

2009 1ST QUARTER BUDGET UPDATE

Washtenaw County Board of Commissioners
June 3, 2009

Agenda

- ⦿ Background
- ⦿ General Fund Review
 - Major Revenue Considerations
 - Major Expenditure Considerations
- ⦿ Non General Fund Review
- ⦿ Opportunities to Balance Budget
- ⦿ Next Steps

Background

- Developed 2009 budget with uncertainty from emerging economic crisis
 - Altered property tax projections from 0% to -1.5% with worse case estimate of -3%
 - Reduced budgeted revenue in Register of Deeds by \$600K
 - Increased budgeted expenditures for tax refunds due to appeals by \$300K
 - Increased employer contribution to WCERS based on actuary
 - Assumed savings from issuing VEBA COPS

Background

- ◎ Over \$15 Million in budget solutions were incorporated into 2009 budget
 - Additional \$4.2M from negotiated labor savings
 - \$3.5M from Support Services including transfer of LBPD
 - \$2M from increased revenue in CSTS/WCHO
 - Lump sum budget reductions in Trial Court and Sheriff
 - Reduced appropriations to NGF programs
 - Veteran Relief Millage
 - Position and Operating Budget Reductions in Most Departments

Current Reality

- ⊙ Economic situation continues to evolve
- ⊙ Major areas of focus for 2009 fiscal year include:
 - ⊙ Housing related revenues
 - ⊙ Property tax appeals
 - ⊙ Medical expenses
 - ⊙ Attrition
 - ⊙ Sheriff budget
 - ⊙ Juvenile placements
 - ⊙ State budget impact to NGF programs

General Fund Status – Revenues

as of March 31, 2009

○ Transfer In from Towner Renovation Project Balance	\$ 700,000
○ Property tax based on 2009 Equalization Report & Pfizer	(\$ 705,000)
○ Register of Deeds	(\$1,100,000)
○ Interest Earnings	(\$ 170,000)
○ All Other Revenues	(\$ 66,978)
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Total General Fund Revenues	(\$1,341,978)

Net of Police Services Reimbursable Overtime

General Fund Status – Expenditures

as of March 31, 2009

○ Tax Refund Appeals	(\$ 450,000)
○ Fringe Benefits – Medical	(\$ 1,580,000)
○ Pay For Performance	\$ 455,000
○ NS Commuter Rail	\$ 150,000
○ Projected NGF Appr Changes	(\$ 320,000)
○ All Other Expenditures	(\$ 222,046)
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Total General Fund Expenditures	(\$ 1,967,046)

Net of Police Services Reimbursable Overtime

General Fund Status – Revenues

as of March 31, 2009

● Total Revenues	(\$ 1,341,978)
● Total Expenditures	<u>(\$ 1,967,046)</u>
● Total General Fund	(\$3,309,024)

Non General Fund Status

as of March 31, 2009

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

Recommended Solutions

- ◎ Continue Hiring Freeze with Amount TBD
- ◎ Implementation of 2010/11 Budget Solutions during 2009 for over \$4 Million in Savings (see details in Recommended Budget Resolution)
 - WCHO/CSTS Revenue
 - Infrastructure
 - Department Revenues & Operating Budget Reductions
- ◎ Use of Fund Balances if Needed
 - Risk Management of \$1,153,085
 - Child Care Fund of \$630,000

Next Steps

- ◎ Continue monitoring key indicators and staying abreast of emerging variables including State budget
- ◎ Strong internal budget management
- ◎ 2010/11 Recommended Budget Review
- ◎ Implementation of Adopted Budget Modifications
- ◎ Next Budget Update in August