

# 2011 Budget Outlook 3rd Quarter

Washtenaw County Board of Commissioners

November 2, 2011

# Agenda

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

# General Fund Revenue Focus Areas

- Planned Use of Fund Balance shortfall of \$2.9M
- Other financing source-capital lease surplus of \$1.3M
- Corporation Counsel surplus of \$749K due to the police services settlement
- Property Tax revenue is projected to have a surplus of \$78K due to the City of Ann Arbor DDA-TIF reimbursement
- Clerk/Register of Deeds: Projected surplus of \$268K due to fees & transfers tax starting to trend higher

# General Fund Revenue Focus Areas

- Treasurer: Projected surplus of \$77K due to dog license fee collections and fees and services
- Water Resources: Projected surplus of \$13K due to drain contribution & local revenue; partially offset by shortfalls in construction related revenues
- Prosecuting Attorney: projected surplus of \$18K due to new Title IV-E reimbursement grant
- Support Services: Projected shortfall of \$49K for reduced services provided to local entities

# General Fund Revenue Focus Areas

- District Court: projected shortfall of \$56K, due to declining case filings and less State drunk driving reimbursement
- Sheriff: Projected surplus of \$374K due to civil fees, State revenue and E-911 surcharge transfers; this will offset the expenditure shortfall that will be highlighted shortly
- Trial Court shortfall of \$45K due to lower State reimbursement revenues; this will be offset by an expenditure surplus
- Interest revenue shortfall of \$65K due to lower cash balance and interest rates

# General Fund Revenues

Projected as of 9/30/11

Planned Use of Fund Balance	(\$ 2,921,391)
Other Financing Sources-Capital Lease	\$ 1,302,837
Police Services Settlement	\$ 749,427
Property Tax	\$ 77,551
Clerk/Deeds	\$ 268,018
Treasurer	\$ 76,877
Water Resources	\$ 13,137
Prosecuting Attorney	\$ 17,943
Support Services	(\$ 48,760)
District Court	(\$ 55,741)
Sheriff	\$ 373,993
Trial Court	(\$ 44,937)
Interest Revenue	(\$ 64,859)
Combined All Other	(\$ 107,785)
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Total Projected Revenue Shortfall	(\$ 363,690)

# General Fund Expenditure Focus Areas

- IT: maintenance contract costs projected with budget shortfall of \$192K (this is an improvement over the 2<sup>nd</sup> quarter projections) due to new contracts and cost savings identified in 2010/11 not fully materializing
- Support Services: projected surplus of \$389K due to position vacancies as well as cost savings for professional development
- Reserve surplus of \$500K is planned to cover the OPEB COP Bond expense of \$439K
- Net Internal Service Charges surplus of \$136K due to CAP revenue offset by higher fleet & fuel costs

# General Fund Expenditure Focus Areas

- Capital Outlay shortfall of \$1.3M for leased capital equipment
- District Court: 2010/11 budget lump sum reduction not fully materializing for shortfall of ~\$306K
- Sheriff: Projected shortfall of ~\$298K due to one inmate medical case; As stated during the revenue highlights, the Sheriff's revenue surplus will offset this expenditure shortfall
- Treasurer's Office projected surplus of ~\$116K due to savings from a vacant position, un-used part-time temporary and other operating expense reductions



# General Fund Expenditure Focus Areas

- Appropriations:
  - Savings in Child Care Fund and Friend of the Court as part of the Trial Court lump sum budget reduction
  - Surpluses currently projected in Prosecuting Attorney CRP and Economic Development & Energy with ability to reduce GF allocation
- Tax Appeals/Refunds: Assuming at budget of \$1.5M since trends and liabilities are rising; Y-T-D \$846K and 2010 actual amount were \$604K

# General Fund Expenditures

Projected as of 9/30/11

IT Maintenance Contracts	(\$ 191,678)
Leased Capital Equipment	(\$1,302,837)
District Court	(\$ 305,767)
Sheriff	(\$ 297,619)
Support Services	\$ 388,885
Treasurer's Office	\$ 115,913
OPEB Bonds/VEBA COPS expense	(\$ 439,000)
Internal Service Charges	\$ 136,559
Reserves	\$ 500,000
Appropriation Savings	\$ 803,000
Combined All Other	(\$ 27,395)
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Total Projected Expenditure Shortfall	(\$ 619,939)

