COUNTY ADMINISTRATOR
220 NORTH MAIN STREET, P.O. BOX 8645
ANN ARBOR, MICHIGAN 48107-8645
(734)996-3055
FAX (734)994-2592

TO: Al Robinson, Chair
Ways & Means Committee

THROUGH: Robert E. Guenzel
County Administrator

FROM: Peter Ballios
Finance Director

DATE: November 30, 2000

SUBJECT: 2001 Proposed Amended Budget and Adjustments made to the 2000 Budget

Board Action Requested:

It is requested that the Board of Commissioners adopt the proposed Amended 2001 Budget and approval of adjustments made to the 2000 Budget.

Background:

Washtenaw County Board of Commissioners adopted the 2000/2001 Biennial Budget on November 3, 1999. At the time of adoption, the Board directed that the 2001 Budget be amended in 2000 to reflect changes in economic conditions. The Board also directed the County Administrator to bring the Amended 2001 Budget back to the Board for final adoption prior to the beginning of the 2001 fiscal year. Also, adjustments made to the 2000 Budget require Board approval.

Discussion:

2001 Budget

Since the adoption of the biennial budget in November of 1999, a clearer picture of the needs for 2001 has been gained and adjustments need to be made to reflect revised revenue and expenditure estimates. These adjustments have been made in the attached 2001 Amended Budget, and the major changes are outlined below.

The major issues affecting the General Fund include the need for an additional $550,000 in the Sheriff's budget in 2001 to cover the increased cost of the Jail Medical Contract. This was previously approved by the Board of Commissioners on June 7th in resolution #00-0117.

Another major impact on the General Fund is that the State has mandated local jurisdictions to move Building Inspection outside of the General Fund. This results in a decrease in General Fund expenditures in the amount of $1,875,085.

Revenue estimates have also changed since the original adoption of the 2001 budget. The impact of the Headlee Amendment on the county's property tax collections is a reduction of $275,903. Based on preliminary estimates of the 2000 census, the county will receive an additional $822,050 in State Revenue Sharing revenue.

There are other less significant modifications needed to the General Fund as reflected in the attached 2001 Amended Budget.

Outside of the General Fund, a couple of major initiatives have developed. The largest of these initiatives is the creation of the Washtenaw County Health Organization (WCHO) and the separation of WCHO from the county department Community Mental Health (CMH) (per resolution #99-0154 and as amended in resolution #00-0140). As the county will operate as the fiscal agent for WCHO, a new fund has been created and a budget in the amount of $58,726,207 has been proposed. The reason for the magnitude of the WCHO budget is that it includes all revenue received from the State of Michigan by the county and the University of Michigan. Because WCHO will manage most service provider contracts, CMH's budget will reflect only those activities for which they are a direct provider. As a result, CMH's budget is being revised from $44,160,152 to $14,649,034, which reflects the services that CMH will provide to WCHO. No additional General Fund money is needed to support this venture.

The financial reporting structure for Facilities Management is also in need of some modifications. This is primarily due to the county's auditors making recommendations for how we can more clearly report the debt retirement on FIA buildings constructed for the State. Facilities Management is also experiencing some new responsibilities with the addition of the new county building at 200 N. Main Street, as well as maintaining the new radio lease for the 800 Mhz system. The total impact on the Facilities Management budget for 2001 due to these changes is an increase of $271,600.

The last issue affecting non General Fund departments is the addition of $1,500,000 in State grant funding to the Parks & Recreation department. They plan on using this new funding to acquire land at Park Lyndon and to improve Rolling Hills Water Park.

2000 Budget

In February 2000 the County signed a new contract for medical services within the jail (Res #00-0027). This contract represented an increase of $550,000 over the previous year. At that time, it was anticipated that the shortfall would be covered by salary savings within the jail since refurbishing was in process and the facility would not be at full capacity. The anticipated salary savings have since been used to cover overtime expenditures in Police Services and it is therefore necessary to increase the Sheriff's budget to cover the medical contract shortfall. An adjustment of $500,000 is requested.

Impact on Human Resources:

The net impact of the position modifications indicated consists of the creation of 4.0 FTE and the reclassification of 5.0 FTE resulting in the need for $53,051 in the general fund. The 4 positions created are critical to the operation of Headstart (2), as well as the Public Defender (1) due to the significant increase of caseloads resulting from the Domestic Violence Grant awarded to the County Prosecutor. The Parks & Recreation department is also in need of a position (1) to direct the operations at Independence Lake Park due to new year-round operations. The reclassifications are necessary and justified based on market analysis and review of the level of responsibility.

Impact on Budget:

For FY 2001, the net impact of the revenue and expenditure modifications as outlined above is a reduction in the General Fund of $1,305,940. The net impact of all changes on the entire county budget is an increase of $31,555,834.

