

## COUNTY OF MACOMB

### FY 2008 GENERAL APPROPRIATIONS RESOLUTION

**WHEREAS** in accordance with the provisions of Public Act 2 of 1968, as amended by Public Act 621 of 1978, (the Uniform Budgeting and Accounting Act for Local Government) it is the responsibility of the Macomb County Board of Commissioners to establish and adopt the Annual County Budget; and

**WHEREAS** the Budget Committee received budget requests from all county departments, and has reviewed in detail the 2008 Recommended Budget; and

**WHEREAS** the Budget Committee, after due deliberation has formulated a Recommended General Appropriations Act balancing total appropriations with available resources for calendar year 2008, and

**WHEREAS** the further intent of this resolution is to establish a budget system for the County of Macomb; to define the powers and duties of the County Officers in relation to that system; to provide that the Finance Director shall be furnished with information by the departments, boards, commissions and offices relating to their financial needs, receipts and expenditures; to prescribe a disbursement procedure; and to provide remedies for refusal or neglect to comply with the requirements of this resolution.

**NOW THEREFORE BE IT RESOLVED** that the Macomb County Board of Commissioners does hereby adopt the FY 2008 General Appropriations Act recommended by the Budget Committee as advertised and placed in the Finance Director's office for public inspection; and

**BE IT FURTHER RESOLVED** that the \$357,689 to be generated in 2008 by Cigarette Tax Revenue as estimated by Michigan Department of Treasury is to be utilized in accordance with P.A. 264 as amended by P.A. 529 of 1998 as follows:

1. \$252,486 or 12/17ths is to be utilized by the Health Department for the funding of existing or new health related programs as outlined in Act 264.
2. \$105,203 or 5/17ths is to be utilized in the Sheriff Department-Jail Operations; and

**BE IT FURTHER RESOLVED** that the \$2,011,246 to be generated in 2008 by Liquor Tax Revenue as estimated by Michigan Department of Treasury is to be utilized in accordance with P. A. 106 of 1985 designating 50% to be used for Substance Abuse programs; and

**BE IT FURTHER RESOLVED** that \$3,850,000 generated by The Delinquent Tax Revolving Fund be transferred to the General Fund in 2008; and

**BE IT FURTHER RESOLVED** that \$1,000,000 generated by the Delinquent Tax Revolving Fund be transferred to the Capital Improvement Program to fund computer system enhancements as approved by this Board; and

**BE IT FURTHER RESOLVED** that \$1,335,000, generated by the Delinquent Tax Revolving Fund be transferred to the Capital Improvement Program to fund debt service payments as approved by this Board on December 19, 1999; and

**BE IT FURTHER RESOLVED** that \$15,388,063, generated by the Revenue Sharing Reserve and the designated annual amount allowable by the State Treasurer is transferred to the General Fund in 2008; and

**BE IT FURTHER RESOLVED** that the Finance Director shall have authority to transfer funds between line items of any budgetary cost center within any fund as well as intra-departmental transfers within internal services control groups. The Budget Committee shall have exclusive authority to transfer funds between all other budgetary cost centers, funds, and agencies; and

**BE IT FURTHER RESOLVED** that the Finance Director is herewith authorized to timely pay all the following:

1. County drain debt.
2. County contractual obligations such as leases, utilities, purchase agreements, contracts and insurance as previously approved by the Board of Commissioners.
3. Payroll and payroll taxes, fringe benefits and insurance.
4. Travel advances subsequent to travel authorization by the Finance Committee of the Board of Commissioners.
5. Construction contract payments subsequent to approval by the Operational Services Committee of the Board of Commissioners.
6. Reimbursement of petty cash funds up to Five Hundred Dollars (\$500.00).
7. Appropriations to other funds.
8. Necessary cash appropriations between funds to effect items 1 through 5 above.

It shall be the responsibility of the Finance Director to, at the next meeting of the Finance Committee of the Board of Commissioners, advise the committee of all payments authorized under items 1 through 8 above; and

**BE IT FURTHER RESOLVED** that all budgetary policies and practices as previously adopted by the Board of Commissioners are herein incorporated in this resolution including but not limited to the following:

1. All departments, boards and commissions shall utilize the services of the Purchasing Department unless modified by authority of the Board of Commissioners, presently or previously authorized.
2. No expenditure for conferences and/or seminars will be expended without prior approval of the Finance Committee of the Board of Commissioners in accordance with current travel regulations.
3. All requests for repair or maintenance of facilities will be made in writing to and contracted by Facilities & Operations under the authority and guidelines of the Operational Services Committee of the Board of Commissioners; and

