

# 2012/13 Recommended Budget Washtenaw County, Michigan

Ways & Means Committee  
September 21, 2011

# Agenda

- Response to the Economic Crisis
- Approach for Balancing the Budget Deficit
- Recommended Solutions
- Budget Summary
- Next Steps

# Our Response to the Economic Crisis

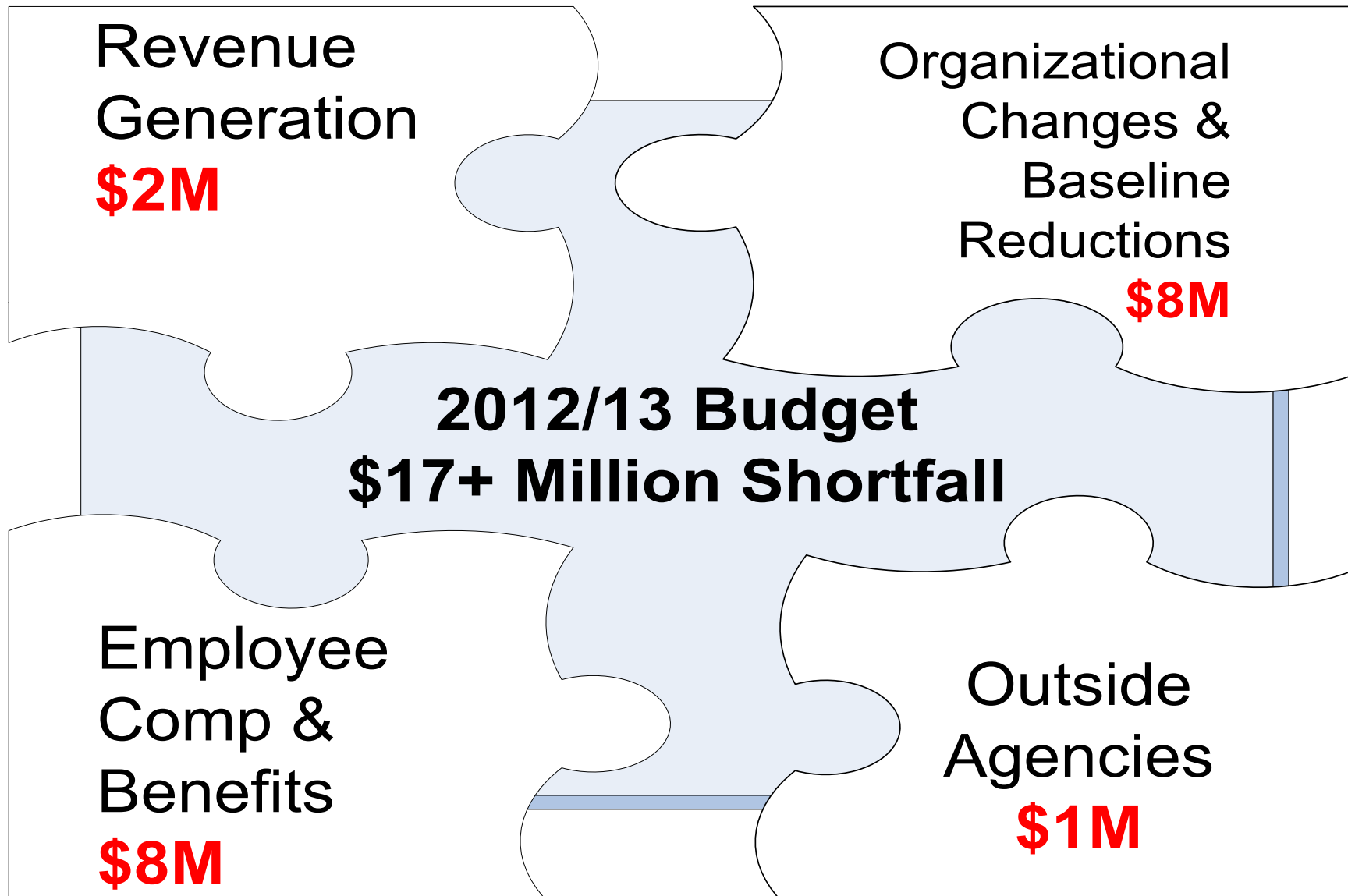
# Necessary Response

- Swift and deliberate course of action
- Strategic review of options
- Structural & Non-structural budget decisions
- Communication & engagement at all levels within organization, union partners and with the community