For FY 2000, there is a need for a $500,000 increase in the Sheriff's budget to cover increased costs of the jail medical contract.

Impact on Indirect Costs:

The revenue collected for the Cost Allocation Plan in the General Fund was reduced by $116,600 and was reallocated to Facilities Management due to the cost of maintaining the new building at 200 N. Main Street.

Impact on Other County Departments or Outside Agencies:

None.

Conformity to County Policies:

This is in conformance with county policies.

A RESOLUTION AFFIRMING THE SECOND YEAR OF THE 2000/2001 BIENNIAL COUNTY BUDGET AND APPROVING ADJUSTMENTS TO THE 2000 BUDGET

WASHTENAW COUNTY BOARD OF COMMISSIONERS

December 6, 2000

WHEREAS, in 1993, the County implemented a biennial budget in an effort to improve the efficiency of the entire budget process; and

WHEREAS, the County Administrator was directed to prepare the 2000 budget for approval and adoption, and the 2001 budget based on information currently available; and

WHEREAS, on November 3, 1999 the Board of Commissioners adopted the 2000/2001 budget and the policies to govern the implementation of the biennial budget; and

WHEREAS, the Board of Commissioners directed that the 2001 budget be amended in 2000 to reflect necessary revisions as economic conditions warranted and that the County Administrator bring the necessary changes to the 2001 budget back to the Board prior to the beginning of fiscal year 2001 for final adoption; and

WHEREAS, the proposed budget for fiscal year 2001 is on file with the County Clerk/Register; and

WHEREAS, revenues have been estimated by source for each fund and are sufficient to defray expenditures and meet all liabilities for the 2001 fiscal year; and

WHEREAS, the proposed budget for fiscal year 2001 is based on an operating millage rate of 4.7598 mills and the Administrator will adjust the 2001 budget should the millage be otherwise; and

WHEREAS, the public hearing on the proposed amended 2001 Budget was held on Wednesday, November 15, 2000 in compliance with Section 2 of P.A. 1963, 2nd Ex. Session (M.C.L.A. 141.412), Section 24e of Act 206; and

WHEREAS, this matter has been reviewed by the County Administrator's Office, the Finance Office, Human Resources, Corporation Counsel and the Ways & Means Committee

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby affirms the 2001 Operating Budget as the official budget and the position changes for the County of Washtenaw for the fiscal year beginning January 1, 2001, as attached hereto and made a part hereof

BE IT FURTHER RESOLVED that the Board of Commissioners approves the adjustments made to the 2000 Budget, as attached hereto and made a part hereof

2001 Amended Budget
Washtenaw County

Fund #	Agency #	Organization Name	2001 Adopted	2001 Amended	Footnotes
1010		**GENERAL FUND**	$ 72,894,260	$ 71,588,320	
	100	Board of Commissioners	$ 504,978	$ 504,978	
	130	Trial Court - Circuit	$ 2,701,463	$ 2,701,463	
	140	Trial Court - 14th District	$ 3,489,682	$ 3,489,682	
	150	Probation	$ 135,934	$ 135,934	
	170	Trial Court Family Division - Probate Estates	$ 695,960	$ 695,960	
	180	Trial Court Family Division - Juvenile	$ 2,870,877	$ 2,870,877	
	200	County Administrator	$ 586,138	$ 586,138	
	210	Finance	$ 2,732,422	$ 2,732,422	
	220	Information & Technology	$ 4,880,630	$ 4,880,630	
	230	Public Defender	$ 1,588,855	$ 1,641,906	a
	260	Human Resources	$ 1,466,442	$ 1,466,442	
	270	Corporation Counsel	$ 202,992	$ 202,992	
	310	Equalization	$ 1,161,757	$ 1,161,757	
	320	Building Authority	$ 5,021	$ 5,021	
	400	Clerk/Register of Deeds	$ 3,179,143	$ 3,179,143	
	420	Treasurer's Office	$ 923,506	$ 923,506	
	430	Prosecuting Attorney	$ 2,927,777	$ 2,927,777	
	440	Drain Commissioner	$ 1,652,487	$ 1,652,487	
	460	Planning Commission	$ 767,770	$ 767,770	
	500	Sheriff	$ 22,800,102	$ 23,350,102	b
	560	Emergency Management	$ 544,515	$ 544,515	
	580	Public Works	$ 292,580	$ 292,580	
	620	Brownfield Redevelopment	$ -	$ 49,939	c
	621	Building Inspection/Soil Erosion	$ 1,925,024	$ -	d
	671	County Extension	$ 631,383	$ 631,383	
	672	Veteran Services	$ 345,420	$ 345,420	
	680	Children's Services	$ 726,397	$ 726,397	
	690	Veteran Burial	$ 63,415	$ 63,415	
	980	Central Charges	$ 2,951,296	$ 2,786,057	e
	980	Adjustment for Cost Allocation	$ (7,349,269)	$ (7,232,669)	f
	980	Appropriations and Transfers	$ 17,489,563	$ 17,504,296	g,h
		Capital Projects	$ 300,000	$ 300,000	
		Cigarette Tax - Health	$ 206,998	$ 174,334	g
		Mental Health	$ 1,128,080	$ 1,128,080	
		ETCS	$ 1,116,794	$ 1,116,794	
		Public Health	$ 2,549,372	$ 2,549,372	
		Child Care	$ 3,909,339	$ 3,909,339	
		Community Corrections	$ -	$ -	
		Family Independence Agency	$ 54,109	$ 54,109	
		Friend of the Court	$ 1,170,164	$ 1,170,164	
		County Library	$ 481,157	$ 481,157	
		Environmental Health	$ 1,124,559	$ 1,124,559	
		Pros. Atty. - Coop. Reim.	$ 119,184	$ 119,184	
		Substance Abuse	$ 378,129	$ 425,526	h
		Transfers	$ -	$ -	
		County Health Care	$ 500,000	$ 500,000	
		Housing Appropriation	$ 210,000	$ 210,000	
		Capital Equipment	$ 200,000	$ 200,000	
		Technology & Telecommunications	$ 2,764,636	$ 2,764,636	
		1/8 Mill Capital	$ 1,202,042	$ 1,202,042	
		LAWNET	$ 30,000	$ 30,000	
		Worksite Wellness	$ 45,000	$ 45,000	

