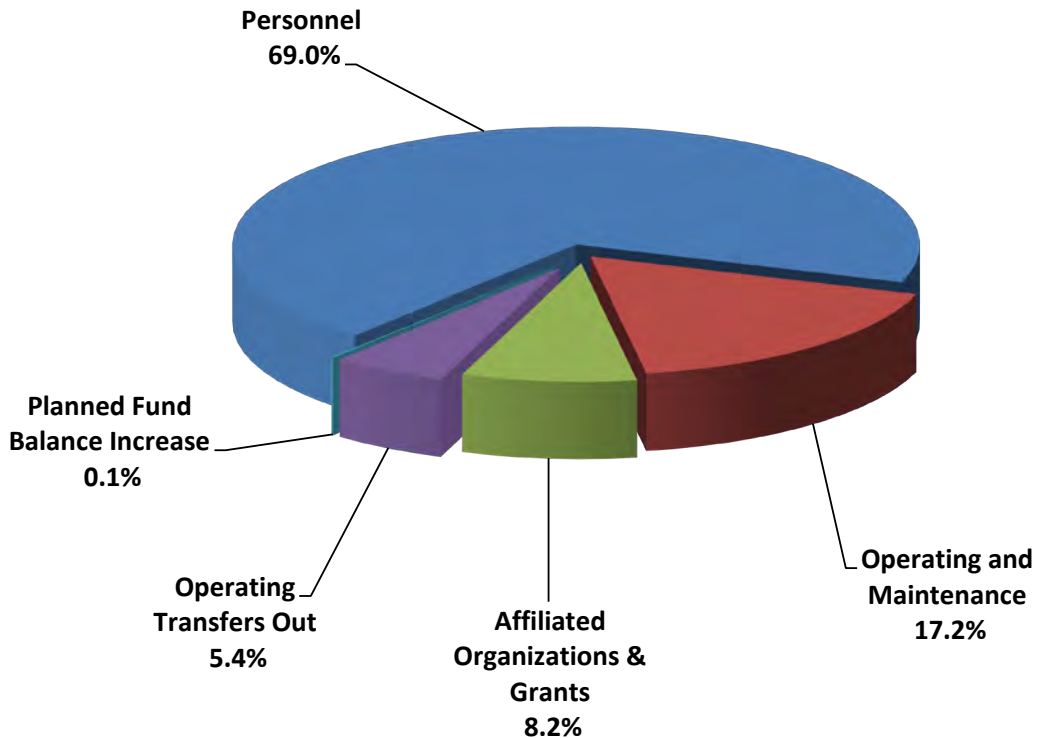
Where the Money Comes From....



SOURCES OF FUNDS:

	<u>FY22 Adopted</u>	<u>FY21 Amended</u>
<u>Revenue:</u>		
Property Taxes	\$ 290,865,176	\$ 286,079,684
Fines, Fees & Permits	64,233,300	66,143,973
Other Local Taxes	33,877,386	34,133,399
Intergovernmental-State	22,884,064	28,168,314
Intergovernmental-Federal	9,261,317	6,376,422
Charges for Services	2,333,514	2,933,956
Other Revenue/Interest Income	1,058,650	1,836,932
Subtotal	<u>424,513,407</u>	<u>425,672,679</u>
<u>Other Sources:</u>		
Planned Use of Fund Balance	28,226	16,799,082
Operating Transfers In	24,273,507	1,175,978
Other Financial Sources	100,000	100,000
Subtotal	<u>24,401,733</u>	<u>18,075,060</u>
Total Appropriation Sources	<u>\$ 448,915,140</u>	<u>\$ 443,747,740</u>

.....and Where the Money Goes



USE OF FUNDS:

	<u>FY22 Adopted</u>	<u>FY21 Amended</u>
Personnel	\$ 309,946,412	\$ 300,046,223
Operating and Maintenance *	77,345,257	74,308,871
Affiliated Organizations & Grants	36,731,454	38,784,522
Operating Transfers Out	24,425,423	30,608,123
Planned Fund Balance Increase	466,595	-
Total Appropriation Uses	<u>\$ 448,915,140</u>	<u>\$ 443,747,740</u>

