

2015 Year-End Budget Update

Washtenaw County Board of Commissioners
March 16, 2016

Agenda

- Budget Adjustments
- Revenues
- Expenditures
- General Fund Year End Status
- Non General Fund Year End Statuses
- Summary & Next Steps

2015 General Fund Budget Adjustments

- Board of Commissioners amendments to the Budget
 - April 1, 2015 per Resolution #15-0065 in the amount of \$686,955
 - August 5, 2015 per Resolution #15-0135 in the amount of \$1,470,099
 - September 16, 2015 per Resolution #15-0156 in the amount of \$1,800,000
 - November 4, 2015 per Resolution #15-0194 in the amount of \$1,562,608

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General Fund Revenue Focus

- Sheriff's Office: Surplus of ~\$317K due to fees & services, intergovernmental and other reimbursements
- Clerk/Register of Deeds: Surplus of ~\$190K due to fees and services revenue
- Trial Court: Surplus of \$144K due to court costs and fees
- Water Resources Commissioner: Surplus of \$123K due to soil erosion, inspections and plat review fees

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General Fund Revenue Focus

- District Court: Surplus for the first time in over four years
- Combined all other departments there are small revenue variances
- Planned Use of Fund Balance: Current budget \$720,129; thus projected shortfall

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General Fund Revenues

Actual Variance as of 12/31/15 (Preliminary)

Sheriff	\$	316,682
Clerk/Register of Deeds		190,457
Trial Court		143,755
Water Resources Commissioner		123,469
Planned Use of Fund Balance		(720,129)
All Other Combined		(60,139)
		(5,905)
Total Projected Revenue Shortfall	\$	(5,905)

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General Fund Expenditure Focus

- Planned Contribution to Fund Balance: Current budget \$1,295,968; thus projected surplus
- Net personnel services surplus of \$68K due to attrition, position vacancies as well as planned reductions
- Net departmental operating surplus of \$29K due to savings in internal service and capital outlay
- Reserves & Appropriations: Surplus of \$298K which is due to budgeted reserves and transfers out

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General Fund Expenditure Focus

- Tax Appeals/Refunds: Surplus of ~\$404K
- Sheriff Office exceeded their lump sum reduction due to position vacancies
- Trial Court surplus was transferred out of the GF to reimburse Infrastructure Management
- District Court exceeded their lump sum reduction

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General Fund Expenditures

Actual Variance as of 12/31/15 (Preliminary)

Planned Contribution to Fund Balance		\$	1,295,968
Reserves & Appropriations			298,354
Net Departmental Operating			29,099
Net Personnel Services			67,661

Total Projected Expenditure Surplus		\$	1,691,082

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General Fund Budget vs. Quarterly & Year-End Projections

Actual Variance as of 12/31/15 (Preliminary)

	Revised Budget	1st Quarter Projected	2nd Quarter Projected	3rd Quarter Projected	Year-End Projected
Total Revenues	110,115,466	107,593,772	107,777,940	109,869,509	110,109,561
Total Expenditures	(110,115,466)	(104,973,945)	(104,988,131)	(108,354,495)	(108,424,384)
Projected Surplus/(Shortfall)	-	2,619,827	2,789,809	1,515,014	1,685,177
Planned Use of Fund Balance	(720,129)	(720,129)	(720,129)	(720,129)	(720,129)
Planned Contribution to Fund Balance	1,295,968	1,625,869	1,625,869	1,295,968	1,295,968
Net Planned Contribution to Fund Balance	575,839	905,740	905,740	575,839	575,839

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General Fund Year-End Status

Actual Variance as of 12/31/15 (Preliminary)

