

2015 3rd Quarter Budget Update

Washtenaw County Board of Commissioners
November 4, 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
 - April 1, 2015 per Resolution #15-0065 in the amount of \$686,955
 - August 5, 2015 per Resolution #15-0135 in the amount of \$1,470,099
 - September 16, 2015 per Resolution #15-0156 in the amount of \$1,800,000
 - November 4, 2015 budget adjustment in the amount of \$1,562,608 pending before the Board is to recognize revenue and expenses due to a capital lease agreement

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General Fund Revenue Focus

- Other Financing Sources: Surplus of \$1,562,608 due to an accounting adjustment for a capital lease
- Sheriff's Office: Projected surplus of \$256K due to intergovernmental and other reimbursements
- Clerk/Register of Deeds: Projected surplus of \$148K due to large real estate transaction in June/July & steady year to date activity
- Water Resources Commissioner: Projected surplus of \$70K due to soil erosion, inspections and plat review fees

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General Fund Revenue Focus

- Planned Use of Fund Balance: Current budget \$720,129; thus projected shortfall
- District Court: Nominal revenue surplus projected due to drunk driving reimbursement from the State

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General Fund Revenues V.1

Projected as of 9/30/15

Other Financing Source-Capital Lease	\$ 1,562,608
Sheriff	255,710
Clerk/Register of Deeds	147,821
Water Resources Commissioner	69,981
Planned Use of Fund Balance	(720,129)
All Other Combined	12,356
Total Projected Revenue Surplus	\$ 1,328,347

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General Fund Revenues V.2

Projected as of 9/30/15

Sheriff	255,710
Clerk/Register of Deeds	147,821
Water Resources Commissioner	69,981
All Other Combined	12,356
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Total Projected Revenue Surplus	\$ 485,868

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General Fund Expenditure Focus

- Planned Contribution to Fund Balance: Current budget \$1,295,968; thus projected surplus
- Central Charges: Projected surplus of \$322K
- All other Departments: Net projected personnel & operating surplus of \$274K
- Sheriff's Office: Projected shortfall of ~\$143K for inmate food and medical services & law enforcement operating supplies

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General Fund Expenditure Focus

- Leased Capital Equipment: Projected shortfall of \$1,562,608 due to an accounting adjustment
- Tax Appeals/Refunds: Projected surplus of ~\$450K
- Appropriations: Assumed to be on budget at \$18.9M
- Projections also include the pending budget adjustments presented tonight to increase capital outlay expense

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General Fund Expenditures V.1

Projected as of 9/30/15

Planned Contribution to Fund Balance	\$	1,295,968
Central Charges		322,430
Net Department Personnel & Operating		274,013
Sheriff		(143,136)
Leased Capital Equipment		(1,562,608)
		Total Projected Expenditure Surplus
	\$	186,667

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General Fund Expenditures V.2

Projected as of 9/30/15

Net Planned Contribution to Fund		
Balance (Contribution \$1,296,968 – Use		
of \$720,129)	\$	575,839
Central Charges		322,430
Net Department Personnel & Operating		274,013
Sheriff	(143,136)
Total Projected Expenditure Surplus	\$	1,029,146

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General Fund Budget vs. Projections

As of 9/30/15

	Revised Budget	1st Quarter Projected	2nd Quarter Projected	3rd Quarter Projected
Total Revenues	(108,541,162)	107,593,772	107,777,940	109,869,509
Total Expenditures	108,541,162	(104,973,945)	(104,988,131)	(108,354,495)
Projected Surplus/(Shortfall)	-	2,619,827	2,789,809	1,515,014
Planned Use of Fund Balance	(720,129)	(720,129)	(720,129)	(720,129)
Planned Contribution to Fund Balance	1,295,968	1,625,869	1,625,869	1,295,968
Net Planned Contribtuion to Fund Balance	575,839	905,740	905,740	575,839

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General Fund Projections

As of 9/30/15

Category	Original Budget	Adj	Revised Budget	YTD Total	Projected	Variance	% Variance
Taxes and Penalties	65,295,207	1,470,099	66,765,306	32,999,722	66,765,306	(0)	0.00%
Licenses & Permits	281,386	-	281,386	265,810	318,539	37,153	13.20%
Federal Revenue	90,800	(37,950)	52,850	48,966	95,721	42,871	81.12%
State Revenue	12,592,880	203,600	12,796,480	9,246,596	12,816,129	19,649	0.15%
Local Revenue	1,059,347	95,570	1,154,917	820,644	1,170,712	15,795	1.37%
Fees & Services	21,955,807	(119,294)	21,836,513	16,398,355	22,026,313	189,800	0.87%
Fines & Forfeitures	1,012,100	-	1,012,100	678,477	985,250	(26,850)	-2.65%
Interest Revenue	107,419	(4,000)	103,419	20,162	56,801	(46,618)	-45.08%
Other Revenue & Reimbursement	2,017,037	567,607	2,584,644	2,947,786	3,672,673	1,088,029	42.10%
Transfers In	1,957,126	(3,579)	1,953,547	987,139	1,962,065	8,518	0.44%
Total Revenues	106,369,109	2,172,053	108,541,162	64,413,656	109,869,509	1,328,347	1.22%
Personnel Services	68,964,882	(542,064)	68,422,818	48,649,887	67,982,903	439,915	0.64%
Supplies	1,593,527	2,878	1,596,405	1,487,439	1,873,153	(276,748)	-17.34%
Other Services and Charges	14,052,871	(1,663,129)	12,389,742	9,195,485	12,551,038	(161,296)	-1.30%
Internal Service Charges	3,332,077	213,774	3,545,851	2,354,065	3,391,411	154,440	4.36%
Capital Outlay	104,185	769,172	873,357	2,376,073	2,430,290	(1,556,933)	-178.27%
Reserves	2,245,869	(438,194)	1,807,675	-	237,000	1,570,675	86.89%
Appropriations	16,075,698	3,829,616	19,905,314	16,496,690	19,888,700	16,614	0.08%
Total Expenditures	106,369,109	2,172,053	108,541,162	80,559,638	108,354,495	186,667	0.17%
Surplus/(Shortfall)					1,515,014		
Net Budgeted Planned Contribution of Fund Balance					575,839		

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 9/30/15

• Child Care	Surplus
• Facilities Operations & Maintenance	On budget
• 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

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Expenditure Items to Monitor

- Child Care expenditures rising due to caseload & placements
- Community Mental Health 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
- 2015 Budget Enhancement Process Results tonight
- 2016-2018 Budget reaffirmation & recommended 2019 Budget tonight
- Quarterly Budget review & updates: Year-end-March