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

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

Prime Accounts Countywide Summary

General Fund

Account - Description	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Amended	FY22 Adopted
40 - Property Taxes	276,604,440	292,284,127	286,234,066	286,079,684	290,865,176
41 - Other Local Taxes	31,430,273	33,963,385	38,348,070	34,133,399	33,877,386
43 - Intergov Revenues-State of Tennessee	22,424,187	25,848,868	25,589,365	28,168,314	22,884,064
44 - Intergov Revenues-Federal & Local	9,963,935	6,608,185	7,746,483	6,376,422	9,261,317
45 - Charges for Services	2,335,215	2,517,001	2,095,103	2,933,956	2,333,514
46 - Fines, Fees & Permits	61,188,448	65,722,059	60,957,921	66,143,973	64,233,300
47 - Other Revenue	684,517	503,063	1,318,894	706,250	633,500
48 - Investment Income	2,190,484	3,450,415	2,723,815	1,130,682	425,150
TOTAL REVENUE	406,821,499	430,897,104	425,013,716	425,672,679	424,513,407
94 - Other Financial Sources & Uses	112,148	1,000	384,835	100,000	100,000
96 - Operating Transfers In	857,931	1,099,735	605,632	1,175,978	24,273,507
9990 - Carryforward For Encumbrances	-	-	-	692,807	-
9999 - Planned Fund Balance Decrease	-	-	-	16,106,275	28,226
TOTAL OTHER SOURCES	970,079	1,100,735	990,467	18,075,060	24,401,733
TOTAL SOURCES	407,791,578	431,997,839	426,004,183	443,747,740	448,915,140
51 - Salaries-Regular Pay	189,650,832	197,350,869	198,516,294	226,034,008	229,927,251
52 - Salaries-Other Compensation	20,558,497	24,064,020	22,249,348	16,013,408	17,798,177
55 - Fringe Benefits	79,200,247	80,939,905	75,471,047	85,085,022	88,335,620
56 - Salary Restriction	-	-	-	(27,086,215)	(26,114,635)
TOTAL SALARIES	289,409,576	302,354,794	296,236,689	300,046,223	309,946,412
60 - Supplies & Materials	9,350,990	9,219,420	7,711,134	9,399,549	9,365,177
64 - Services & Other Expenses	9,799,584	10,840,837	10,077,427	11,158,398	11,038,831
66 - Professional & Contracted Services	32,232,667	35,793,450	33,673,410	37,105,548	42,375,189
67 - Rent, Utilities & Maintenance	15,150,457	15,609,396	14,542,002	17,899,008	17,405,419
68 - Interfund Services	(891,142)	1,081	(279,993)	(495,936)	(1,852,011)
70 - Capital Asset Acquisitions	3,258,479	5,101,526	3,509,187	4,338,458	3,391,308
95 - Contingencies & Restrictions	-	-	-	(5,096,153)	(4,378,655)
TOTAL OPERATING	68,901,037	76,565,710	69,233,168	74,308,872	77,345,257
89 - Affiliated Organizations	30,441,104	31,701,606	31,895,033	32,269,777	32,281,454
90 - Grants	6,155,280	9,226,373	5,270,480	6,514,745	4,450,000
98 - Operating Transfers Out	16,527,693	22,241,145	33,705,981	30,608,123	24,425,423
9998 - Planned Fund Balance Increase	-	-	-	-	466,595
TOTAL OTHER USES	53,124,078	63,169,124	70,871,494	69,392,645	61,623,472
TOTAL USES	411,434,690	442,089,628	436,341,351	443,747,740	448,915,140
ACTUAL FUND BALANCE CHANGE	(3,643,112)	(10,091,788)	(10,337,168)	-	-

GENERAL FUND SUMMARY**Net Expenditures by Division**

DIVISION/DEPARTMENT	FY18 ACTUAL	FY19 ACTUAL	FY20 ACTUAL	FY21 AMENDED	FY22 ADOPTED
MAYOR'S ADMINISTRATION:					
Administration & Finance	(264,345,656)	(272,747,328)	(264,807,444)	(287,913,160)	(300,634,764)
Information Technology	9,367,294	9,203,427	8,867,201	8,277,935	9,341,717
Planning & Development	401,359	370,210	383,394	391,671	388,403
Public Works	20,648,773	22,190,763	21,121,550	22,061,594	22,943,033
Health Services	26,163,910	29,128,507	27,425,089	26,361,819	33,789,275
Community Services	8,410,826	8,999,797	9,281,749	9,599,478	10,194,892
SUBTOTAL	(199,353,495)	(202,854,625)	(197,728,461)	(221,220,664)	(223,977,444)
SHERIFF:					
Sheriff Administration	21,812,899	25,294,760	22,659,081	22,713,851	23,377,479
Law Enforcement	69,200,019	71,106,226	72,514,589	78,543,601	79,583,585
Jail	79,495,337	82,440,031	77,834,089	79,003,217	79,131,658
SUBTOTAL	170,508,255	178,841,017	173,007,759	180,260,670	182,092,721
JUDICIAL:					
Chancery Court	(2,081,543)	(2,593,137)	(2,279,440)	(2,685,249)	(2,063,330)
Circuit Court	330,010	1,330,292	1,394,335	1,440,437	1,732,927
Criminal Court	4,097,969	906,404	2,295,462	1,907,679	1,938,712
General Sessions Court	7,551,136	6,757,032	8,835,719	7,935,852	9,137,787
Probate Court	660,614	612,249	664,885	732,886	790,474
Juvenile Court	13,457,596	13,880,336	14,077,245	13,975,370	14,814,791
Attorney General	11,061,803	11,747,946	11,594,034	11,541,074	11,716,166
Public Defender	9,137,314	7,389,200	7,989,275	8,701,527	9,285,860
Divorce Ref. / Jury Comm.	1,138,035	1,138,151	1,091,012	1,300,903	1,267,627
SUBTOTAL	45,352,933	41,168,474	45,662,527	44,850,478	48,621,015
OTHER ELECTED OFFICIALS:					
Legislative Operations	2,516,259	3,236,357	3,120,131	3,533,454	4,505,126
Equal Opportunity	942,955	1,166,744	1,140,551	1,618,442	1,222,326
Assessor	7,141,400	10,520,726	10,692,375	11,495,639	8,318,298
County Clerk	(6,404,464)	(6,665,346)	(5,624,106)	(6,378,198)	(5,969,820)
Register	(1,974,348)	(1,680,493)	(2,720,450)	(1,751,942)	(2,059,678)
Trustee	(17,748,407)	(17,948,971)	(17,558,580)	(17,190,565)	(16,829,941)
Election Commission	2,662,024	4,307,905	1,958,521	4,786,236	4,077,398
SUBTOTAL	(12,864,581)	(7,063,078)	(8,991,557)	(3,886,934)	(6,736,291)
TOTAL GENERAL FUND	3,643,112	10,091,788	11,950,268	3,550	-

