

# 2017 Year End Budget Update



Washtenaw County Board of Commissioners  
March 21, 2018

## AGENDA

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

## 2017 General Fund Budget Adjustments Approved by the Board of Commissioners

- ▶ September 21, 2016, Resolution #16-0132  
One-time allocation of up to \$300,000 from fund balance for Public Health if there is a need for additional funding
- ▶ October 19, 2016, Resolution #16-0156  
One-time allocation for Act 88 Replacement funding of up to \$944,752 from fund balance for specific projects
- ▶ April 19, 2017, Resolution #17-0059  
One-time allocation of \$1,435,932 from fund balance to be transferred out for highly critical infrastructure needs, future use as determined by the WCSO in alignment with the MOU agreement and an increase in the undesignated allocation for future non-structural allocations to be determined by the BOC

## 2017 General Fund Budget Adjustments Approved by the Board of Commissioners

- ▶ September 20, 2017, Resolution #17-0145  
Structural adjustment in the amount of \$1,199,045 to recognize increased property tax revenues earmarked for future allocations
- ▶ December 6, 2017, Resolution #17-0205  
One-time adjustment in the amount of \$300,000 to increase both Sheriff Office revenues and expenditures
- ▶ December 6, 2017, Resolution #17-0207  
One-time technical adjustment in the amount of \$1,054,128 to increase both revenues and expenditures
- ▶ The Board also authorized other net neutral budget adjustments in the amount of \$470,045, all reclassifications from the undesignated allocation

## General Fund Revenues

- ▶ Clerks/Register of Deeds: Surplus of \$884K due to real estate transfer tax receipts and recording fees
- ▶ State Revenues: Surplus of \$717K due to reimbursement for the personal property tax exemption loss
- ▶ Sheriff's Office: Surplus of \$220K due to other reimbursements, fees for services and intergovernmental revenues
- ▶ District Court: Shortfall of \$600K due to reduced court fees and fines as a result of the current caseload
- ▶ Planned Use of Fund Balance: Current budget \$2,680,684; thus projected shortfall

## General Fund Revenues Actual Variance as of 12/31/17

Clerk/Register of Deeds	\$ 884,411
State Revenues	717,325
Sheriff's Office	219,971
District Court	(599,743)
Planned Use of Fund Balance	(2,680,684)
All Other Combined	128,181
<b>Total Projected Revenue Shortfall</b>	<b>(\$1,305,539)</b>

## General Fund Expenditures

- ▶ Departmental Operating & Personnel: Surplus of \$2.2M due to the undesignated allocation and cost containment efforts, position vacancies and attrition
- ▶ Reserves & Appropriations: Surplus of \$1.3M due to budgeted reserves and transfers out
- ▶ Planned Contribution to Fund Balance: Current budget \$360,044; thus a surplus
- ▶ Trial Court: Projected surplus of \$184K primarily due personnel savings and continued cost containment in operations

## General Fund Expenditures Actual Variance as of 12/31/17

Departmental Operating & Personnel (excludes PS&J)	\$ 2,191,099
Appropriations & Reserves	1,252,960
Planned Contribution to Fund Balance	360,044
Trial Court	183,926
Sheriff	6,410
<b>Total Projected Expenditure Surplus</b>	<b>\$ 3,994,439</b>

## General Fund Status Actual Variance as of 12/31/17

Category	Original Budget	Adj	Revised Budget	YTD Total	Variance	% Variance
Taxes and Penalties	68,206,587	1,199,045	69,405,632	69,372,518	(33,115)	-0.05%
Licenses & Permits	332,052	-	332,052	373,794	41,742	12.57%
Federal Revenue	90,800	-	90,800	75,325	(15,475)	-17.04%
State Revenue	11,150,754	-	11,150,754	11,882,034	731,280	6.56%
Local Revenue	1,319,699	182,170	1,501,869	1,281,425	(220,444)	-14.68%
Fees & Services	21,957,892	322,908	22,280,800	23,081,827	801,027	3.60%
Fines & Forfeitures	1,012,100	-	1,012,100	836,050	(176,050)	-17.39%
Interest Revenue	107,419	-	107,419	203,485	96,066	89.43%
Other Revenue & Reimbursement	2,130,034	3,840,651	5,970,685	3,541,422	(2,429,263)	-40.69%
Transfers In	2,043,766	(16,866)	2,026,900	1,925,592	(101,308)	-5.00%
<b>Total Revenues</b>	<b>108,351,103</b>	<b>5,527,908</b>	<b>113,879,011</b>	<b>112,573,472</b>	<b>(1,305,539)</b>	<b>-1.15%</b>
Personnel Services	71,748,087	(80,388)	71,667,699	71,025,381	642,318	0.90%
Supplies	1,585,372	167,200	1,752,572	1,856,447	(103,875)	-5.93%
Other Services and Charges	11,855,706	1,922,423	13,778,129	12,416,451	1,361,678	9.88%
Internal Service Charges	3,025,706	(163,369)	2,862,337	2,338,739	523,598	18.29%
Capital Outlay	88,625	506,736	595,361	825,924	(230,563)	-38.73%
Reserves	1,392,417	(419,153)	973,264	-	973,264	100.00%
Appropriations	18,655,190	3,594,459	22,249,649	21,421,630	828,019	3.72%
<b>Total Expenditures</b>	<b>108,351,103</b>	<b>5,527,908</b>	<b>113,879,011</b>	<b>109,884,572</b>	<b>3,994,439</b>	<b>3.51%</b>
			<b>Surplus/(Shortfall)</b>	<b>2,688,900</b>		

