

2016 2nd Quarter Budget Update

Washtenaw County Board of Commissioners
August 3, 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.
 - June 1, 2016, Resolution #16-0095
Discontinuation of a portion of the one-time non-structural allocation (\$688,585) from fund balance and increases CMH's CAP expenses for the period of 5-1-16 through 9-30-16.

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General Fund Revenue Focus

- Clerk/Register of Deeds: Projected surplus of ~\$305K due to fees and services revenue
- Sheriff's Office: Projected surplus of ~\$204K due to intergovernmental and other reimbursements
- District Court: Projected shortfall of \$272K due to reduced court fees and fines as a result of the current caseload
- Planned Use of Fund Balance: Current budget \$795,291; thus projected shortfall

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General Fund Revenues

Actual Variance as of 6/30/16

Clerk/Register of Deeds	\$	305,203
Sheriff		203,619
District Court		(271,621)
Planned Use of Fund Balance		(795,291)
All Other Combined		(10,155)
		(568,245)
Total Projected Revenue Shortfall	\$	(568,245)

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- ## General Fund Expenditure Focus
- Planned Contribution to Fund Balance: Current budget \$1,065,106; thus projected surplus
 - Central Charges & Reserves: Surplus of \$522K which is due to less than budgeted tax refunds and budgeted reserves
 - Net personnel services and departmental operations surplus of \$165K due to attrition, position vacancies as well as planned reductions
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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

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General Fund Expenditures

Actual Variance as of 6/30/16

Planned Contribution to Fund		
Balance	\$	1,065,106
Central Charges & Reserves		522,834
Net Personnel Services		16,442
Net Departmental Operating		148,681
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Total Projected Expenditure Surplus	\$	1,753,063

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General Fund Budget vs. Quarterly Projections Actual Variance as of 6/30/16

	Revised Budget	1st Quarter Projected	2nd Quarter Projected
Total Revenues	107,865,341	107,012,143	107,297,096
Total Expenditures	(107,865,341)	(106,296,301)	(106,112,278)
Projected Surplus/(Shortfall)	-	715,842	1,184,818
Planned Use of Fund Balance	(795,291)	(1,483,876)	(795,291)
Planned Contribution to Fund Balance	1,065,106	1,065,106	1,065,106

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Projected GF Year-End Status Actual Variance as of 6/30/16

Category	Original Budget	Adj	Revised Budget	YTD Total	Projected	Variance	% Variance
Taxes and Penalties	67,429,643	103,008	67,532,651	729,249	67,532,651	(0)	0.00%
Licenses & Permits	315,978	-	315,978	157,335	334,372	18,394	5.82%
Federal Revenue	90,800	-	90,800	3,931	48,575	(42,225)	-46.50%
State Revenue	11,064,440	63,958	11,128,398	4,670,423	11,177,492	49,094	0.44%
Local Revenue	1,241,879	-	1,241,879	570,883	1,176,866	(65,013)	-5.24%
Fees & Services	21,622,202	(110,764)	21,511,438	10,870,214	21,850,362	338,924	1.58%
Fines & Forfeitures	1,012,100	-	1,012,100	370,339	892,744	(119,356)	-11.79%
Interest Revenue	107,419	-	107,419	21,390	50,895	(56,524)	-52.62%
Other Revenue & Reimbursement	1,841,707	853,870	2,695,577	688,617	2,033,304	(662,273)	-24.57%
Transfers In	1,988,521	240,580	2,229,101	434,173	2,199,834	(29,267)	-1.31%
Total Revenues	106,714,689	1,150,652	107,865,341	18,516,553	107,297,096	(568,245)	-0.53%
Personnel Services	70,421,550	(12,816)	70,408,734	30,764,036	69,642,305	766,429	1.09%
Supplies	1,741,134	(165)	1,740,969	1,219,234	1,928,199	(187,230)	-10.75%
Other Services and Charges	11,501,894	(1,133,398)	10,368,496	4,791,321	10,771,295	(402,799)	-3.88%
Internal Service Charges	3,613,996	229,815	3,843,811	1,669,687	3,666,877	176,934	4.60%
Capital Outlay	92,625	416,695	509,320	434,384	474,384	34,936	6.86%
Reserves	1,585,106	(220,000)	1,365,106	-	-	1,365,106	100.00%
Appropriations	17,758,384	1,870,521	19,628,905	1,834,155	19,629,218	(313)	0.00%
Total Expenditures	106,714,689	1,150,652	107,865,341	40,712,816	106,112,278	1,753,063	1.63%
Surplus/(Shortfall)					1,184,818		

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 Quadrennial Budget Summary As of 6/30/16

Category	2016 Current Budget	2017 Adopted Budget	2018 Adopted Budget	2019 Adopted Budget
Taxes and Penalties	67,532,651	68,093,980	68,758,317	69,422,654
Licenses & Permits	315,978	323,224	326,608	332,649
Federal/State/Local Revenue	12,461,077	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	2,695,577	1,912,988	1,917,264	3,346,065
Transfers In	2,229,101	2,043,766	2,043,506	2,046,171
Total Revenues	107,865,341	107,605,686	108,308,856	110,467,125
Personal Services	70,408,734	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	10,368,496	11,425,482	11,399,592	11,412,338
Internal Service Charges	3,843,811	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	19,628,905	17,872,911	17,992,362	18,670,410
Total Expenditures	107,865,341	107,605,686	108,308,856	110,467,125

Non General Fund Year-End Status Actual Variance as of 6/30/16

• 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	On budget
• Risk Management	Fund Balance
• Act 88	Surplus
• Veteran Relief	Fund Balance

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 and age change per legislation
- Community Mental Health Restructuring
- Union Contract Obligations/Fringe Benefit Trends
- Workforce Development changes

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2016 Summary & Next Steps

- Quarterly Budget review & updates: 3rd Q-November 2nd and Year-end-March (2017)
- 2017-2020 Budget reaffirmation in the fall
- Integration of Board-defined community impacts & investment priorities