2001 Amended Budget
Washtenaw County

Fund #	Agency #	Organization Name	2001 Adopted	2001 Amended	Footnotes
		SPECIAL REVENUE FUNDS			
1440	500	SHERIFF GRANTS	$ 469,341	$ 469,341	
1620	430	PROSECUTING ATTORNEY - CR	$ 480,466	$ 480,466	
1680	200	HOUSING FUNDS	$ 232,838	$ 232,838	
1710	580	BFI	$ 1,071,943	$ 1,071,943	
1750	630	BUILDING INSPECTION/SOIL EROSION	$ -	$ 1,875,085	d
1760	620	ENVIRONMENTAL HEALTH	$ 3,457,521	$ 3,457,521	
1780	621	RESOURCE REMEDIATION	$ 10,000	$ 10,000	
1810	690	VETERANS TRUST	$ 68,121	$ 68,121	
1900	560	EMERGENCY MANAGEMENT	$ 1,325,273	$ 1,325,273	
2080	600	PARKS AND RECREATION	$ 7,194,546	$ 8,694,546	i
2060	190	LAW LIBRARY	$ 8,500	$ 8,500	
2110	610	COUNTY LIBRARY	$ 525,938	$ 525,938	
2150	160	FRIEND OF THE COURT	$ 3,823,794	$ 3,823,794	
2300	675	ETCS	$ 9,037,802	$ 9,037,802	
2920	673	WASHTENAW COUNTY HEALTH ORG	$ -	$ 58,726,207	j
2930	673	COMMUNITY MENTAL HEALTH	$ 44,160,152	$ 14,649,034	k
2950	674	COUNTY HEALTH CARE PLAN	$ 500,000	$ 500,000	
2960	674	PUBLIC HEALTH	$ 5,708,946	$ 5,708,946	
2980	679	FAMILY INDEPENDENCE AGENCY	$ 854,109	$ 854,109	
2990	180	CHILD CARE	$ 7,265,300	$ 7,265,300	
		DEBT SERVICE FUNDS			
3000	580	PUBLIC WORKS - DEBT SERVICE	$ 4,168,859	$ 4,168,859	
3700	320	BUILDING AUTHORITY - DEBT SERV.	$ 3,525,193	$ 3,525,193	
		CAPITAL/CONSTRUCTION FUNDS			
4010	240	CAPITAL PROJECTS	$ 1,502,042	$ 1,502,042	
4050		CAPITAL EQUIPMENT	$ 3,269,636	$ 3,269,636	
4060	200	CAPITAL RESERVE	$ 2,015,417	$ 2,015,417	
		ENTERPRISE FUNDS			
5720	500	INMATE ENTERPRISE FUND	$ 267,832	$ 267,832	
5990	695	COUNTY EXTENSION ENTERPRISE	$ 82,600	$ 82,600	
		INTERNAL SERVICE FUNDS			
6040	580	DPW REVOLVING	$ 47,000	$ 47,000	
6150	420	DELINQUENT TAX FUND	$ 1,455,025	$ 1,455,025	
6310	240	FACILITIES MANAGEMENT	$ 5,839,140	$ 5,383,089	l
6315	240	FIA BUILDINGS	$ -	$ 572,651	m
6320	240	FLEET SERVICES	$ 2,140,385	$ 2,140,385	
6321	240	800 Mhz RADIOS	$ -	$ 155,000	n
6330	240	FAC. MGMT. - GENERAL SERVICES	$ 1,273,663	$ 1,273,663	
6340	240	GENERAL SERVICES REVOLVING	$ 660,000	$ 660,000	
6360	240	COPIER FUND	$ 325,000	$ 325,000	
6440	200	RISK MANAGEMENT	$ 1,226,708	$ 1,226,708	
6600	210	FRINGE BENEFIT REVOLVING	$ 9,715,161	$ 9,715,161	
6740	310	AERIAL PHOTO	$ 12,000	$ 12,000	
6900	210	CENTREX	$ 930,475	$ 930,475	