## General Fund Budget vs. Quarterly Projection as of 12-31-17

	Revised Budget	1st Quarter Projected	2nd Quarter Projected	3rd Quarter Projected	Year-End Projected
<b>Total Revenues</b>	<b>113,879,011</b>	108,820,570	108,984,252	110,112,548	<b>112,573,472</b>
<b>Total Expenditures</b>	<b>(113,879,011)</b>	(110,925,768)	(110,762,357)	(110,266,538)	<b>(109,884,572)</b>
<b>Projected Surplus/(Shortfall)</b>	-	(2,105,198)	(1,778,105)	(153,990)	<b>2,688,900</b>
<b>Planned Use of Fund Balance</b>	<b>(2,680,684)</b>	(2,680,684)	(2,680,684)	(2,680,684)	<b>(2,680,684)</b>
<b>Planned Contribution to Fund Balance</b>	<b>360,044</b>	360,044	360,044	360,044	<b>360,044</b>
<b>Net Planned (Use)/Contribution to Fund Balance</b>	<b>(2,320,640)</b>	(2,105,198)	(1,778,105)	(153,990)	<b>2,688,900</b>

## 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. The investments supported by this one-time annual surplus shall be considered non-structural and non-recurring decisions on utilization of these funds are made annually.

## Recommended Additional Nonstructural Carry Forward Financial Items

- ▶ Increase Office of Infrastructure Management allocation in the amount of \$822K for critical information technology, building security/renovation needs and capital projects
- ▶ Increase transfer out in the amount \$220K for the portion of the Sheriff's Office revenue surplus
- ▶ Increase transfer out in the amount of \$172K for the portion of Trial Court's expenditure surplus for judicial capital projects (\$112K for the Friend of the Court renovation and \$60K for judicial technology)

## Quadrennial General Fund Recommended Budget Summary as of 3/21/18

Category	2018 Adopted Budget	2019 Adopted Budget	2020 Adopted Budget	2021 Adopted Budget
Taxes and Penalties	70,098,299	70,790,965	71,483,632	72,157,139
Licenses & Permits	348,833	359,145	369,806	369,626
Federal/State/Local Revenue	12,732,464	12,781,531	12,815,560	12,812,780
Fees & Services	22,311,023	22,506,791	22,704,592	22,900,058
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	2,737,146	2,186,754	3,326,637	2,167,836
Transfers In	2,195,239	2,197,904	2,197,904	2,197,904
<b>Total Revenues</b>	<b>111,542,523</b>	<b>111,942,609</b>	<b>114,017,650</b>	<b>113,724,862</b>
Personal Services	73,444,313	74,855,532	76,526,203	75,338,631
Supplies	1,760,722	1,615,949	1,765,379	1,616,379
Other Services and Charges	11,959,517	11,824,669	11,837,241	11,934,046
Internal Service Charges	2,828,988	2,722,815	2,718,880	2,871,175
Capital Outlay	88,625	88,625	88,625	88,625
Reserves/Contingencies	841,657	405,420	405,420	1,140,359
Appropriations/Transfers	20,618,701	20,429,599	20,675,902	20,735,647
<b>Total Expenditures</b>	<b>111,542,523</b>	<b>111,942,609</b>	<b>114,017,650</b>	<b>113,724,862</b>
<b>Budgeted Net Planned Contribution / (Use of) Fund</b>	<b>(208,302)</b>	<b>(82,378)</b>	<b>(1,213,801)</b>	<b>679,939</b>
<b>Notes:</b>				
Planned contributions to fund balance are budgeted in the reserves category.				
Planned use of fund balance are budgeted in the other revenue and reimbursement category.				

## Non General Fund Statuses Actual Variance as of 12/31/17

Child Care	Surplus
Community Mental Health (9-30-17 year end)	Fund Balance
Facilities Operations & Maintenance	Surplus
Friend of the Court - CRP (9-30-17 year end)	Surplus
Prosecuting Attorney - CRP (9-30-17 year end)	Surplus
Public/Environmental Health (9-30-17 year end)	Surplus
Building Inspection	Surplus
Office of Community & Economic Development	Surplus
Risk Management	Fund Balance
Economic & Agriculture Development	Fund Balance
Veteran's Relief	Surplus

## 2018 Summary & Next Steps

- ▶ Integration of Board-defined community impacts & investment priorities
- ▶ Eye on the Future 2019-2021 Budget Impacts Presentation
- ▶ Quarterly Budget review & updates: 1<sup>st</sup> Q - May, 2<sup>nd</sup> Q - August and 3<sup>rd</sup> Q - November
- ▶ 2019-2022 Budget Development and Planning Process