


2019 Year End Budget Update



Washtenaw County Board of Commissioners
April 8, 2020

1

AGENDA

- ▶ Budget Adjustments
- ▶ Revenues
- ▶ Expenditures
- ▶ General Fund Year End Status
- ▶ Structural and Nonstructural Investments
- ▶ Non General Funds Status
- ▶ General Fund Budget Summary
- ▶ Summary and Next Steps

2

2019 General Fund Budget Adjustments

- ▶ August 7, 2019, Resolution #19-142
Structural budget adjustment in the amount of \$310,727 to recognize the public safety portion of increased property tax revenues from the Mental Health and Public Safety Millage as a result of the 2019 Equalization Report. To be used for Sheriff program expansion and operations in alignment with their 8 year plan.

Nonstructural budget adjustment in the amount of \$250,645 for the 2018 personal property tax reimbursement settlement received in May, 2019 to be identified as undesignated allocation for future investment to be discussed and determined upon resolving the CMH 9-30-19 deficit
- ▶ June 5, 2019, Resolution #19-109
Structural budget adjustment in the amount of \$2,950,702 to recognize increased property tax revenues with a portion being allocated for both structural (\$500,000) and non-structural (\$513,656) investments and the remaining identified as undesignated allocations (\$1,934,046) for future investment to be discussed and determined upon resolving the CMH 9-30-19 deficit
- ▶ May 15, 2019, Resolution #19-088
Net zero budget adjustment that removed public defender financial activities from the General Fund and re-categorized the County's local share to an appropriation/transfer out and budgets the local share within the Indigent Defensive Fund as required per State law

3

General Fund Revenues

- ▶ Clerk/Register of Deeds: Surplus of \$617K due to real estate transfer tax receipts and recording fees
- ▶ Intergovernmental Revenues: Net surplus of \$512K due to state revenues for personal property tax reimbursement and revenue sharing/county incentive program
- ▶ Interest Revenue & Transfers In: Net surplus of \$334K due investment earnings partially offset by shortfall in transfers in
- ▶ Taxes: Surplus of \$178K due to property tax collections, payment in lieu of taxes, unpaid personal property taxes and trailer fees

4

General Fund Revenues

- ▶ Prosecuting Attorney: Surplus of \$152K due to state reimbursements for victim right’s work and activities
- ▶ Sheriff’s Office: Net Shortfall of \$465K due to fees and services for contracted road patrol and civil division activities
- ▶ Trial and District Court had nominal revenue shortfalls

5

General Fund Revenues Actual Variance as of 12/31/19

Clerk/Register of Deeds	\$ 617,119
Intergovernmental	512,699
Interest Revenue & Transfers In	333,509
Taxes	178,937
Prosecuting Attorney	152,327
Sheriff’s Office	(465,014)
All Other Combined	57,584
Total Projected Revenue Surplus	\$ 1,387,161

6

General Fund Expenditures

- ▶ Personnel Services & Departmental Operating: Net surplus of \$1.6M due to position vacancies, attrition and operational savings
- ▶ Appropriations & Reserves: Surplus of \$1.6M due to transfers out to non-general fund programs and budgeted reserves
- ▶ Central Charges: Surplus of \$2.4M due to the undesignated allocation and tax refund and overpayments

7

General Fund Expenditures

- ▶ District Court: Surplus of \$212K primarily due personnel savings from attrition and leaves
- ▶ Trial Court: Surplus of 201K primarily due personnel savings from attrition

8

General Fund Expenditures Actual Variance as of 12/31/19

Personnel Services & Departmental Operating (excludes District/Trial Courts)	\$ 1,584,304
Central Charges	2,366,961
Appropriations & Reserves	1,636,387
District Court	211,813
Trial Court	201,287
Total Expenditure Surplus	\$ 5,997,752

9

General Fund Status Actual Variance as of 12/31/19

Category	Original Budget	Adjustments	Revised Budget	YTD Total	\$ Var.	% Var.
REVENUES						
40 - Taxes	73,058,385	2,950,702	76,009,087	76,190,237	181,150	0.2%
44 - Special Assessments	-	-	-	-	-	0.0%
45 - Licenses and Permits	435,686	-	435,686	387,341	(48,345)	-11.1%
50 - Federal Revenue	90,800	-	90,800	47,562	(43,238)	-47.6%
54 - State Revenue	11,154,643	250,645	11,405,288	12,063,469	658,181	5.8%
58 - Local Revenue	1,466,813	111,460	1,578,273	1,606,131	27,858	1.8%
60 - Fees and Services	22,360,029	-	22,360,029	22,915,099	555,070	2.5%
64 - Internal Revenue	-	-	-	-	-	0.0%
65 - Fines and Forfeits	1,012,100	-	1,012,100	921,234	(90,866)	-9.0%
66 - Interest	107,419	13,227	120,646	591,247	470,601	390.1%
67 - Other Revenue	2,111,987	144,763	2,256,750	2,065,018	(191,732)	-8.5%
69 - Transfers In	8,385,319	167,326	8,552,145	8,420,624	(131,521)	-1.5%
Total Revenues	120,183,181	3,638,123	123,820,804	125,207,965	1,387,161	1.12%
EXPENDITURES						
70 - Personal Services	76,770,274	(1,882,839)	74,887,435	71,968,251	2,919,184	3.9%
75 - Supplies	1,571,849	25,494	1,597,343	2,008,115	(410,772)	-25.7%
80 - Other Svcs and Chgs	12,675,936	2,920,035	15,595,971	13,996,706	1,599,265	10.3%
95 - Internal Svc Chgs	1,605,058	(550,949)	1,054,109	830,626	223,483	21.2%
96 - Capital Outlay	88,625	-	88,625	41,390	47,235	53.3%
97 - Debt Service	-	359,089	359,089	359,089	0	0.0%
98 - Reserves	300,000	(200,000)	100,000	-	100,000	100.0%
99 - Transfers Out	27,171,439	2,966,793	30,138,232	28,618,876	1,519,356	5.0%
Total Expenditures	120,183,181	3,637,623	123,820,804	117,823,052	5,997,752	4.8%
				Surplus/(Shortfall)	7,384,912	