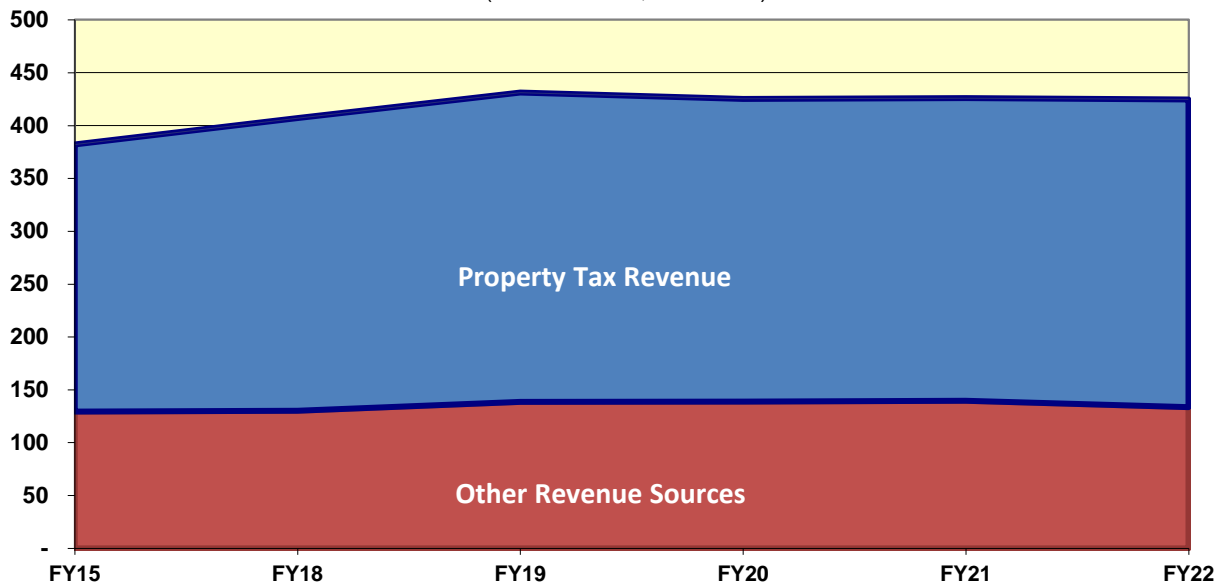
**Includes all Sources and Uses of Funds*

GENERAL FUND SUMMARY

Revenue Overview

REVENUE SOURCE	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Amended	FY22 Adopted
Property Taxes	276,604,440	292,284,127	286,234,066	286,079,684	290,865,176
% of Total	68.0%	67.8%	67.4%	67.2%	68.5%
Fines, Fees & Permits	61,188,448	65,722,059	60,957,921	66,143,973	64,233,300
% of Total	15.0%	15.3%	14.3%	15.5%	15.1%
Other Local Taxes	31,430,273	33,963,385	38,348,070	34,133,399	33,877,386
% of Total	7.7%	7.9%	9.0%	8.0%	8.0%
Intergovernmental-State	22,424,187	25,848,868	25,589,365	28,168,314	22,884,064
% of Total	5.5%	6.0%	6.0%	6.6%	5.4%
Intergovernmental-Fed&Local	9,963,935	6,608,185	7,743,525	6,376,422	9,261,317
% of Total	2.4%	1.5%	1.8%	1.5%	2.2%
Charges for Services	2,335,215	2,517,001	2,056,653	2,933,956	2,333,514
% of Total	0.6%	0.6%	0.5%	0.7%	0.5%
Other Revenue	684,517	503,063	1,318,894	706,250	633,500
% of Total	0.2%	0.1%	0.3%	0.2%	0.1%
Interest Income	2,190,484	3,450,415	2,723,815	1,130,682	425,150
% of Total	0.5%	0.8%	0.6%	0.3%	0.1%
Total General Fund Revenue	406,821,499	430,897,104	424,972,309	425,672,679	424,513,407
% Change from Prior Year	5.0%	5.9%	-1.4%	0.2%	-0.3%
\$ Change from Prior Year (Decrease)		24,075,605	(5,924,795)	700,371	(1,159,272)