# Mission for 2012/13 Budget Process

*To provide the best services, the  
right services, in the most cost  
effective manner possible*

# Budget Solutions & Targets



# Information Sharing & BOC Input

Preliminary Financial State of County	January
Outside Agency Review & Coordinated Funding Process	February
Mandated & Non-Mandated Services	February
Community & Staff Engagement	March
Board Retreat Discussion of Priorities	March
Employee Compensation & Benefit Levels	March
Equalization Report & CAFR Presentation	April
Revised Financial State of County & 1 <sup>st</sup> Quarter Budget Outlook	May
Coordinated Funding Recommendations	May

# Information Sharing & BOC Input

Full Faith & Credit Policy	June
Police Services Recommendation	June/July
Head Start Program Transition	July
2 <sup>nd</sup> Quarter Budget Outlook	August
ETCS/CD/ED&E Reorganization Position Modifications	August
Outside Agency Allocation-BOC Survey	August
State of Retirement Funding	September
Administrator's Recommended Budget	September
Budget Considerations & Deliberations	September 21 – November 2



# Guidances:

## Commissioner Input within Recommended Budget

- Support Programs that Help Residents Feel Safe & Secure
- Support Programs that Address the Basic Needs of Children & Families
- Support Programs that Increase Economic Opportunity for Residents
- Integrate Efforts Across Agencies to Meet Strategic Priorities
- Ensure Our Fiscal Responsibility Focusing on Long-Term Institutional Stability

# Decision Criteria:

## Commissioner Input within Recommended Budget

- Impacts & Outcome Drive Investment Priorities
- Services are Delivered Optimally by the Right Provider
- Social & Financial Returns on Investment are Calculated, Articulated & Balanced
- Both Immediate Needs & Root Causes are Strategically Addressed
- Programs are Evidence & Performance Based
- Mandates that Support Outcomes & Impacts are Better Funded

# Budget Priorities

- Realistic Long-term Structural Solutions
- Maximize Collaboration Opportunities
- Look at Serviceability Levels
- Reduce the Cost of Doing Business & Become Efficient as Possible
- Define our Core Services & Determine What Services We can No Longer Afford

# Recommended Solutions

# Budget Solutions /Savings Attained

**Total Savings = \$17.5M**

**Revenue Generation: \$4.1M**

- Property Tax Revenue (decline was not as steep as anticipated)

**Employee Compensation & Benefits: \$4.0M**

- Salary & benefit reductions with parity between employee groups
- 90% of our employees have settled labor contracts
  - Michigan Nurses Associations Units I & II
  - Teamsters-Police Officers Association of Michigan Units I & 2
  - American Federation of State County Municipal Employees 2733 - Units A, B, C, Juvenile Center & Juvenile Detention & 3052JC-Trial Court Supervisors
- Negotiations are continuing with the remaining unions

# Budget Solutions /Savings Attained

## Organizational Changes/Baseline Reductions: \$8.2M

- Departmental revenue enhancements for fees & services - \$1.6M
- Departmental proposals to reduce expenditures - \$4.6M
- Consolidation of Community Development, Economic Development & Energy and Employment Training & Community Services - \$517K
- Significant reductions to county infrastructure allocations – \$1.5M

## Outside Agency Allocations: \$1.2M

- Dues & Memberships - \$454K
- Human Services – Children Well-being (including Coordinated Funding allocations)- \$455K
- Special Initiatives - \$280K
- Other Agencies - \$50K

# Administration / Board of Commissioners

## Administration - Recommendation:

- Place Deputy County Administrator on hold vacant status
- Eliminate vehicle used by Deputy
- Reduce continuous improvement funding, operating & part-time temporary budgets

**Total Recommended Savings = \$183K**

**FTE hold vacant status = 1.0**

## Board of Commissioners Recommendation:

- Operating budget reductions to be determined by the BOC for 2013 for a savings of \$31K