10

General Fund Budget vs. Quarterly Projection as of 12-31-19

	Revised Budget	1st Quarter Projected	2nd Quarter Projected	3rd Quarter Projected	Year-End Total
Total Revenues	123,820,804	122,541,520	123,411,870	123,396,196	125,207,965
Total Expenditures	(123,820,804)	(118,757,045)	(118,532,436)	(118,841,342)	(117,823,053)
Projected Surplus/(Shortfall)	-	3,784,475	4,879,434	4,554,854	7,384,912
Planned Use of Fund Balance	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Projected Net Planned (Use)/Contribution to Fund Balance	(75,000)				7,309,912

11

Structural vs. Nonstructural Investments

- ▶ Structural Investments should only be made with structural funds. Structural funds come from revenues sources that occur each year. Property Tax Revenue is a primary source of structural revenue.
- ▶ Any nonstructural annual surplus exceeding the final budgeted planned contribution to fund balance as reported in March of each year for the prior year and confirmed in the Comprehensive Annual Financial Report as presented in April of each year may be considered by the Board of Commissioners for investment in their priorities and principles. The investments supported by this one-time annual surplus shall be considered non-structural and non-reoccurring decisions on utilization of these funds are made annually.

12

Quadrennial Recommended General Fund Budget Summary as of 2/29/20

Category	2020 Current Budget	2021 Adopted Budget	2022 Adopted Budget	2023 Adopted Budget
REVENUES				
40 - Taxes	77,107,676	78,222,744	79,354,537	80,503,308
45 - Licenses and Permits	431,199	436,665	451,317	451,317
50 - Federal Revenue	90,800	90,800	90,800	90,800
54 - State Revenue	11,231,362	11,231,362	11,231,362	11,231,362
58 - Local Revenue	1,498,851	1,506,915	1,544,452	1,544,452
60 - Fees and Services	22,361,860	22,565,799	22,773,216	22,773,216
65 - Fines and Forfeits	1,012,100	1,012,100	1,012,100	1,012,100
66 - Interest	107,419	107,419	107,419	107,419
67 - Other Revenue	3,283,118	2,087,535	2,096,644	2,096,644
69 - Transfers In	8,784,610	8,793,023	8,897,825	9,002,699
Total Revenues	125,908,995	126,054,362	127,559,672	128,813,317
EXPENDITURES				
70 - Personal Services	77,141,974	79,622,620	80,499,406	81,783,713
75 - Supplies	1,674,503	1,518,503	1,667,503	1,667,503
80 - Other Svcs and Chgs	14,716,054	14,727,466	14,768,867	14,776,988
95 - Internal Svc Chgs	90,853	204,243	333,780	306,271
96 - Capital Outlay	88,625	88,625	88,625	88,625
98 - Reserves	650,000	800,000	800,000	800,000
99 - Transfers Out	31,546,986	29,092,905	29,401,491	29,390,217
Total Expenditures	125,908,995	126,054,362	127,559,672	128,813,317

13

Non General Fund Statuses Actual Variance as of 12/31/19 (9/30/19)

Child Care (9-30 year-end)	Surplus
Community Mental Health (9-30 year end)	Shortfall
Facilities Operations	Fund Balance
Friend of the Court - CRP (9-30 year-end)	Surplus
Prosecuting Attorney - CRP (9-30 year-end)	On budget
Health Department (9-30 year end)	Fund Balance
Building Inspection	Surplus
Indigent Defense	Surplus
Office of Community & Economic Development	Fund Balance
Risk Management	Surplus
Economic Development & Agriculture	Surplus
Veteran's Relief	Surplus

14

Revenue Items to Monitor

- ▶ Annual Equalization Report & impact on property tax revenues
- ▶ Clerk/Register of Deeds revenues
- ▶ Court revenues, caseload & legislation impact
- ▶ Personal Property Tax reform & revenue elimination

15

Expenditure Items to Monitor

- ▶ Capital/Infrastructure/Space
- ▶ Child Care expenditures rising due to caseload & placements and age change per legislation
- ▶ Health & Human Services funding considerations
- ▶ Union Contract Obligations/Fringe Benefit Trends

16

2020 Summary & Next Steps

- ▶ Quarterly Budget review & updates: 2019 Year-end Report April and Quarterly Reports for 2020: 1st Q May/June, 2nd Q August, 3rd Q November and 2020 Year-end Report March (2021)
- ▶ Equalization Report April
- ▶ Financial State of the County Executive Summary and Eye on the Future Presentation June
- ▶ Development of Administrator's Recommended Budget and Integration of Board strategic budget priorities and principles included in the 2021-2024 Quadrennial Budget June - August
- ▶ Presentation of Administrator's Recommended 2021-2024 Quadrennial Budget October
- ▶ Ways & Means Deliberation of Budget October - November
- ▶ Public Hearing on the Budget November
- ▶ Adoption of the 2021-2024 Quadrennial Budget November