# General Fund Projection

As of 9/30/11

Total Projected Revenues	\$100,277,009
Total Projected Expenditures	<u>(\$101,260,638)</u>
Total Projected Shortfall	(\$ 983,629)
Projected Use of Fund Balance	\$ 983,629

# General Fund Projection

as of 9/30/11

## General Fund Summary Projected Budget Status

Actuals Through End of : **September-11**

Category	Original Budget	Adj	Current Budget	YTD	Projected	Variance	% Variance
Taxes and Penalties	59,205,227	3,476,225	62,681,452	27,619,226	62,764,003	82,551	0.1%
Licenses & Permits	199,650	(15,000)	184,650	193,108	227,215	42,565	23.1%
Federal Revenue	46,331	-	46,331	12,545	79,635	33,304	71.9%
State Revenue	4,327,957	162,207	4,490,164	3,103,196	4,512,210	22,046	0.5%
Local Revenue	876,387	117,246	993,633	644,137	1,005,077	11,444	1.2%
Fees & Services	17,860,103	704,254	18,564,357	15,276,319	19,030,947	466,590	2.5%
Fines & Forfeitures	1,012,100	-	1,012,100	741,218	973,862	(38,238)	-3.8%
Interest Revenue	124,400	-	124,400	32,192	59,541	(64,859)	-52.1%
Other Revenue & Reimbursement	7,107,107	(2,207,663)	4,899,444	1,834,811	3,840,822	(1,058,622)	-21.6%
Transfers In	7,976,132	(331,964)	7,644,168	7,227,293	7,783,697	139,529	1.8%
<b>Total Revenues</b>	<b>98,735,394</b>	<b>1,905,305</b>	<b>100,640,699</b>	<b>56,684,044</b>	<b>100,277,009</b>	<b>(363,690)</b>	<b>-0.4%</b>
Personal Services	61,420,239	2,166,169	63,586,408	45,952,223	63,111,476	474,932	0.7%
Supplies	1,604,884	(4,000)	1,600,884	1,385,162	1,757,721	(156,837)	-9.8%
Other Services and Charges	14,523,840	(88,299)	14,435,541	9,481,539	15,044,225	(608,684)	-4.2%
Internal Service Charges	2,263,270	-	2,263,270	1,681,735	2,126,711	136,559	6.0%
Capital Outlay	13,625	-	13,625	-	1,352,837	(1,339,212)	-9829.1%
Reserves	800,000	-	800,000	-	300,000	500,000	62.5%
Appropriations	18,109,536	(168,565)	17,940,971	16,005,081	17,567,667	373,304	2.1%
<b>Total Expenditures</b>	<b>98,735,394</b>	<b>1,905,305</b>	<b>100,640,699</b>	<b>74,505,740</b>	<b>101,260,638</b>	<b>(619,939)</b>	<b>-0.6%</b>

Surplus/(Shortfall) (983,629)  
Use of Fund Balance 983,629

# Non General Fund Projections

as of 9/30/11

- Child Care Fund Surplus – TC Lump Sum
- Economic Development & Energy Surplus – Revise GF Appro
- Facilities O&M Surplus
- Friend of the Court Surplus – TC Lump Sum
- Prosecuting Attorney CRP Surplus – Revise GF Appro
- Environment/Public Health Surplus
- Building Inspection Surplus
- ETCS On Budget
- Risk Management Surplus
- Stormwater General Permit Nominal Surplus
- ACT 88 Shortfall – Planned Use of Fund Bal.
- Veteran Relief Shortfall – Planned Use of Fund Bal.

# Summary & Next Steps

- Resolution recommending technical budget adjustments to bring in alignment with current projections
- 2012/13 Budget deliberations ongoing until adoption
- Continue to monitor past reductions closely to ensure expenditures come within as budget
- Year-end, audit and financial statement presentation in April
- 1st Quarter Budget review and update in May
- Close monitoring with all department heads and elected officials to understand trends and impact on 2012/13 budget