

2015 2nd Quarter Budget Update

Washtenaw County Board of Commissioners
August 5, 2015

Agenda

- Budget Adjustments
- Revenues
- Expenditures
- General Fund Projection
- Non General Fund Projections
- Summary & Next Steps

2015 General Fund Budget Adjustments

- Board of Commissioners amendments to the Budget
 - Sheriff's Office \$476,955 revenue surplus
 - Trial Court \$62,000 expenditure surplus
 - Indigent transport surplus for community paramedic initiative \$98,000
 - Establish Dental Assistance Fund in the amount of \$50,000
- Pending amendments before the Board tonight are to adjust the budget to recognize the property tax revenue increase

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General Fund Revenue Focus

- Property Tax Revenue: Projected surplus of ~\$1.47M based on the 2015 Equalization Report
- Sheriff's Office: Projected surplus of \$206K due to intergovernmental and other reimbursements
- Planned Use of Fund Balance: Current budget \$720,129; thus projected shortfall
- Substance Abuse: Projected shortfall of ~\$151K

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General Fund Revenue Focus

- Clerk/Register of Deeds: Revenues on budget due to large real estate transaction in June and steady year to date activity
- District Court: Nominal revenue surplus projected due to drunk driving reimbursement from the State
- Trial Court: Revenue shortfall projected, but offset by an expenditure surplus

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General Fund Revenues V.1

Projected as of 6/30/15

Property Tax	\$ 1,470,099
Sheriff	206,215
Substance Abuse	(151,140)
Planned Use of Fund Balance	(720,129)
All Other Combined	19,862
	824,907
Total Projected Revenue Surplus	\$ 824,907

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General Fund Revenues V.2

Projected as of 6/30/15

Property Tax		\$ 1,470,099
Sheriff		206,215
Substance Abuse	(151,140)
All Other Combined		19,862
Total Projected Revenue Surplus		\$ 1,545,036

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- ## General Fund Expenditure Focus
- Planned Contribution to Fund Balance: Current budget \$1,625,869; thus projected surplus
 - Central Charges: Projected surplus of \$347K
 - All other Departments: Net projected personnel & operating surplus of \$244K
 - Sheriff's Office: Projected shortfall of ~\$251K for inmate food and medical services & law enforcement operating supplies
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General Fund Expenditure Focus

- Tax Appeals/Refunds: Projected surplus of ~\$350K
- Appropriations: Assumed to be on budget at \$18.1M
- Projections include the nonstructural 2014 carry forward items in the amount of \$687K approved by the Board
- Projections also include the pending budget adjustments presented tonight to increase the planned contribution to fund balance

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General Fund Expenditures V.1

Projected as of 6/30/15

Planned Contribution to Fund Balance	\$	1,625,869
Central Charges		346,692
Net Department Personnel & Operating		243,668
Sheriff		(251,327)
		1,964,902
Total Projected Expenditure Surplus	\$	1,964,902

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General Fund Expenditures V.2

Projected as of 6/30/15

Net Planned Contribution to Fund Balance (Contribution \$1,625,869 – Use of \$720,129)		\$ 905,740
Central Charges		346,692
Net Department Personnel & Operating Sheriff		243,668
		<u>(251,327)</u>
Total Projected Expenditure Surplus		\$ 1,244,773

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General Fund Budget vs. Projections

As of 6/30/15

	Revised Budget	1st Quarter Projected	2nd Quarter Projected
Total Revenues	106,953,033	107,593,772	107,777,940
Total Expenditures	(106,953,033)	(104,973,945)	(104,988,131)
Projected Surplus/(Shortfall)	-	2,619,827	2,789,809
Planned Use of Fund Balance	(720,129)	(720,129)	(720,129)
Planned Contribution to Fund Balance	1,625,869	1,625,869	1,625,869
Net Planned Contribution to Fund Balance	905,740	905,740	905,740