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



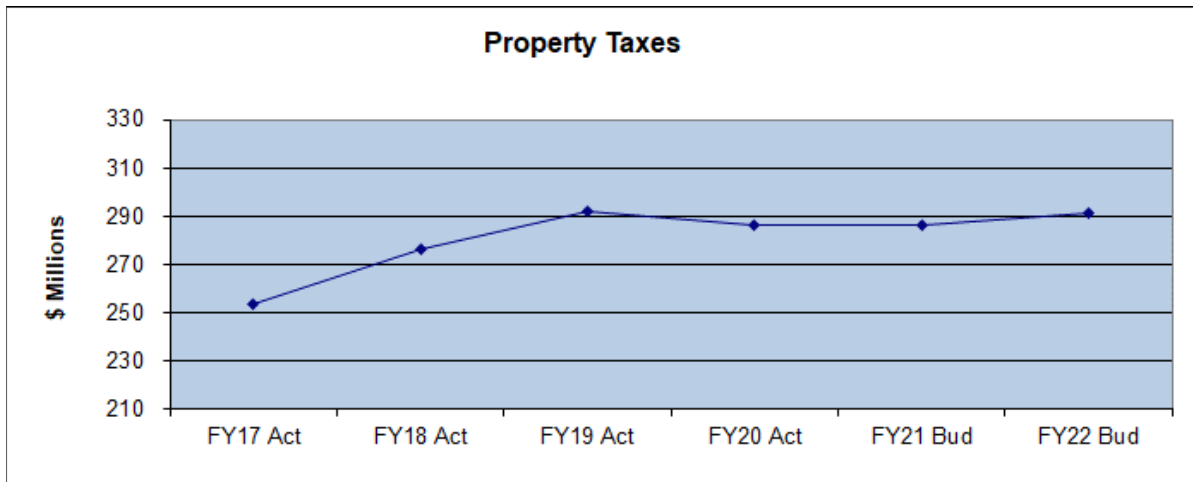
Property tax revenue has remained relatively stable as a percentage of total revenues that support General Fund operations.

GENERAL FUND SUMMARY

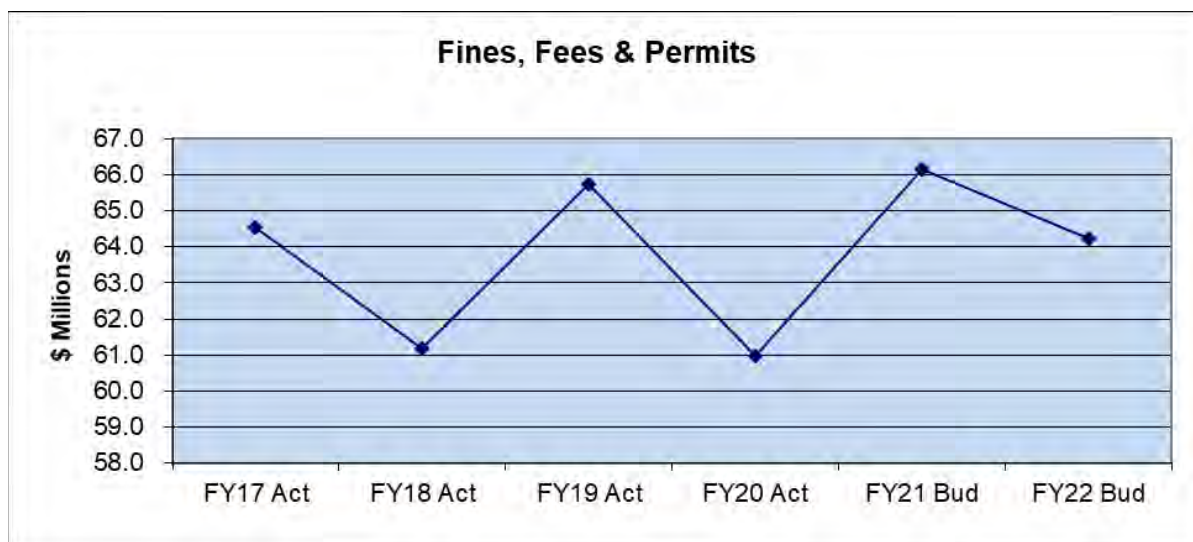
Revenue Overview

GENERAL FUND REVENUE TRENDS AND ASSUMPTIONS

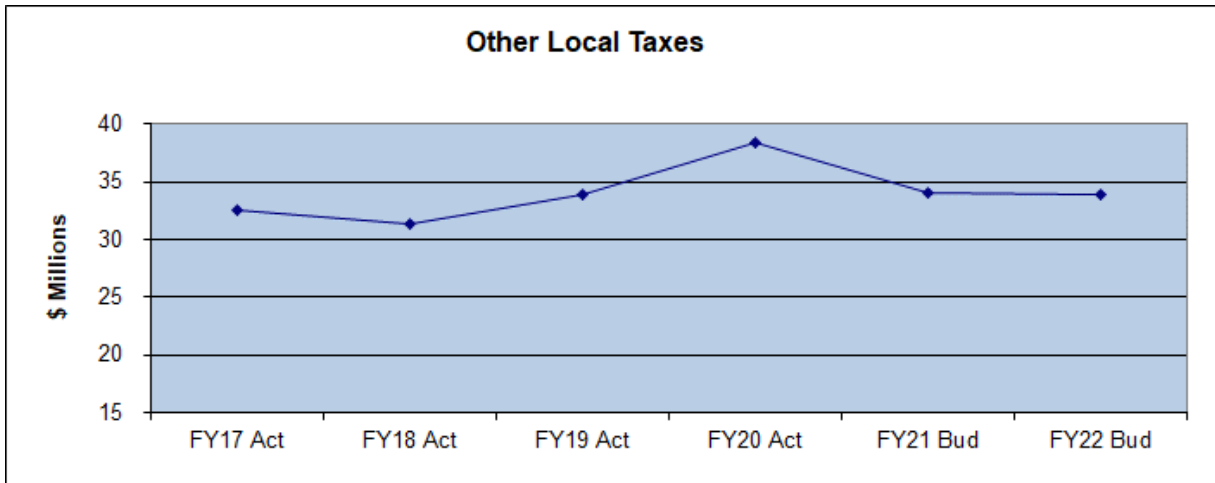
Property Tax Revenues continue to provide the primary source of operating funds for Shelby County, accounting for 68.5% of total General Fund revenues. Delinquent taxes represent only \$6.5 million (or 1.5%) of total property tax collections. With the lower certified rate for tax year 2021 (FY22), the value of each penny allocated to the various operating funds will increase (the tax rate allocation to the General Fund will decrease to \$1.24). Property tax revenue collections are projected to remain strong as a result of current year collection trends. In FY22, approximately 36% of property tax revenue will be allocated to the General Fund.



