



BOARD OF COMMISSIONERS

220 NORTH MAIN STREET, P.O. BOX 8645

ANN ARBOR, MICHIGAN 48107-8645

(734)222-6850

FAX (734)222-6715

TO: Washtenaw County Board of Commissioner

FROM: Katie Scott, Chair
Ways & Means Committee

DATE: November 20, 2019

SUBJECT: FY 2020 Additional Funding Recommendation

BOARD ACTION REQUESTED

Recommending that the Board of Commissioners amend the 2020 Budget to provide additional funding to specific programs, as well as provide additional funding to some of the non-general fund departments to sustain existing programming and/or enhance programming for the citizens of Washtenaw County.

BACKGROUND

On October 9, 2019 the County presented a recommended FY 2020 balanced budget to the Board of Commissioners. Since that time, the recommended budget has been discussed at the Ways & Means Committee, with the item moved to the Board of Commissioners for action at the November 20, 2019 meeting. We moved this budget knowing that a budget amendment would most likely come forward at this meeting to address additional fund appropriation to the non-general fund departments, specifically the Department of Public Health, the Office of Community and Economic Development, and the Community Mental Health Department.

DISCUSSION

The FY 2020 recommended budget is \$125,868,995, \$126,054,362 for 2021, \$127,559,672 for 2022 and \$128,813,317 for 2023.

When reviewing departmental budget trends over a period of time, it is important to understand the context of how each budget is developed and modified. If a year-end surplus exists in a department supported by the general fund, BOC policy dictates that such surplus returns to the overall general fund balance. When developing general fund budgets for FY 2020, the only line item growth recommended were in the areas of personal services (salary & fringes) and cost allocation adjustments.

Personal Services is the largest expenditure within the General Fund, comprising approximately 61% of direct operating allocation plus additional support to County staff through appropriations to non-general fund programs. All positions approved by the Board of Commissions are fully funded as not doing so could result in an underfunding of staff positions. Based on attrition, budgets may indicate a surplus from time to time, however it is the expectation that we will have full occupancy when budgeting.

In 2011, the Board of Commissioners established that there will be no automatic General Fund appropriation increases granted for personnel cost increases appropriations except where required. The 2020-2023 Budget includes additional non-structural allocations for 2020 only for

Community Mental Health, Health Department and the Office of Community & Economic Development to offset rising personnel services costs. Since this policy decision was implemented in 2011, some of the non-general fund departments have expressed difficulty in managing negotiated increases and increases in cost allocation.

The FY 2020 budget recommended in October 2019 already included a non-structural allocation for broadband.

An increase is recommended in the Accommodation Ordinance funded Historic Preservation efforts from \$20,000 included in the original recommendation to \$32,000.

As part of the ongoing discussion among Commissioners it is recommended that the following structural adjustments to the FY 2020 budget reaffirmation be considered to provide additional funding to non-general fund departments as follows:

- CMH - \$50,000
- Health - \$300,000
 - The allocation being made to the Health Department shall be used in part for Title X programming
- OCED - \$125,000

Additionally, recommending structural increase in allocation for the Youth Commission in the amount of \$25,000.

IMPACT ON HUMAN RESOURCES:

This recommendation eliminates the following positions effective 1.1.20:

Position ID	Position Title	Grade	Group
25230003	Administrative Coordinator	25	4100

IMPACT ON BUDGET:

There will be a net neutral impact on the 2020-2023 Quadrennial Budget as the revised recommended budgets re-categorize expenditures only. Appropriations/transfers out category will structurally increase \$475,000 each year for increased allocations to the Health Department (\$300,000), Office of Community & Economic Development (\$125,000) and Community Mental Health (\$50,000). In addition, other services and charges category will structurally increase in the amount of \$25K each year to be allocated for youth commission activities. The offset for the allocation increases will be a structural net reduction to personal services in the amount of \$36,455 for 2020, \$38,611 for 2021, \$40,887 for 2022 and \$43,867 for 2023 for the elimination of .50 FTE Administrative Coordinator within the Finance Office. Also, there will be a structural reduction in the amount of \$25K each year from Finance office supplies category. Furthermore, an additional offset to the allocation increases will be a structural reduction to other services and charges category of \$30,000 from organization development within Human Resources- Professional Development and \$15,000 from attorney fees within Corporation Counsel budgets. There will also be a reduction of the undesignated allocation of \$393,545 for 2020, \$391,389 for 2021, \$389,113 for 2022 and \$386,133 for 2023. Therefore, the net decrease to the other services and charges category is \$413,545 for 2020, \$411,389 for 2021, \$409,113 for 2020 and \$406,133 for 2023. Finally, the remaining undesignated allocation amounts available for future investment to be discussed and determined by the Board of Commissioners upon resolving the projected Community Mental Health FY 2019 deficit are \$107,974 for 2020, \$80,122 for 2021, \$202,464 for 2022 and \$210,585 for 2023.