



2010/11 Budget Report **1st Quarter 2010**

Washtenaw County Board of Commissioners
May 5, 2010

AGENDA

- Revenue Focus Areas
- Expenditure Focus Areas
- General Fund Projection
- Non General Fund Projections
- Summary & Next steps

General Fund Revenue Focus Areas

- Property Taxes: Projected surplus of ~\$1.7M based on 2010 Equalization Report
- Register of Deeds Fees: Slight reduction in revenues but close to 2009 actuals
- Water Resources: Slight decline offset by expenditure surplus

General Fund

Revenue Focus Areas

- District Court Revenues: \$420K decline in 2009 projected to continue in 2010 due to local law enforcement and collections; offset by \$270K anticipated new revenues as part of lump-sum modification
- Police Services Contract Levels: Loss of revenue of \$1.07M due to Ypsilanti Township Contract Reduction; offset by ~\$700K expenditure reductions for net loss of \$370K
- Interest: Drop from \$1.3M in 2007 to \$146K in 2009 due to reducing cash balance and low interest rates resulting in projected deficit from budget of \$458K in 2010

General Fund Revenues

Projected as of 3/31/10

Property Tax	\$ 1,776,000
Clerk/Deeds	(\$ 58,000)
District Court	(\$ 157,000)
Police Services Contracts	(\$1,066,000)
Water Resources	(\$ 41,400)
Interest	(\$ 458,000)
Property Foreclosure	\$ 300,000
Combined All Other	\$ 305,451
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Total Revenue Surplus	\$ 601,051

Expenditure Focus Areas

- Personnel Costs

- Labor Savings: Significant concessions from unions however less than originally estimated; projected deficit of \$1.5M due to 4 unions without concessions for 2010; employees in these unions comprise a large portion of the General Fund; includes appropriation reductions to NGF to bring savings into GF where appropriate
- Fringe Benefits: Projected deficit due to budget being less than current rates for VEBA and medical
- Attrition: Currently projecting at budget

Expenditure Focus Areas

- Departmental Budget Reductions:
 - Working with Elected Officials and Department Heads to ensure modifications are realized to fullest extent possible
 - Still working with District Court on necessary adjustments for lump-sum reduction; revenue increases and personnel modifications assumed in projections

Expenditure Focus Areas

- Court Security: Costs projecting higher than budget by \$300K due to increased need for part-time staff
- Tax Appeals/Refunds: Increased budget by \$1M to a total of \$1.5M; estimate is conservative based on 2009 actuals although appeals continue to be on rise
- Planned carry forward to 2011 of \$4.36M plus \$921K for Jail Staffing

General Fund Expenditures

Projected as of 3/31/10

Labor Savings	(\$1,500,000)
Fringes	(\$ 798,000)
Court Security	(\$ 300,000)
Police Services Contracts	\$ 700,000
District Court	(\$ 193,000)
Reserve for Carry Forward	\$5,289,000
Combined All Other	\$ 571,238
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Total Expenditure Surplus	\$3,769,238

General Fund Projection

As of 3/31/10

Total Revenues	\$ 601,051
Total Expenditures	\$3,769,238
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Total Projected Surplus	\$4,370,289
Less: Planned Carry-Forward	(\$5,289,000)
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Net Projected Deficit	(\$ 918,711)

General Fund Projection

as of 3/31/10

	<u>Current Budget</u>	<u>YTD</u>	<u>Projected</u>	<u>Variance</u>	<u>% Variance</u>
Revenues:					
Taxes and Penalties	62,925,468	(1,752,747)	64,702,220	1,776,752	2.8%
Licenses & Permits	220,700	46,373	240,958	20,258	9.2%
Federal Revenue	46,331	8,067	61,067	14,736	31.8%
State Revenue	4,400,530	400,520	4,429,315	28,785	0.7%
Local Revenue	966,426	246,050	1,194,657	228,231	23.6%
Fees & Services	19,288,003	3,945,166	17,927,881	(1,360,122)	-7.1%
Fines & Forfeitures	1,262,100	150,352	1,253,649	(8,451)	-0.7%
Interest Revenue	668,800	15,781	210,524	(458,276)	-68.5%
Other Revenue & Reim	1,802,281	217,408	1,800,605	(1,676)	-0.1%
Transfers In	7,781,508	6,520,559	8,142,321	360,813	4.6%
Total Revenues	99,362,147	9,797,528	99,963,198	601,051	0.6%
Expenditures:					
Personal Services	57,742,522	12,441,210	60,453,096	(2,710,574)	-4.7%
Supplies	1,623,769	691,545	1,801,740	(177,971)	-11.0%
Other Services and Charges	14,289,520	2,369,352	14,344,816	(55,296)	-0.4%
Internal Service Charges	1,247,571	391,116	1,161,116	86,455	6.9%
Capital Outlay	13,625	-	-	13,625	100.0%
Reserves	5,468,000	-	-	5,468,000	100.0%
Appropriations	18,977,140	408,485	17,832,140	1,145,000	6.0%
Total Expenditures	99,362,147	16,301,708	95,592,909	3,769,238	3.8%
			Projected Surplus/(Deficit)	4,370,289	4.4%
			Less Planned Carry Forward to 2011	(5,289,000)	
			Net Projected Surplus/(Deficit)	(918,711)	-0.9%

Non General Fund Projections

as of 3/31/10

- Child Care Fund Projected Surplus
- Risk Management Projected Surplus
- Facilities O&M Projected Surplus
- Public Health Projected Surplus
- Environmental Health Projected Surplus
- Building Inspection Projected Surplus

Summary & Next Steps

- Good news on property tax but lots of remaining issues putting downward pressure on budget
- 2010 is OK with a projected surplus
- Question is if we will have enough to carry forward to 2011
- Continue monthly monitoring in preparation for 2nd Quarter Update where will have 6 months of solid data
- Work with Elected Officials and Department Heads to ensure budget modifications are realized where possible
- Update 2011 revenue projections in preparation for Budget Reaffirmation
- Update 4 year budget projections in preparation for 2012/13 Budget Development
- Continue to monitor NGF fund balance levels