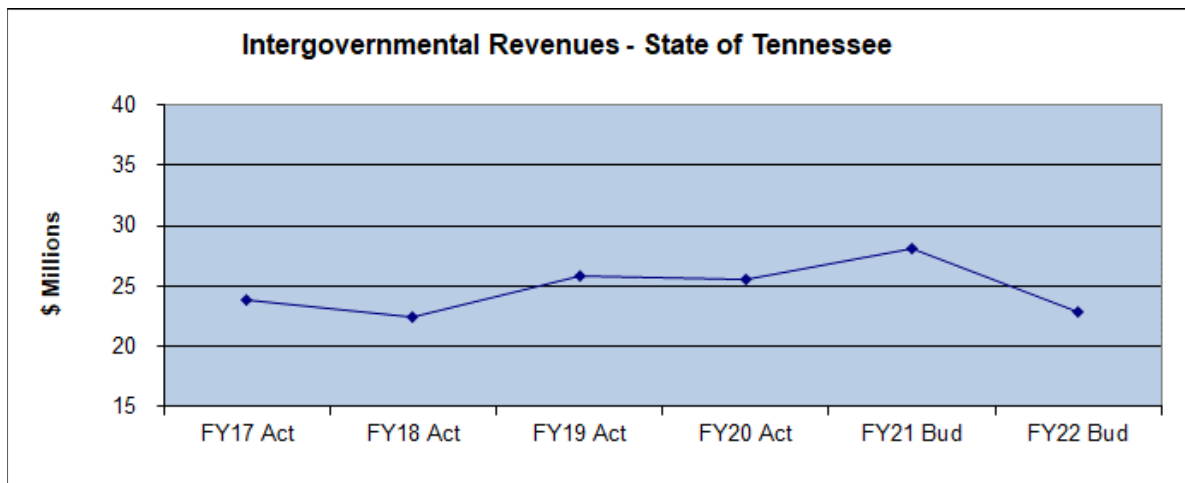
Fines, Fees & Permits represent the second largest source of General Fund income at 15.1% of total revenue. This category includes fees collected by the Courts and Other Elected Officials such as the County Clerk, Register and Trustee. The decrease in the FY22 budgeted amount reflects the impact of the closure of the courts due to the impact of the COVID 19 pandemic.



Other Local Taxes account for about 8.0% of all General Fund revenue. The largest single revenue source in this category is from Business Taxes (\$16.8 million). Also included are Interest/Penalty on Delinquent Taxes which is estimated to remain flat.



Intergovernmental Revenue collected from the State of Tennessee accounts for 5.4% of all General Fund revenue. State revenue includes State of Tennessee reimbursements (\$8.6 million), the TVA Replacement Tax (\$7.5 million), bank excise tax (\$2.5 million), cost reimbursements related to the Jail (\$2.7 million) as well as various grant programs. Decreased revenues are related to the one-time receipt of a \$5.0 million State grant during FY21, which was not anticipated to be received in FY22 at the time of budget adoption.



Intergovernmental Revenue - Federal & Local Sources now contributes 2.2% to the County General Fund. The largest contributor to this source is the Qualified School Construction Bond (QSCB) reimbursement (\$3.0 million) and cost reimbursements (\$3.6 million) in FY22 for performing the four-year property reappraisal on behalf of the City of Memphis and municipalities in the prior year.

Charges for Services, Other Revenue Sources and Interest Income account for less than 1.0% of all General Fund revenues. Most of this revenue is derived from the Inmate Phone System, the Edmund Orgill Golf Course, TennCare fees, and charges for internal print and mail services (previously recorded in an Internal Service Fund).