# Building Inspection/Children Services - Detention

## Building Inspection Recommendation:

- No expenditure reduction
- In 2012 will begin to repay its \$891K outstanding debt to Capital Reserves

## Children Services - Detention Recommendation:

- Reductions to the education program contract and eliminating the appropriation to the Washtenaw Area Teens for Tomorrow and Neutral Zone for a savings of \$77K
- An additional \$23K may be realized in 2013 if the educational program shifts to a charter school system

**Total Recommended Savings = \$100K**

**FTE changes = 0.0**



# Clerk / Register of Deeds

## Recommendation:

- Increased fees & services revenue from growth & the improving property market - \$548K
- Reduction for election expenses during odd years (2013) - \$55K
- Position modifications (reclassifications & eliminate positions previously on a hold vacant status)

**Total Recommended Savings = \$603K**

**FTE Net Reduction = 2.4**

# Corporation Counsel/Risk Management

## Recommendation:

- Reduce operating budget & attorney fees - \$108K
- Reduce legal counsel fees & insurance premiums - \$212K

**Total Recommended Savings = \$320K**

**FTE changes = 0.0**

# CSTS / WCHO

## CSTS Recommendation:

- Reduce appropriation to the Jail Services Program – \$215K
- Eliminate support to J-Port - \$189K

## WCHO Recommendation:

- Eliminate appropriation to Port - \$226K

**Total Recommended Savings = \$630K**

**FTE changes = 0.0**

# Department of Human Service (DHS)

## Recommendation:

- Reduce Child Care Fund expenditures in alignment with reduced spending
- Eliminate appropriation to DHS Board (Child Care Fund revenue will cover)

**Total Recommended Savings = \$259K**

**FTE change = 0.0**

# District Court / Trial Court

## District Court Recommendation:

- Lump Sum Reduction of \$293K
- Eliminate 1.0 FTE Deputy District Court Clerk
- Place 2.0 FTE (Attorney/Magistrate & Probation Agent) on Hold Vacant Status

## Trial Court Recommendation:

- Lump Sum Reduction of \$300K
- Position modifications TBD

**Total Recommended Savings = \$593K**

**FTE Reduction = 1.0 / FTE Hold Vacant Status – 2.0**

# Environmental/Public Health & Solid Waste

## Recommendation:

- Reduce General Fund Appropriation to maintenance of effort levels
- Unfreeze the CAP (Cost Allocation Plan)
- Eliminate the solid waste appropriation

**Total Recommended Savings = \$604K**  
**FTE change = 0.0**

# Equalization

## Equalization Recommendation:

- Eliminate overtime budget and align operating budget with recent trends - \$4K

**Total Recommended Savings = \$4**  
**FTE change = 0.0**

# Head Start

## Head Start Recommendation:

- County withdrawal as the grantee for the program recommended for the 2012/13 (Aug. 1, 2012) - \$360K

**Total Recommended Savings = \$360**

**FTE Reduction = TBD**



# MSU Extension

## Recommendation:

- ACT 88 recommended to fund the Washtenaw County 4-H Program
- Elimination of 2.0 FTE (Customer Service Specialist & Program Coordinator)
- Reduce operating budget for supplies, consultants & contracts, travel & telephone

**Total Recommended Savings = \$184K**

**FTE Reduction = 2.0**

# Public Act 88

Recommendation: 0.05 mills

- Economic Development Activities
  - Ann Arbor Spark - \$230K
  - Department of Community & Economic Development - \$144K
  - Eastern Leaders Group - \$100K
  - Promote Heritage Tourism in Washtenaw County - \$52K
  - SPARK – East - \$50K
  - Food System Economic Partnership (FSEP) - \$15K
- Agricultural Activities
  - Washtenaw County 4-H Program - \$83K
  - Washtenaw Farm Council- \$15K

**Total Recommended Savings = \$689K**  
**FTE Changes = 0.0**

# Support Services

## Recommendation:

- Reduced appropriations to 1/8<sup>th</sup> mill, capital equipment/projects-\$1.5M
- Facilities Management – Position modifications, adjust staff methodology to reduce overtime, eliminate on-call shifts, reduce summer interns, reduce utilities & operating budget - \$254K
- Finance – reduce operating budget & position modifications (1.5 net reduction in FTE & additional position changes to be determined during the last quarter of 2011 ) - \$200K

