

2008 Year End Budget Update

Washtenaw County
Ways & Means Committee
November 19, 2008

Agenda

- Year End Projection
- Major Changes
- Key Indicators
- Impact for 2009

Projected Year End Status

- General Fund will end with planned \$250K surplus
- Through implementation of all actions authorized in 2008 Budget Solution Resolution:
 - Hiring Freeze Savings
 - Transfer from Property Foreclosure Fund
 - Integrated Health
 - Downsizing of Towner Renovation Project
 - Miscellaneous Appropriation Reductions

Projected Year End Status

- Also planned use of 2008 surpluses and fund balances in non general funds as authorized
- Potential Adjustments Include:
 - \$500K Self Insurance Fund (current year surplus)
 - \$300K Child Care Fund (current year surplus)
 - \$100K Environmental Health (fund balance)
 - \$400K Technology Plan (fund balance)
 - \$400K 1/8th Mill Building Maintenance (fund balance)
 - \$200K Capital Projects (current year surplus)

Major Changes since 2nd Quarter

- Interest earnings continue to worsen
- Anticipated fringe rate savings not materializing (assuming not selling VEBA certificates of participation this year)
- Sheriff Overtime and Fleet Costs Increased
- Increased CAP revenue into General Fund

General Fund Projection

3rd Quarter as of September 30, 2008

	<u>Revised Budget</u>	<u>YTD</u>	<u>Projected Year End</u>	<u>Projected Variance</u>	<u>% Variance</u>
Revenues:					
Taxes and Penalties	70,144,441	32,126,623	70,093,578	(50,863)	-0.1%
Licenses & Permits	136,200	126,396	140,158	3,958	2.9%
Federal Revenue	49,424	(12,866)	51,560	2,136	4.3%
State Revenue	4,472,667	3,341,953	4,652,823	180,156	4.0%
Local Revenue	563,564	501,573	777,194	213,630	37.9%
Fees & Services	19,059,975	13,320,397	17,846,976	(1,212,999)	-6.4%
Fines & Forfeitures	1,262,100	725,078	1,138,551	(123,549)	-9.8%
Interest Revenue	1,204,400	484,371	825,511	(378,889)	-31.5%
Other Revenue & Reim	1,741,469	814,817	1,362,219	(379,250)	-21.8%
Transfers In	9,272,040	8,904,575	9,299,993	27,953	0.3%
Total Revenues	107,906,280	60,332,917	106,188,563	(1,717,718)	-1.6%
Expenditures:					
Personal Services	63,019,298	44,201,764	63,540,156	(520,858)	-0.8%
Supplies	1,647,756	1,173,703	1,657,711	(9,955)	-0.6%
Other Services and Charges	15,733,419	10,348,630	16,634,146	(900,727)	-5.7%
Internal Service Charges	2,140,160	1,493,058	1,757,091	383,069	17.9%
Capital Outlay	276,125	261,850	272,500	3,625	1.3%
Reserves	350,000	-	-	350,000	100.0%
Appropriations	24,739,522	17,303,805	23,258,967	1,480,555	6.0%
Total Expenditures	107,906,280	74,782,810	107,120,570	785,710	0.7%
			Projected Surplus/(Deficit)	(932,008)	-0.9%

Major Funds

Impacting General Fund

3rd Quarter as of September 30, 2008

▶ LLRC	Projected Surplus
▶ Child Care Fund	Projected Surplus
▶ Facilities Management	Projected Surplus
▶ Risk Management	Projected Surplus
▶ Environmental Health	Projected Surplus
▶ ETCS	On target
▶ Head Start	On target
▶ CSTS	On target
▶ Public Health	On target
▶ FOC	Projected Shortfall
▶ Building Services	Projected Shortfall

Key Indicator Trends

- Low attrition resulting in lower than hoped hiring freeze savings – does provide opportunities for long term restructurings
- Housing indicators continue to reflect downturn and low revenues throughout departments
- CPI increased throughout year
- Sheriff projected deficit increased mainly due to changes in policy and accounting

Sheriff's Budget Projection

without Overtime Reimbursement

3rd Quarter as of September 30, 2008

	Revised Budget	YTD Actuals	Projected Year End	Projected Variance	% Variance
Revenues:					
Taxes and Penalties	-	-	-	-	-
Licenses & Permits	6,500	1,155	1,603	(4,897)	-75.33%
Federal Revenue	-	-	-	-	-
State Revenue	62,000	89,591	150,817	88,817	143.25%
Local Revenue	-	122	122	122	0.00%
Fees & Services	11,633,718	8,608,187	11,432,293	(201,425)	-1.73%
Fines & Forfeitures	-	2,250	2,250	2,250	0.00%
Interest Revenue	-	-	-	-	-
Other Revenue & Reimbursement	32,500	25,206	23,173	(9,327)	-28.70%
Transfers In	903,054	522,769	835,695	(67,359)	-7.46%
Total Revenues	13,637,772	9,249,280	13,101,563	(191,819)	-1.41%
Expenditures:					
Personal Services Category Total	28,039,934	19,955,577	28,395,019	(355,085)	-1.27%
Supplies	603,664	639,370	752,782	(149,118)	-24.70%
Other Services and Charges	2,660,444	2,327,058	3,154,093	(493,649)	-18.56%
Internal Service Charges	5,719,368	4,502,315	6,014,071	(294,703)	-5.15%
Capital Outlay	13,625	-	10,000	3,625	26.61%
Reserves	300,000	-	-	300,000	100.00%
Appropriations	-	-	-	-	-
Total Expenditures	37,337,035	27,424,321	38,325,965	(988,930)	-2.65%

(1,180,749)

Sheriff's Budget Overtime Projection

3rd Quarter as of September 30, 2008

- Police Services Overtime Reimbursement
 - Budgeted \$1M
 - Projected \$638K with full reimbursement from contracting units
- County Responsible Police Services Overtime
 - Budgeted \$500K
 - Projected \$773K
 - Overage due to number of vacancies and new hires requiring significant backfilling while in FTO program

Major Issues in Sheriff's Budget

- Police Services FTO program cost of ~\$475K due to large number of vacancies early in year (contract credits and county responsible overtime)
- Police Services Fleet ~\$250K deficit
- Corrections ~\$148K deficit above budgeted reserve due to overcrowding

Impact on 2009 Budget

- Police Services FTO Costs should be contained within budget due to revised policy of PSSC
- Fleet costs should stabilize and may decrease
- Other Sheriff issues should be manageable due to increase in budgeted reserve
- Continue to monitor and project revenues from housing market and economy downturn

**QUESTIONS /
COMMENTS**