

2016 1st Quarter Budget Update

Washtenaw County Board of Commissioners

May 18, 2016

Agenda

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

2016 General Fund Budget Adjustments

- Board of Commissioners amendments to the Budget
 - February 3, 2016, Resolution #16-0022

One-time non-structural allocation of \$1,134,020 from fund balance to reduce CMH's CAP expenses for the period of 3-1-16 through 9-30-16 and continue funding for 2.0 FTE positions through 9-30-17.
 - April 6, 2016, Resolution #16-0052

One-time non-structural allocation of \$316,682 from fund balance to be transferred out for future use as determined by the WCSO

General Fund Revenue Focus

- Clerk/Register of Deeds: Projected surplus of ~\$144K due to fees and services revenue
- Property Tax Revenues: Projected surplus of ~\$104K based on the 2016 Equalization Report
- Sheriff's Office: Projected surplus of ~\$59K due to intergovernmental and other reimbursements

General Fund Revenue Focus

- Combined all other departments there are small revenue variances
- Planned Use of Fund Balance: Current budget \$1,483,876 ; thus projected shortfall

General Fund Revenues

Actual Variance as of 3/31/16

Clerk/Register of Deeds	\$	144,213
Property Tax Revenues		103,764
Sheriff		58,945
All Other Combined		44,446
Planned Use of Fund Balance		(1,483,876)
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Total Projected Revenue Shortfall	\$	(1,132,508)

General Fund Expenditure Focus

- Planned Contribution to Fund Balance: Current budget \$1,065,106; thus projected surplus
- Central Charges & Reserves: Surplus of \$422K which is due to less than budgeted tax refunds and budgeted reserves
- Net personnel services surplus of \$355K due to attrition, position vacancies as well as planned reductions
- All departmental operations are currently on budget

General Fund Expenditure Focus

- Sheriff Office is expected to end the year on budget due to position vacancies, reserves or utilization of current year revenue surpluses
- Trial Court will likely end the year with a surplus, and utilize a portion for judicial technology and infrastructure needs per agreements
- District Court will likely exceed budgeted reductions

General Fund Expenditures

Actual Variance as of 3/31/16

Planned Contribution to Fund Balance	\$ 1,065,106
Central Charges & Reserves	422,270
Net Personnel Services	354,610
Net Departmental Operating	458
Total Projected Expenditure Surplus	<hr/> <u>\$ 1,848,350</u>

General Fund Budget vs. Quarterly & Year-End Projections

Actual Variance as of 3/31/16

	Revised Budget	1st Quarter Projected
Total Revenues	108,144,651	107,012,143
Total Expenditures	(108,144,651)	(106,296,301)
Projected Surplus/(Shortfall)	-	715,842
Planned Use of Fund Balance	(1,483,876)	(1,483,876)
Planned Contribution to Fund Balance	1,065,106	1,065,106
Net Planned (Use of) / Contribution to Fund Balance	(418,770)	297,072

General Fund Year-End Status

Actual Variance as of 3/31/16

Category	Original Budget	Adj	Revised Budget	Projected	Variance	% Variance
Taxes and Penalties	67,429,643	-	67,429,643	67,533,407	103,764	0.15%
Licenses & Permits	315,978	-	315,978	315,074	(904)	-0.29%
Federal Revenue	90,800	-	90,800	48,575	(42,225)	-46.50%
State Revenue	11,064,440	-	11,064,440	11,091,382	26,942	0.24%
Local Revenue	1,241,879	-	1,241,879	1,224,221	(17,658)	-1.42%
Fees & Services	21,622,202	(110,764)	21,511,438	21,777,237	265,799	1.24%
Fines & Forfeitures	1,012,100	-	1,012,100	962,194	(49,906)	-4.93%
Interest Revenue	107,419	-	107,419	52,662	(54,757)	-50.97%
Other Revenue & Reimbursement	1,841,707	1,540,726	3,382,433	2,006,089	(1,376,344)	-40.69%
Transfers In	1,988,521	-	1,988,521	2,001,303	12,782	0.64%
Total Revenues	106,714,689	1,429,962	108,144,651	107,012,143	(1,132,508)	-1.05%
Personnel Services	70,421,550	(10,136)	70,411,414	69,171,143	1,240,271	1.76%
Supplies	1,741,134	(165)	1,740,969	1,946,145	(205,176)	-11.79%
Other Services and Charges	11,501,894	(1,410,095)	10,091,799	10,822,385	(730,586)	-7.24%
Internal Service Charges	3,613,996	918,400	4,532,396	4,391,284	141,112	3.11%
Capital Outlay	92,625	416,695	509,320	471,384	37,936	7.45%
Reserves	1,585,106	(220,000)	1,365,106	-	1,365,106	100.00%
Appropriations	17,758,384	1,735,263	19,493,647	19,493,961	(314)	0.00%
Total Expenditures	106,714,689	1,429,962	108,144,651	106,296,301	1,848,350	1.71%
	-	-	-			
			Surplus/(Shortfall)	715,842		
			Net Budgeted Planned Use of Fund Balance	(418,770)		

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.

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.

General Fund Quadrennial Budget Summary As of 5/1/16

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	21,511,438	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	3,382,433	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	108,144,651	107,605,686	108,308,856	110,467,125
Personal Services	70,411,414	72,308,883	73,106,738	74,947,634
Supplies	1,740,969	1,592,027	1,741,432	1,592,849
Other Services and Charges	10,091,799	11,425,482	11,399,592	11,412,338
Internal Service Charges	4,532,396	3,607,049	3,284,669	3,235,269
Capital Outlay	509,320	88,625	88,625	88,625
Reserves/Contingencies	1,365,106	710,709	695,438	520,000
Appropriations/Transfers	19,493,647	17,872,911	17,992,362	18,670,410
Total Expenditures	108,144,651	107,605,686	108,308,856	110,467,125
Budgeted Planned Contribution / (Use of) Fund Balance	(418,770)	190,709	175,438	(1,431,253)

Non General Fund Year-End Status

Actual Variance as of 3/31/16

- Child Care Surplus
- Community Mental Health Surplus
- Facilities Operations & Maintenance Surplus
- Friend of the Court - CRP Surplus
- Prosecuting Attorney - CRP Surplus
- Public/Environment Health On budget
- 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

Expenditure Items to Monitor

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

2016 Summary & Next Steps

- Financial State of the County & Eye on the Future presentations in June
- Quarterly Budget review & updates: 2nd Q-August, 3rd Q-November 2nd and Year-end-March (2017)
- 2017-2020 Budget reaffirmation in the fall
- Integration of Board-defined community impacts & investment priorities