**Total Recommended Savings = \$2M**  
**FTE Reduction = .50**

# Support Services

## Recommendation:

- Human Resources – reduce part-time temporary & operating budgets - \$22K
- Information Technology Services – 2.0 FTE position eliminations (previously on a hold vacant status), Operating budget reductions for other maintenance changes & shifting to third party support of the County's ERP system - \$77K

**Total Recommended Savings = \$99K**

**FTE Reduction = 2.0**

# Prosecuting Attorney/Public Defender

## Prosecuting Attorney Recommendation:

- No reductions recommended at this time

## Public Defender Recommendation:

- Eliminate 1.0 FTE Legal Clerk
- Decrease in operating line-items
- Increase in part-time temporary line item

**Total Recommended Savings = \$23K**

**FTE Reduction = 7.0**

# Sheriff's Office

## Recommendation:

- Increased revenue opportunities for additional police services contracts, vending/food concessions, new grant opportunities, court security, dispatch & towing services - \$1.0M
- Permanent elimination of 4.0 FTE previous on a hold vacant status
- Net operating expenditure reductions by shifting 2.0 FTE positions to revenue generating status and placing an additional 8.0 FTE on hold vacant status - \$446K

**Total Recommended Savings = \$1.4M**

**FTE Reduction = 4.0**

**FTE Placed on Hold Vacant Status = 8.0**

# Treasurer's Office

## Recommendation:

- Revenue increases for dog licenses & service charges, offset by decreases for deed certifications & interest earnings
- Operational line-item adjustments
- Unfreezing of the CAP for Delinquent Tax and PA 105 Funds
- Charging CAP to property foreclosure funds
- Cover maintenance costs for the BS&A Equalizer.net system out of Tax Foreclosure Restricted Fund

**Total Recommended Savings = \$207K**

**FTE change = 0.0**

# Veteran Services / Water Resources Commissioner

## Veteran's Recommendation:

- Position modifications for downgrading 1.0 FTE (Veteran Services Assistant) - \$13K

## Water Resources Commissioner Recommendation:

- Place 1.0 FTE Deputy Drain Commissioner on hold vacant status
- Eliminate 1.0 FTE Public Works Senior Clerk Typist
- Reduce revenue due to the lack of construction related activity
- Net savings of \$198K

**Total Recommended Savings = \$211K**

**FTE Placed on Hold Vacant Status = 1.0**

**FTE Reduction = 1.0**



# Office of Community & Economic Development

As adopted by the Board the Recommended Budget includes:

- Consolidation of Community Development, Economic Development & Energy and Employment Training & community Services under the Office of Community & Economic Development