GENERAL FUND SUMMARY

Fund Balance Analysis

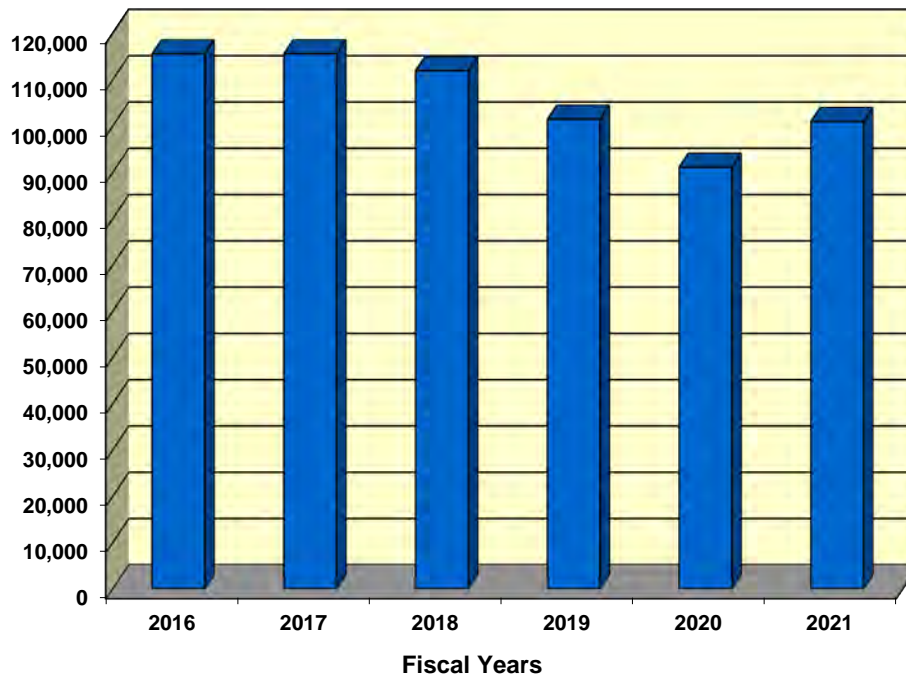
Fund Balance is a term used to express equity - the excess of what the County owns (assets) over what the County owes (liabilities) for a single fund. A healthy fund balance is important to financial planning and budgeting for the following reasons:

- 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's General Fund balance as a percentage of revenue has gradually decreased over several years as a result of reduction of the County's tax rate in FY18 and FY19, but it was slightly restored in FY21. The increase in FY21 is a result of increased property collections, grant funds from the State of Tennessee, and personnel underspending is a result of The minor increase in FY21 and FY22 is a result of the Federal government's response to the COVID-19 pandemic providing support local governments for the loss of revenue.

Summary of General Fund Balance

Fiscal Years 2017 - 2022¹ at June 30
(in thousands)



(\$ in thousands)	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Projection	2022 Budget
Beginning Fund Balance at July 1	115,597	115,606	111,963	101,436	91,099	103,210
Revenue/Sources of Funds	387,470	406,822	431,998	426,004	406,766	448,887
Uses of Funds	-387,461	-410,465	-442,525	-436,341	-394,655	-448,448
Net Operations	9	-3,643	-10,527	-10,337	12,111	439
Ending Fund Balance at June 30 ²	115,606	111,963	101,436	91,099	103,210	103,649
Unassigned Ending Fund Balance ²	109,850	100,490	92,476	88,876	100,987	101,426
Unassigned as a % of Revenue	28%	25%	21%	21%	25%	23%

¹ Projected FY22 Fund Balance.

² Unassigned balance allows for carryforwards to next year.

GENERAL FUND SUMMARY

Five Year Projections

Acct	Description	FY22 Adopted	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected
Assumptions:						
	Property Tax % Increase-Current	2.50%	2.00%	1.50%	1.00%	2.50%
	Salary Increase	1.50%	1.50%	1.50%	1.50%	1.00%
	Pension % of Salaries (5102)	23.78%	23.78%	23.78%	23.78%	23.78%
	OPEB % of Salaries (5102)	0.20%	0.20%	0.20%	0.20%	0.20%
	Health Insurance % Increase	0.00%	1.00%	1.00%	1.00%	1.00%
	Operating and Maint % Increase	2.80%	1.00%	1.00%	1.00%	1.00%
	Property Tax Rate	1.46	1.46	1.46	1.46	1.46
	Penny Value	\$ 1,949,218	\$ 1,990,000	\$ 2,020,000	\$ 2,040,000	\$ 2,090,000
40 -	Property Taxes	(290,865,176)	(297,073,000)	(301,453,000)	(304,373,000)	(311,673,000)
41 -	Other Local Taxes	(33,877,386)	(33,877,386)	(33,877,386)	(33,877,386)	(33,877,386)
43 -	State Revenues	(22,884,064)	(22,884,064)	(22,884,064)	(22,884,064)	(22,884,064)
44 -	Federal & Local Revenues	(9,261,317)	11,819,202	12,319,202	11,819,202	11,319,202
45 -	Charges for Services	(2,333,514)	(2,333,514)	(2,333,514)	(2,333,514)	(2,333,514)
46 -	Fines, Fees & Permits	(64,233,300)	(64,233,300)	(65,233,300)	(65,233,300)	(65,633,300)
47 -	Other Revenue	(633,500)	(633,500)	(633,500)	(633,500)	(633,500)
48 -	Investment Income	(425,150)	(425,150)	(475,150)	(475,150)	(575,150)
	Revenue	(424,513,407)	(409,640,712)	(414,570,712)	(417,990,712)	(426,290,712)
51 -	Salaries-Regular Pay	229,927,251	232,861,367	236,645,495	239,680,384	242,404,659
52 -	Salaries-Other Compensation	17,798,177	17,990,489	18,185,686	18,383,810	18,517,874
5510 -	Retirement Benefits - County	52,856,849	53,649,702	54,454,447	55,271,264	55,823,977
5511 -	OPEB Benefits	444,549	451,217	457,985	464,855	469,504
554x -	Group Health Insurance	27,405,568	27,679,623	27,956,419	28,235,984	28,518,344
55xx -	Other Fringe Benefits	7,628,654	7,735,043	7,842,320	7,951,206	8,024,886
56 -	Salary Restriction	(26,114,635)	(26,442,276)	(26,828,675)	(27,166,562)	(27,452,749)
	Salaries & Fringe Benefits	309,946,412	313,925,165	318,713,677	322,820,941	326,306,493
60 -	Supplies & Materials	9,365,177	9,458,829	9,553,418	9,648,953	9,745,443
64 -	Services & Other Expenses	11,038,831	11,149,217	11,260,712	11,373,320	11,487,053
66 -	Prof & Contracted Svcs	42,375,189	43,140,541	43,923,795	44,725,437	45,545,968
67 -	Rent, Utilities & Maintenance	17,405,419	17,579,475	17,755,270	17,932,824	18,112,150
68 -	Interfund Services	(1,852,011)	(1,870,532)	(1,889,237)	(1,908,129)	(1,927,209)
70 -	Capital Asset Acquisitions	3,391,308	3,425,221	3,459,474	3,494,068	3,529,008
	Operating & Maintenance	81,723,912	82,882,751	84,063,432	85,266,473	86,492,413
	Affiliated Organizations	32,281,454	32,281,454	32,281,454	32,281,454	32,281,454
	Grants	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000
	Contingencies & Restrictions	(4,378,655)	(4,378,655)	(4,378,655)	(4,378,655)	(4,378,655)
	Other Financing Sources	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
	Expenditures	423,923,122	429,060,715	435,029,908	440,340,213	445,051,705
	Net Transfers	151,916	151,916	151,916	151,916	151,916
	Use of Fund Balance	438,369	(55,364)	(55,364)	(55,364)	(55,364)
	PROJECTED DEFICIT/(SURPLUS)	\$ -	\$ 19,516,555	\$ 20,555,748	\$ 22,446,053	\$ 18,857,545
	Change from Prior Year		\$ 19,516,555	\$ 1,039,193	\$ 1,890,305	\$ (3,588,508)

