

# 2011 Budget Outlook 2<sup>nd</sup> Quarter

Washtenaw County Board of Commissioners

August 3, 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

- Property Taxes: Projected surplus of ~\$3.5M based on 2011 Equalization Report and 1<sup>st</sup> Quarter Update
- Planned Use of Fund Balance: Projections assume use of \$2,921,391 fund balance as planned
- State Revenue: Projected surplus of ~\$133K due to State liquor and cigarette tax dollars distribution amounts being higher than budget
- Transfers In: Projected shortfall of ~\$228K due to no property tax foreclosure dollars being transferred to the GF, but offset by higher E-911 transfers

# General Fund Revenue Focus Areas

- Clerk/Register of Deeds: Projected surplus of \$368K due to fees & transfers tax starting to trend higher
- Treasurer: Projected surplus of \$80K due to dog license fee collections and fees and services;
- Water Resources: Projected shortfall of \$80K due to lack of construction related fees and licenses; partially offset by expenditure surplus
- Prosecuting Attorney: projected surplus of \$36K due to new Title IV-E reimbursement grant

# General Fund Revenue Focus Areas

- District Court Revenues: projected surplus of \$118K, due to the public improvement fund revenues being recognized in the department's budget
- Sheriff Revenues: Projected surplus of \$877K due to new revenue contracts for court security, additional contract deputies, dispatch services, fees and services revenue and State revenue; this will offset the expenditure shortfall that will be highlighted shortly

# General Fund Revenues

Projected as of 6/30/11

Property Tax	\$3,481,568
Planned Use of Fund Balance	(\$ 2,921,391)
State Revenue (central charges)	\$ 162,207
Clerk/Deeds	\$ 368,000
Treasurer	\$ 80,000
Water Resources	(\$ 80,000)
District Court	\$ 118,000
Prosecuting Attorney	\$ 36,000
Sheriff	\$ 877,000
Property Foreclosure	(\$ 305,812)
Combined All Other	\$ 89,672
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Total Projected Revenue Surplus	\$1,905,244

# General Fund Expenditure Focus Areas

- Lump Sum Reduction: 2011 Reaffirmed Budget included \$1,034,000 in non department specific lump sum reduction will be offset by the property tax revenue surplus
- IT: maintenance contract costs projected with budget shortfall of \$221K due to new contracts and cost savings identified in 2010/11 not fully materializing
- Corporation Counsel: attorney fees are projected with shortfall of \$125K based on past trends
- Human Resources: projected surplus of \$45K due to further cost savings in professional development

# General Fund Expenditure Focus Areas

- Banking fees are projected to have a shortfall of ~\$130K
- District Court: 2010/11 budget lump sum reduction not fully materializing for shortfall of ~\$205K
- Sheriff: Projected shortfall of ~\$481K due to the lump sum reduction planned in the 2010/11 budget; As stated during the revenue highlights, the Sheriff's revenue surplus will offset this expenditure shortfall
- Water Resources Commissioner projected surplus of ~\$49K due to savings for employee development and reimbursements

# 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; 2010 actual amount were \$604K

# General Fund Expenditures

Projected as of 6/30/11

Lump Sum Budget Reduction	(\$1,034,000)
IT Maintenance Contracts	(\$ 221,000)
Attorney Fees and Banking Fees	(\$ 225,000)
Professional Development	\$ 45,000
District Court	(\$ 205,000)
Sheriff	(\$ 481,000)
Water Resources Commissioner	\$ 49,000
Appropriation Savings	\$ 595,000
Combined All Other	(\$ 14,154)
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Total Expenditure Shortfall	(\$1,491,154)

# General Fund Projection

As of 6/30/11

Total Projected Revenues \$100,696,469 \*

Total Projected Expenditures (\$100,282,379)

Total Projected Surplus with Planned

Use of Fund Balance \$ 414,090

Total Projected Deficit without Planned

Use of Fund Balance (\$ 2,507,301)

\* Updated Projections assume planned use of  
fund balance of \$2,921,391

# General Fund Projection

## as of 6/30/11

### General Fund Summary Projected Budget Status

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

Category	Original Budget	Adj	Current Budget	YTD	Projected	Variance	% Variance
Taxes and Penalties	59,205,227	-	59,205,227	29,534	62,686,795	3,481,568	5.9%
Licenses & Permits	199,650	-	199,650	135,530	228,374	28,724	14.4%
Federal Revenue	46,331	-	46,331	(40)	90,204	43,873	94.7%
State Revenue	4,327,957	-	4,327,957	1,667,222	4,460,850	132,893	3.1%
Local Revenue	876,387	55,831	932,218	402,115	1,179,601	247,383	26.5%
Fees & Services	17,860,103	-	17,860,103	9,239,811	19,097,416	1,237,313	6.9%
Fines & Forfeitures	1,012,100	-	1,012,100	438,238	969,416	(42,684)	-4.2%
Interest Revenue	124,400	-	124,400	16,867	112,872	(11,528)	-9.3%
Other Revenue & Reimbursement	7,107,107	-	7,107,107	672,303	4,122,446	(2,984,661)	-42.0%
Transfers In	7,976,132	-	7,976,132	6,928,989	7,748,495	(227,637)	-2.9%
<b>Total Revenues</b>	<b>98,735,394</b>	<b>55,831</b>	<b>98,791,225</b>	<b>19,530,568</b>	<b>100,696,469</b>	<b>1,905,244</b>	<b>1.9%</b>
Personal Services	61,420,239	-	61,420,239	29,251,563	63,515,917	(2,095,678)	-3.4%
Supplies	1,604,884	(4,000)	1,600,884	1,036,572	1,686,162	(85,278)	-5.3%
Other Services and Charges	14,523,840	(351,311)	14,172,529	5,655,442	14,825,831	(653,302)	-4.6%
Internal Service Charges	2,263,270	-	2,263,270	884,339	2,267,025	(3,755)	-0.2%
Capital Outlay	13,625	-	13,625	-	-	13,625	100.0%
Reserves	800,000	-	800,000	-	300,000	500,000	62.5%
Appropriations	18,109,536	411,142	18,520,678	2,458,836	17,687,444	833,234	4.5%
<b>Total Expenditures</b>	<b>98,735,394</b>	<b>55,831</b>	<b>98,791,225</b>	<b>39,286,751</b>	<b>100,282,379</b>	<b>(1,491,154)</b>	<b>-1.5%</b>
<b>Surplus/(Deficit) without Planned Use of Fund Balance</b>					<b>(2,507,301)</b>		
<b>Surplus/(Deficit) with Planned Use of Fund Balance</b>					<b>414,090</b>		

# Non General Fund Projections

as of 6/30/11

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

# Summary & Next Steps

- Resolution recommending budget adjustments to bring in alignment with current projections
- Administrator's recommended 2012/13 budget in September
- Continue to monitor past reductions closely to ensure expenditures come in as budgeted
- 3<sup>rd</sup> Quarter Budget Review in November
- Close monitoring with all department heads and elected officials to understand trends and impact on 2012/13 budget