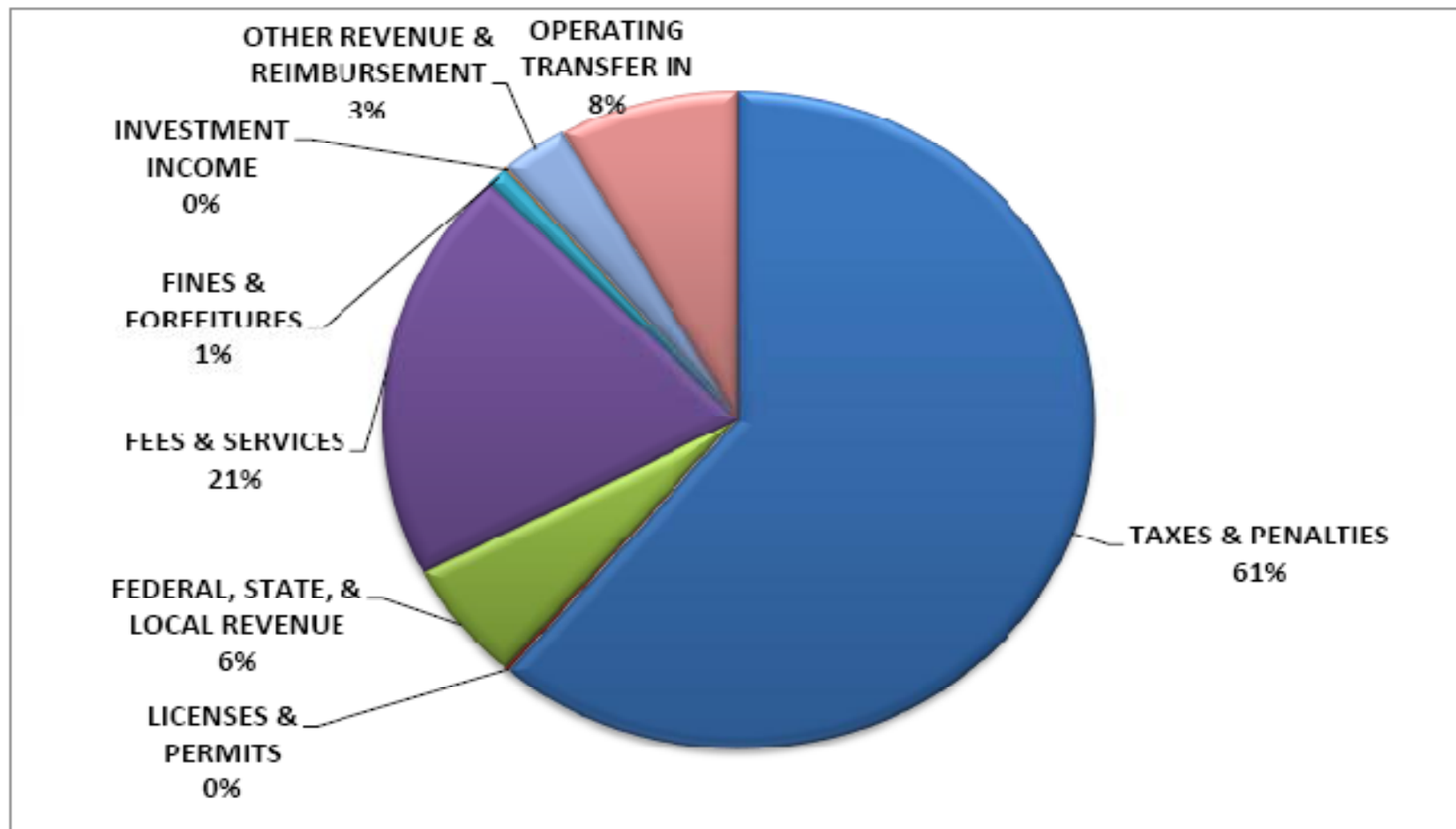
**Total Recommended Savings = \$517K**  
**FTE Reduction = 7.0**

# Budget Summary

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## 2012 General Fund Revenues by Source