FOOTNOTES

a	Creation of 1.0 Assistant Public Defender I/II
b	Increase cost for Jail Medical contract as approved by resolution # 00-0117
c	Separation of Brownfield Redevelopment from Building Inspection/Soil Erosion
d	Moving Building Inspection/Soil Erosion to Special Revenue fund as mandated by State
e	Decrease in reserves to balance budget due to revenue and expenditure modifications
f	Adjustment to Cost Allocation Plan to cover operational costs for new building at 200 N. Main
g	Change in Cigarette Tax appropriation based on State projections
h	Change in Substance Abuse appropriation based on State projections
i	State grants to acquire land and improve water park
j	Establishment of budget for the new Washtenaw County Health Organization (WCHO)
k	Revising CMH budget to reflect new structure with WCHO
l	Reduction due to new fund for debt retirement on FIA buildings; offset by increase in cost of maintenance for new building
m	Creation of new fund for debt retirement on FIA buildings constructed for the State per auditors recommendations
n	Creation of budget for radio leases for 800 Mhz system

2001 WASHTENAW COUNTY
POSITION MODIFICATIONS

POSITION CONTROL NO.	POSITION TITLE	EMP GROUP	GRADE	CREATED	ELIM.
Clerk	**10104040**				
1703-0001	Jury Management Coordinator	12	17		1.0
2720-0043	Management Assistant	32	27	1.0	
CMH	**29302103**				
2927-0003	Human Services Fiscal Agent	32	29		1.0
3174-0001	Senior Fiscal Manager	32	31	1.0	
Drain	**10104410**				
3030-0001	Field Engineer	32	30		1.0
3227-0001	Field Engineer	32	32	1.0	
Headstart	**2510009400**				
2719-0053; 2719-0054	Management Analyst I/II	32	27/29	2.0	
Parks & Recreation	**20806020**				
3051-0001	Park Superintendent - Independence Lake	32	30	1.0	
Prosecuting Attorney	**10104300**				
3171-0001	Prosecuting Attorney Manager	32	31		1.0
3226-0001	Prosecuting Attorney Manager	32	32	1.0	
Public Defender	**10102300**				
2705-0014	Assistant Public Defender I/II	22	27/29	1.0	
Treasurer	**10104200**				
2926-0001	Tax/Accounting Manager	32	29		1.0
3173-0001	Tax/Accounting Manager	32	31	1.0	

Explanations

Clerk	Result of a retirement of a current employee. There is no impact on the budget as a result of this reorganization.
CMH	Added responsibilities for this position as senior CMH employees have joined WCHO. The cost can be absorbed within the current CMH budget.
Drain	Result of increased responsibilities. Cost can be absorbed within current budget.
Headstart	These positions were budgeted for in the 2000/01 Headstart grant.
Parks & Rec	Due to new year-round operations at Independence Lake Park. Cost is included in Parks & Rec amended budget.
Prosecuting Attorney	Due to $10 million Domestic Violence grant and additional responsibilities that have resulted. Cost can be absorbed within budget.
Public Defender	Increase in workload in that Department. Workload has been handled by Part Time Temporary staff in 2000. Cost is built into 2001 amended budget.
Treasurer	Due to the Tax/Accounting Manager increasing skills and responsibilities by becoming a CPA. There is no cost for this reclassification.

2000 Budget Adjustments

				2000 Current Budget	2000 Revised Budget	Variance
General Fund						
Revenues						
10104070	60000	Fees & Services	a	$1,028,120	$1,328,120	$300,000
10109910	66000	Interest Revenue	b	$3,487,599	$3,687,599	$200,000
		Total				$500,000
Expenditures						
10105100	80000	Sheriff - Other Services & Charges	c	$15,872,510	$16,372,510	$500,000
		Total				$500,000

a Real Estate Transfer Tax higher than initially budgeted

b Interest income higher than initially budgeted

c Increase in Sheriff's budget is due to an increase in the jail medical contract funding