GENERAL FUND SUMMARY

Five Year Projections

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 FY22 is budgeted to increase by 2.7% with details for the increase outlined in the previous section. In FY23, property taxes are projected to grow at 2.0% with their growth declining by 0.50% annually until FY26, according to the normal appraisal cycle. Realty values in Shelby County have a 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** for FY22 reflects the proposed allocation of \$1.24 to the General Fund, based on the reallocation of the new certified rate.
- **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 6.8% 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 1% 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% 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:
 - 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.
 - 2021 – Elimination of 44.5 net positions through attrition including 2.5 positions in the County Attorney, 2 positions in Administration and Finance, 6 positions in Information Technology Services, 2 positions in Public Works, 4 positions in Health Services, 8 positions in Sheriff, 16 positions in Judicial, and 4 positions in Other Elected Officials. There were 33 positions added to the Sheriff related to de-annexation and 1 position added for Community Services.
 - 2022 – Addition of 6 positions for Public Defender.
2. **Average annual salary increase** has been 1.5% over the past 10 years. Employees have been provided with an increase in seven of the past 10 years, as shown below:

	Increase	Stipend	Date		Increase	Stipend	Date	
FY22	-	-	-		FY17	2.0%	-	7/1/16
FY21	-	-	-		FY16	1.7%	-	7/1/15
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

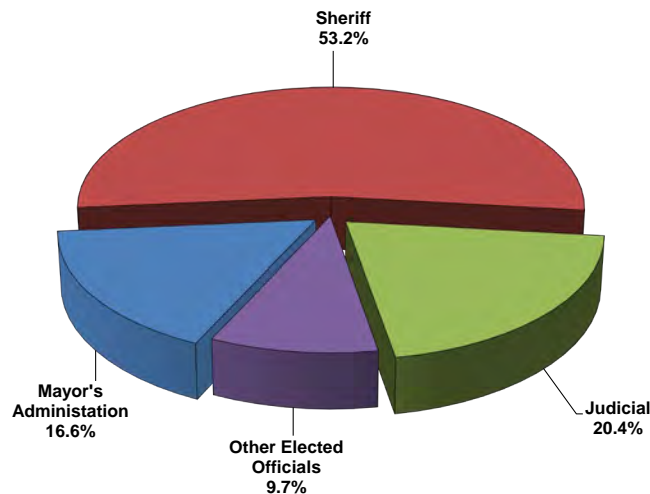
- (1) A general salary increase effective January 1, 2020, provided all public safety employees with a 2.5% general increase and all non-public safety employees with a 1.5% general increase.

- 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 FY22 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.