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General Fund Projections

As of 6/30/15

Category	Original Budget	Adj	Revised Budget	YTD Total	Projected	Variance	% Variance
Taxes and Penalties	65,295,207	-	65,295,207	(1,137,035)	66,765,306	1,470,099	2.25%
Licenses & Permits	281,386	-	281,386	160,657	321,828	40,442	14.37%
Federal Revenue	90,800	(37,950)	52,850	147	46,901	(5,949)	-11.26%
State Revenue	12,592,880	30,000	12,622,880	6,365,803	12,711,774	88,894	0.70%
Local Revenue	1,059,347	-	1,059,347	438,654	1,074,881	15,534	1.47%
Fees & Services	21,955,807	31,846	21,987,653	10,437,985	21,780,118	(207,535)	-0.94%
Fines & Forfeitures	1,012,100	-	1,012,100	437,358	976,119	(35,981)	-3.56%
Interest Revenue	107,419	(4,000)	103,419	20,678	61,717	(41,702)	-40.32%
Other Revenue & Reimbursement	2,017,037	567,607	2,584,644	669,936	2,058,930	(525,714)	-20.34%
Transfers In	1,957,126	(3,579)	1,953,547	558,706	1,980,366	26,819	1.37%
Total Revenues	106,369,109	583,924	106,953,033	17,952,890	107,777,940	824,907	0.77%
Personnel Services	68,964,882	(326,154)	68,638,728	30,696,930	68,288,750	349,978	0.51%
Supplies	1,593,527	2,585	1,596,112	1,183,931	1,843,221	(247,109)	-15.48%
Other Services and Charges	14,052,871	(1,961,441)	12,091,430	7,305,913	12,226,190	(134,760)	-1.11%
Internal Service Charges	3,332,077	213,774	3,545,851	1,428,902	3,449,637	96,214	2.71%
Capital Outlay	104,185	769,195	873,380	39,995	883,408	(10,028)	-1.15%
Reserves	2,245,869	(108,000)	2,137,869	-	237,000	1,900,869	88.91%
Appropriations	16,075,698	1,993,965	18,069,663	2,242,567	18,059,926	9,737	0.05%
Total Expenditures	106,369,109	583,924	106,953,033	42,898,238	104,988,131	1,964,902	1.84%
				Surplus/(Shortfall)	2,789,809		
				Net Budgeted Planned Contribution of Fund Balance	905,740		13

Structural Investment

Structural Investments should only be made with structural funds. Structural funds come from revenues sources that occur each year. Property Tax Revenue is a primary source of structural revenue.

Nonstructural Investment

Any nonstructural annual surplus exceeding the final budgeted planned contribution to fund balance as reported in March of each year for the prior year and confirmed in the Comprehensive Annual Financial Report as presented in April of each year may be considered by the Board of Commissioners for investment in their priorities. The investments supported by this one-time annual surplus shall be considered non-structural and non-reoccurring decisions on utilization of these funds are made annually.

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Non General Fund Projections

As of 6/30/15

• Child Care	Surplus
• Facilities Operations & Maintenance	Surplus
• Friend of the Court	Surplus
• Prosecuting Attorney	Surplus
• Public/Environment Health	On budget
• Building Inspection	On budget
• Office of Community & Economic Development	On budget
• Risk Management	Surplus
• Act 88	On budget
• Veteran Relief	On budget

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Revenue Items to Monitor

- Act 88 legislation repeal/reform
- Clerk/Register of Deeds revenues
- Court Cost revenues & legislation impact
- Personal Property Tax reform & revenue elimination
- State Liquor Tax revenue reduction per legislation
- Substance Abuse revenue competitively bid for through the designated substance coordinating agency

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Expenditure Items to Monitor

- Child Care expenditures rising due to caseload & placements
- Community Support & Treatment Services / Washtenaw County Health Organization Restructuring
- Union Contract Obligations/Fringe Benefit Trends
- Workforce Development changes

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Summary & Next Steps

- Integration of Board-defined community impacts & investment priorities
- Potential 2016-2018 Budget impacts presentation
- Quarterly Budget review & updates: 3rd Q-November & Year-end-March
- 2016-2019 Budget reaffirmation in the fall