

2012 Budget Outlook 1st Quarter

Washtenaw County Board of Commissioners

May 16, 2012



Agenda

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



General Fund Revenue Focus

- Property Tax Revenue: Projected surplus of ~\$2.5M based on the 2012 Equalization Report
- Sheriff's Office: Projected shortfall of ~\$949K due to the delayed implementation of consolidated dispatch, no towing or concessions revenue
- Trial Court: Projected shortfall of ~\$226K due to state court equity funds
- District Court: Projected shortfall of ~\$135K from court fees & fines

General Fund Revenues

Projected as of 3-31-12

Property Tax	\$ 2,500,000
Sheriff	(\$ 949,091)
Trial Court	(\$ 226,693)
District Court	(\$ 135,086)
All Other Combined	(\$ 23,365)
	<hr/>
Total Projected Revenue Surplus	\$ 1,165,765



2012 Budget Adjustments

- Board of Commissioners amended the General Fund Budget
 - Increased coordinated funding by \$128,538
 - Increased revenue & expenditures by \$1.4M for police dispatch services
 - Increased an additional expenditure of \$165,000 for animal control services



General Fund Expenditure Focus

- Lump Sum Reduction: 2012 Budget included a \$2,481,008 in non department specific lump sum reduction
- Sheriff: Projected shortfall of \$669K due to higher use of part-time temporary and overtime, operating supplies, jail medical/food contracts
- Reserves: Surplus of \$1,989,383 which is due to the planned contribution to fund balance



General Fund Expenditure Focus

- Tax Appeals/Refunds: Assumed on budget at \$1.5M; 2011 actual amount was \$1.1M
- Appropriations: Assumed on budget at \$16M; because of the reductions planned and budgeted for in 2012
- Court lump sum reductions are assumed to be met

General Fund Expenditures

Projected as of 3-31-12

Lump Sum Budget Reduction	(\$ 2,198,628)
Sheriff	(\$ 669,353)
Reserves	\$ 1,989,383
All Other Combined	(\$ 14,929)
	<hr/>
Total Projected Over Expenditure	(\$ 893,527)

General Fund Budget vs. Projection

As of 3-31-12

	<u>Budget</u>	<u>Projected</u>
Total Revenues	\$ 98,735,416	\$ 99,901,181
Total Expenditures	(\$ 96,846,033)	(\$ 99,628,943)
Projected Surplus	\$ 1,889,383	\$ 272,238
Planned Contribution to FB	(\$ 1,889,383)	(\$ 1,889,383)
FB Contribution Shortfall	\$ -0-	(\$ 1,617,145)

General Fund Projection

As of 3-31-12

Category	Original Budget	Adj	Revised Budget	YTD Total	Projected	Variance	% Variance
Taxes and Penalties	59,766,404	-	59,766,404	(3,466,886)	62,269,881	2,503,477	4.19%
Licenses & Permits	195,012	99,184	294,196	57,438	288,653	(5,543)	-1.88%
Federal Revenue	112,131	-	112,131	(9,969)	99,997	(12,134)	-10.82%
State Revenue	4,810,249	207,500	5,017,749	353,762	4,782,904	(234,845)	-4.68%
Local Revenue	856,034	238,531	1,094,565	96,190	1,104,689	10,124	0.92%
Fees & Services	19,916,915	858,569	20,775,484	4,535,718	20,326,627	(448,857)	-2.16%
Fines & Forfeitures	1,012,100	-	1,012,100	177,619	978,178	(33,922)	-3.35%
Interest Revenue	100,000	-	100,000	17,528	96,976	(3,024)	-3.02%
Other Revenue & Reimbursement	3,078,707	(1,189,209)	1,889,498	300,288	1,596,111	(293,387)	-15.53%
Transfers In	7,995,396	677,893	8,673,289	251,479	8,357,164	(316,125)	-3.64%
Total Revenues	97,842,948	892,468	98,735,416	2,313,167	99,901,181	1,165,765	1.18%
Personnel Services	61,426,696	1,424,506	62,851,202	14,766,845	65,007,115	(2,155,913)	-3.43%
Supplies	1,767,425	21,526	1,788,951	783,250	1,834,218	(45,267)	-2.53%
Other Services and Charges	13,300,482	577,298	13,877,780	2,334,666	14,523,453	(645,672)	-4.65%
Internal Service Charges	1,582,625	22,627	1,605,252	436,289	1,642,862	(37,610)	-2.34%
Capital Outlay	88,625	-	88,625	-	88,625	-	0.00%
Reserves	3,251,936	(1,262,553)	1,989,383	-	-	1,989,383	100.00%
Appropriations	16,425,159	109,064	16,534,223	702,931	16,532,670	1,553	0.01%
Total Expenditures	97,842,948	892,468	98,735,416	19,023,981	99,628,943	(893,527)	-0.90%
Surplus/(Shortfall)					272,238		
Planned Contribution to Fund Balance					1,889,383		
Fund Balance Contribution Shortfall					(1,617,145)		

Non General Fund Projections as of 3-31-12

- | | |
|--|-----------|
| • Child Care (Trial Court division projects surplus) | On budget |
| • Facilities Operations & Maintenance | On budget |
| • Friend of the Court | On budget |
| • Prosecuting Attorney | On budget |
| • Public/Environment Health | Shortfall |
| • Building Inspection | Surplus |
| • Office of Community & Economic Development | On budget |
| • Risk Management | Surplus |
| • Act 88 | Shortfall |
| • Veteran Relief | On budget |



Items to Monitor

- Medical cost projections and trending
- State Revenue Sharing/Economic Vitality Incentive Program
- Personal Property Tax reform
- Annual actuarial valuations for the retirement plan and retiree health benefits
- Annual cost allocation plan



Summary & Next Steps

- Good news on property tax, but need close management of the budget to meet the planned contribution to fund balance
- Departmental Business Meetings Mid-May through June
- Quarter Budget Review & Updates: 2nd Q – August & 3rd Q – November
- 2013 Budget Reaffirmation: Fall of 2012
- Close monitoring with all department heads and elected officials to understand trends and impacts