General Fund Positions

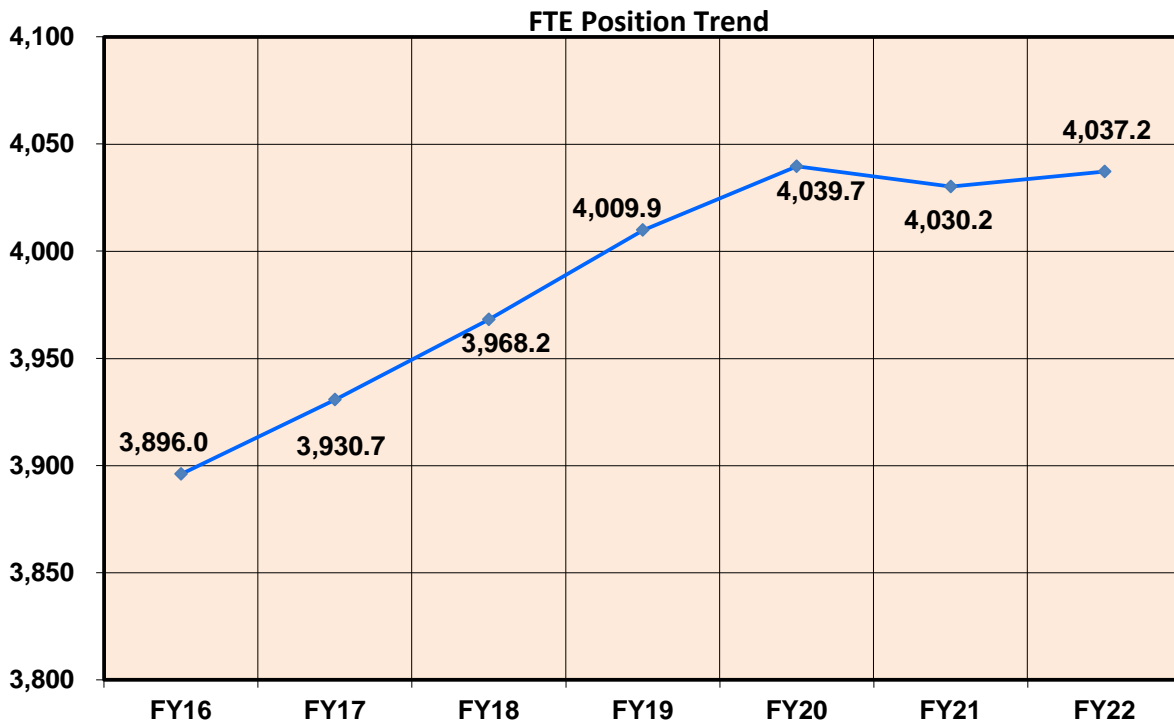


Criminal Justice functions (including the Sheriff and Courts) account for 73.7% of all General Fund positions.

GENERAL FUND SUMMARY

General Fund FTE Changes

DIVISION	FY16	FY17	FY18	FY19	FY20	FY21	FY22	21-22 Change
MAYOR'S ADMINISTRATION:								
Administration & Finance	180.5	173.4	174.4	177.6	165.6	161.2	162.2	1.0
Information Technology	87.0	84.0	83.0	85.0	91.0	85.0	85.0	-
Planning & Development	5.0	4.0	4.0	3.4	3.4	3.4	3.4	-
Public Works	142.0	161.0	162.0	162.0	161.0	159.0	159.0	-
Health Services	146.0	148.1	157.1	162.1	162.1	158.1	158.1	-
Community Services	94.0	95.0	96.0	97.0	102.0	103.0	103.0	-
TOTAL	654.5	665.5	676.5	687.2	685.2	669.7	670.7	1.0
SHERIFF:								
Sheriff Administration	191.0	186.0	183.0	183.0	183.0	176.0	191.0	15.0
Law Enforcement	691.0	731.0	776.0	805.0	816.0	848.0	841.0	(7.0)
Jail	1,083.0	1,155.0	1,129.0	1,127.0	1,126.0	1,125.0	1,117.0	(8.0)
TOTAL	1,965.0	2,072.0	2,088.0	2,115.0	2,125.0	2,149.0	2,149.0	-
JUDICIAL	892.0	806.2	814.7	818.7	838.0	821.0	827.0	6.0
OTHER ELECTED OFFICIALS	384.5	387.0	389.0	389.0	391.5	390.5	390.5	-
TOTAL FTE - GENERAL FUND	3,896.0	3,930.7	3,968.2	4,009.9	4,039.7	4,030.2	4,037.2	7.0
Change from prior year		34.7	37.5	41.7	29.8	(9.5)	7.0	
Cumulative Change since FY16		34.7	72.2	113.8	143.6	134.2	141.2	



Since 2016, a net total of 139 positions have been added, primarily to support core functions of public safety, judicial operations, and health.

GENERAL FUND SUMMARY

FY22 FTE Additions and Reductions

<u>Division/Position Descriptions</u>	<u>FTE</u>	<u>Total Cost ¹</u>
<u>MAYOR'S ADMINISTRATION</u>		
<u>CAO</u>		
Procurement Specialist	1.0	77,000
<i>Total CAO</i>	1.0	77,000
No Net FTE Change	1.0	\$ 77,000
<u>SHERIFF</u>		
No Net FTE Change	-	\$ -
<u>JUDICIAL/COURTS</u>		
<u>Public Defender</u>		
Assistant Public Defender	2.0	\$ 175,546
Client Services Specialist	1.0	55,826
Litigation Assistant	3.0	173,263
<i>Total Public Defender</i>	6.0	404,635
Net FTE Change - Judicial/Courts	6.0	\$ 404,635
<u>OTHER ELECTED OFFICIALS</u>		
No Net FTE Change	-	\$ -
Total FTE Changes to General Fund	7.0	\$ 481,635

¹ Salary and benefits