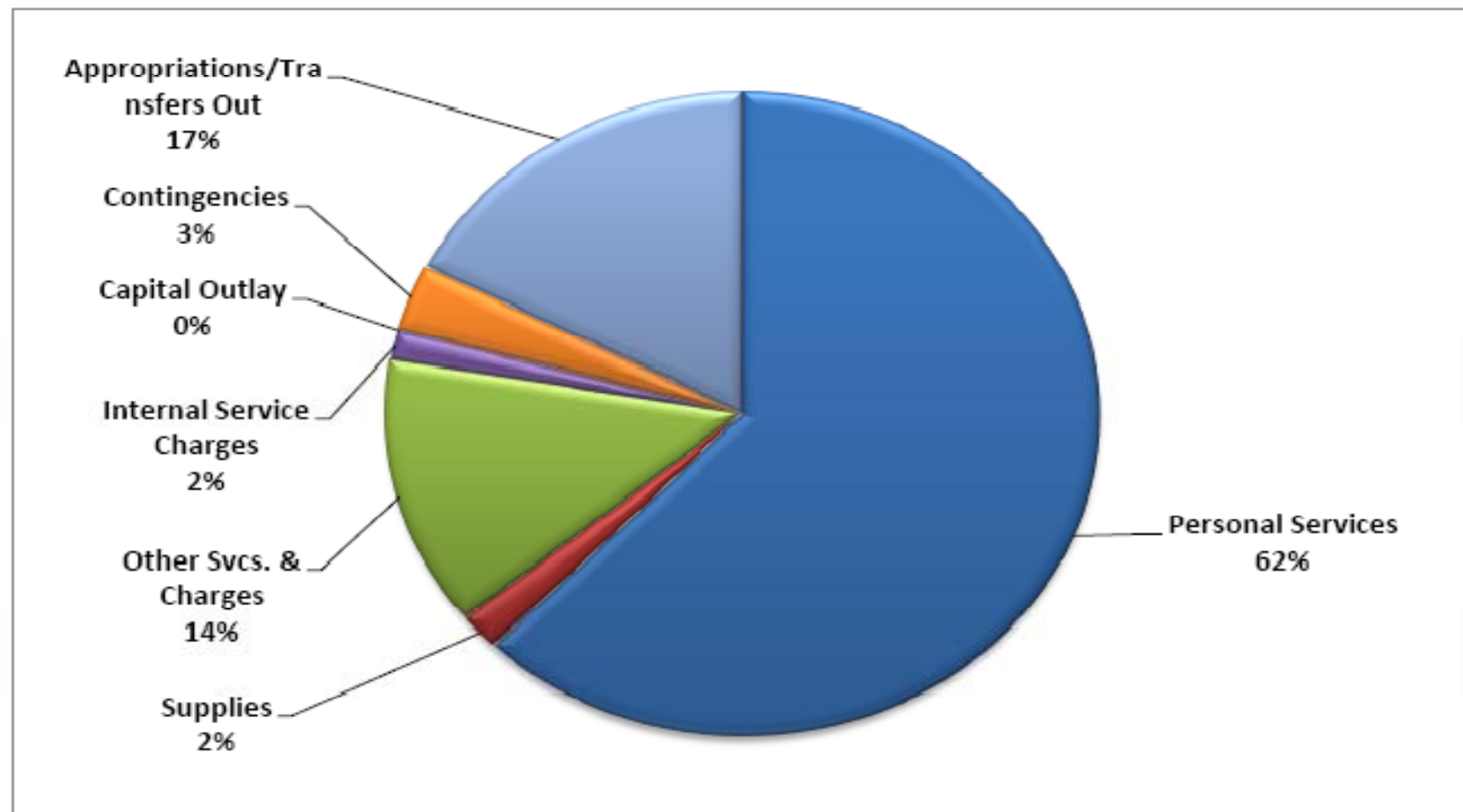
*Based on Administrator's Recommendation - Total Budget of \$97,714,410*



# Budget Summary

## 2012 General Fund Expenditures by Category

*Based on Administrator's Recommendation - Total Budget of \$97,714,410*



# Budget Summary

Washtenaw County Budget	2012 Recommend		2013 Recommend	
<b>REVENUES:</b>				
Taxes & Penalties	59,766,404	61%	58,571,716	60%
Licenses & Permits	195,012	0%	195,012	0%
Federal, State & Local Revenues	5,778,414	6%	5,805,517	6%
Fees & Services	19,916,915	20%	20,160,884	21%
Fines & Forfeits	1,012,100	1%	1,012,100	1%
Interest Income	100,000	0%	100,000	0%
Other Revenue	2,950,169	3%	5,876,774	6%
Transfers In	7,995,396	8%	5,215,527	5%
<b>TOTAL REVENUES</b>	<b>97,714,410</b>	<b>100%</b>	<b>96,937,530</b>	<b>100%</b>
<b>EXPENDITURES:</b>				
Personal Services	60,868,858	62%	63,334,005	65%
Supplies	1,778,375	2%	1,634,675	2%
Other Svcs. & Charges	13,256,426	14%	13,249,185	14%
Internal Service Charges	1,452,351	1%	1,538,641	2%
Capital Outlay	88,625	0%	88,625	0%
Debt Service	-	0%	-	0%
Contingencies	3,251,936	3%	350,000	0%
Appropriations/Transfers Out	17,017,839	17%	16,742,399	17%
<b>TOTAL EXPENDITURES</b>	<b>97,714,410</b>	<b>100%</b>	<b>96,937,530</b>	<b>100%</b>