Category	Original Budget	Adj	Revised Budget	Projected	Variance	% Variance
Taxes and Penalties	65,295,207	1,470,099	66,765,306	66,749,973	(15,333)	-0.02%
Licenses & Permits	281,386	(35,000)	246,386	343,941	97,555	39.59%
Federal Revenue	90,800	(37,950)	52,850	60,370	7,520	14.23%
State Revenue	12,592,880	203,600	12,796,480	12,851,192	54,712	0.43%
Local Revenue	1,059,347	105,570	1,164,917	1,179,353	14,436	1.24%
Fees & Services	21,955,807	(119,294)	21,836,513	22,215,410	378,897	1.74%
Fines & Forfeitures	1,012,100	-	1,012,100	982,074	(30,026)	-2.97%
Interest Revenue	107,419	(4,000)	103,419	51,670	(51,749)	-50.04%
Other Revenue & Reimbursement	2,017,037	2,130,215	4,147,252	3,704,637	(442,615)	-10.67%
Transfers In	1,957,126	33,117	1,990,243	1,970,940	(19,303)	-0.97%
Total Revenues	106,369,109	3,746,357	110,115,466	110,109,561	(5,905)	-0.01%
Personnel Services	68,964,882	(1,055,584)	67,909,298	67,841,637	67,661	0.10%
Supplies	1,593,527	24,405	1,617,932	1,770,027	(152,095)	-9.40%
Other Services and Charges	14,052,871	(1,648,781)	12,404,090	12,393,222	10,868	0.09%
Internal Service Charges	3,332,077	105,647	3,437,724	3,357,610	80,114	2.33%
Capital Outlay	104,185	2,331,780	2,435,965	2,345,753	90,212	3.70%
Reserves	2,245,869	(675,194)	1,570,675	-	1,570,675	100.00%
Appropriations	16,075,698	4,664,084	20,739,782	20,716,135	23,647	0.11%
Total Expenditures	106,369,109	3,746,357	110,115,466	108,424,384	1,691,082	1.54%
Surplus/(Shortfall)				1,685,177		
Net Budgeted Planned Contribution of Fund Balance				575,839		

Carry Forward Financial Items

- Community Mental Health increased allocations approved on February 3, 2016 per Resolution #16-0022 in the amount of \$1,134,020
- Sheriff's Office \$316,682 revenue surplus

Structural Investment

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.

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Nonstructural Investment

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. 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.

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General Fund Budget Summary

As of 3/16/16

Category	2016 Current Budget	2017 Adopted Budget	2018 Adopted Budget	2019 Adopted Budget
Taxes and Penalties	67,429,643	68,093,980	68,758,317	69,422,654
Licenses & Permits	315,978	323,224	326,608	332,649
Federal/State/Local Revenue	12,397,119	12,445,305	12,476,738	12,532,163
Fees & Services	21,622,202	21,666,904	21,666,904	21,667,904
Fines & Forfeitures	1,012,100	1,012,100	1,012,100	1,012,100
Interest Revenue	107,419	107,419	107,419	107,419
Other Revenue & Reimbursement	2,975,727	1,912,988	1,917,264	3,346,065
Transfers In	1,988,521	2,043,766	2,043,506	2,046,171
Total Revenues	107,848,709	107,605,686	108,308,856	110,467,125
Personal Services	70,421,550	72,308,883	73,106,738	74,947,634
Supplies	1,741,134	1,592,027	1,741,432	1,592,849
Other Services and Charges	11,501,894	11,425,482	11,399,592	11,412,338
Internal Service Charges	4,578,016	3,607,049	3,284,669	3,235,269
Capital Outlay	92,625	88,625	88,625	88,625
Reserves/Contingencies	1,585,106	710,709	695,438	520,000
Appropriations/Transfers	17,928,384	17,872,911	17,992,362	18,670,410
Total Expenditures	107,848,709	107,605,686	108,308,856	110,467,125
Budgeted Planned Contribution / (Use of) Fund Balance	(102,088)	190,709	175,438	(1,431,253)

Non General Fund Year-End Status

Actual Variance as of 12/31/15 (Preliminary)

- Child Care Surplus
- Facilities Operations & Maintenance Surplus
- Friend of the Court - CRP Surplus
- Prosecuting Attorney - CRP Surplus
- Public/Environment Health Surplus
- Building Inspection Surplus
- Office of Community & Economic Development Surplus
- Risk Management Fund Balance
- Act 88 Surplus
- Veteran Relief Surplus

Revenue Items to Monitor

- Act 88 legislation
- Clerk/Register of Deeds revenues
- Court Cost revenues & legislation impact
- Personal Property Tax reform & revenue elimination
- State Liquor Tax revenue reduction per legislation

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Expenditure Items to Monitor

- Child Care expenditures rising due to caseload & placements
- Community Mental Health Restructuring
- Union Contract Obligations/Fringe Benefit Trends
- Workforce Development changes

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2016 Summary & Next Steps

- Integration of Board-defined community impacts & investment priorities
- Equalization Report presentation in April
- Year-end, audit and financial statement presentation in April
- Financial State of the County & Eye on the Future presentations in May
- Quarterly Budget review & updates: 1st Q-May, 2nd Q-August and 3rd Q-November
- 2017-2020 Budget reaffirmation in the fall

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