# Budget Summary

## September 21, 2011 Position Grid Demographics

	Create	Eliminate	Place on H/V	Remove H/V	Net	Vacant	Filled *
AFSCME Unit A		5.00			-5.00	4.00	1.00
AFSCME Unit B	1.00	11.00			-10.00	7.00	4.00
District Court-Clerical Unit		1.00			-1.00	1.00	0.00
District Court-Supervisors & Probation Agents			1.00		-1.00	0.00	1.00
Non-Union Employees	4.50	6.36	2.00	1.64	-2.22	3.36	5.00
POAM-312			3.00		-3.00	0.00	3.00
POAM-Non 312		4.00	5.00		-9.00	9.00	0.00
PDA (Public Defenders Association)		1.00			-1.00	1.00	0.00
<b>Totals</b>	<b>5.50</b>	<b>28.36</b>	<b>11.00</b>	<b>1.64</b>	<b>-32.22</b>	<b>25.36</b>	<b>14.00</b>

\* These positions are planned vacancies through retirements and/or bumping into other positions.

*Please note: the amounts shown above do not include position changes reflected in the CSTS or Public Health 2011/12 budget resolutions*

# Budget Summary

Washtenaw County General Fund 2012/13 Recommended Budget As of September 2011	2012 Recommended Budget	2013 Recommended Budget	2014 Projected Budget	2015 Projected Budget
<b>REVENUES:</b>				
Taxes & Penalties	\$59,766,404	\$58,571,716	\$58,571,716	\$58,571,716
Licenses & Permits	\$195,012	\$195,012	\$195,012	\$195,012
State & Local Revenues	\$5,778,414	\$5,805,517	\$5,805,517	\$5,805,517
Fees & Services	\$19,916,915	\$20,160,884	\$20,160,884	\$20,160,884
Fines & Forfeits	\$1,012,100	\$1,012,100	\$1,012,100	\$1,012,100
Interest Income	\$100,000	\$100,000	\$100,000	\$100,000
Other Revenue	\$2,950,169	\$5,876,774	\$1,950,219	\$1,950,219
Transfers In	\$7,995,396	\$5,215,527	\$1,180,054	\$1,180,054
<b>TOTAL REVENUES</b>	<b>\$97,714,410</b>	<b>\$96,937,530</b>	<b>\$88,975,502</b>	<b>\$88,975,502</b>
% of revenue change over the prior year	3.71%	-0.80%	-8.21%	0.00%
<b>EXPENDITURES:</b>				
Personal Services	\$60,868,858	\$63,334,005	\$65,865,984	\$68,541,196
Supplies	\$1,778,375	\$1,634,675	\$1,809,387	\$1,686,871
Other Services & Charges	\$13,256,426	\$13,249,185	\$13,409,590	\$13,662,183
Internal Service Charges	\$1,452,351	\$1,538,641	\$1,639,722	\$1,745,857
Capital Outlay	\$88,625	\$88,625	\$88,625	\$88,625
Contingencies	\$3,251,936	\$350,000	\$350,000	\$350,000
Appropriations/Transfers Out	\$17,017,839	\$16,742,399	\$17,438,472	\$17,654,334
<b>TOTAL EXPENDITURES</b>	<b>\$97,714,410</b>	<b>\$96,937,530</b>	<b>\$100,601,780</b>	<b>\$103,729,065</b>
% of expenditure change over the prior year	-5.27%	-0.80%	3.78%	3.11%
<b>PROJECTED DEFICIT</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$11,626,278)</b>	<b>(\$14,753,563)</b>
<b>Deficit as % of Total Revenue</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-13.07%</b>	<b>-16.58%</b>

# Next Steps



# Next Steps to Adopt the Budget

- Continue Dialogue with Unions
- Infrastructure/Space Plan Presentation on October 6th
- Commissioner Questions & Requests for Additional Information
- Public Hearing on Budget October 19<sup>th</sup>
- 3<sup>rd</sup> Quarter 2011 Budget Outlook November 2nd
- BOC Review until Desired Budget Adoption on November 16<sup>th</sup>