**BE IT FURTHER RESOLVED** that the numbers and classifications of personnel authorized in the budget may not be amended except by action of the Board of Commissioners: and

**BE IT FURTHER RESOLVED THAT:**

1. The Finance Director shall be responsible to the Budget Committee of the Macomb County Board of Commissioners for the performance of duties enumerated in this resolution.
2. The Finance Director shall send to each County Officer, department, commission, and board a request for information the Board of Commissioners and the Finance Director determines to be useful and necessary to assure that the ensuing year's budgetary estimates of the agencies are prepared in a consistent manner. The request shall also indicated limits on budgetary estimates, items that are to receive emphasis, and other policy direction deemed necessary by the Finance Director and approved by the Board of Commissioners.
3. Any Officers, departments, commissions, and boards of the County of Macomb or other agencies, financed in whole or in part by the County shall transmit to the Finance Director, as required, their estimates of the amounts of money requested for each activity in their

agencies for the ensuing fiscal year. They shall also submit any other information deemed relevant by the Board of Commissioners and the Finance Director, on such forms and at such time as they may direct.

4. The Finance Director shall prescribe forms to be used by the officers, departments, commissions and boards of the County of Macomb in submitting their budget estimates and shall prescribe the rules and regulations he deems necessary for the guidance of officials in preparing such budget estimates.

The budget forms shall, at a minimum, require:

- (a) The display of actual revenues or expenditures for all purposes for the last completed fiscal year.
- (b) Current year adopted budget.
- (c) Current year amended budget.
- (d) Appropriations and estimated expenditures or revenues for those purposes for the current fiscal year.
- (e) Estimates of required expenditures or revenues for the ensuing fiscal year (s).

The Board of Commissioners and the Finance Director may require that the estimates for the ensuing fiscal year be calculated on the basis of various assumptions regarding level of service.

Any agency request for the proposed purchase of land, buildings, or capital equipment shall be accompanied by a statement which:

- (a) Describes the intended use of land, buildings, or equipment.
- (b) States the order of priority of the purchase.
- (c) Provides a plan of financing for the purchase, if not local funding.
- (d) Provides an estimate of any operating costs associated with the purchase for the ensuing fiscal year and for the following three years.

The Finance Director may also require a statement of the purposes of any proposed expenditure and a justification of the services financed by any expenditure.

The Finance Director shall prepare estimates of revenue for each fund for the ensuing year, classified, in order to show in detail, the amount expected to be received from each source.

Such estimates of expenditures and revenues shall also be classified by character, object, function,

and activity consistent with the accounting system classifications required by law, as prescribed under the uniform accounting procedures as promulgated by the Department of Treasury, State of Michigan.

5. The Finance Director may review the agency estimates with a representative from each agency of the County that has submitted such estimates. The purpose of the review would be to clarify the estimates, ensure their accuracy, and to determine their adherence to the policies as set forth in paragraph 2.
6. The Finance Director shall consolidate the estimated expenditures received from the various agencies together with the amounts of expected revenues and shall make recommendations relating to those estimates which shall assure consonance with the budget policy statement and which also shall assure that the total of estimated expenditures including an accrued deficit in any fund does not exceed the total of expected revenues including an unappropriated surplus. The proposed budget shall consist of the following parts:
  - (a) A detailed estimate of all anticipated revenues applicable to proposed expenditures; summary statements of anticipated revenues classified by fund and source; comparisons between revenues actually received during the last completed fiscal year, those budgeted for the current fiscal year, those received and anticipated for the current fiscal year, and those anticipated for the ensuing fiscal year, the estimated surplus or unobligated balance of the current fiscal year and any additional information required.
  - (b) A detailed estimate of all operating and capital outlay expenditures for the ensuing fiscal year. It shall include a statement of proposed expenditures from all funds classified by organizational unit, function and activity. It shall show, in the same classification of expenditure, the expenditures of the last completed fiscal year, those budgeted for the current fiscal year, those anticipated for the current fiscal year, and shall include as separate items any deficit from the preceding fiscal year that was not included in the budget for the current year and any anticipated deficit resulting from operations of the current year.
7. In accordance with Budget Committee mandates, the Finance Director shall transmit the departmental budget requests to the Board of Commissioners. The departmental budget

requests shall be accompanied by:

- (a) A proposed general appropriations resolution, consistent with the budget, which shall set forth the anticipated revenue and requested expenditure authority for the ensuing fiscal year in such form and in such detail deemed appropriate by the Finance Director, provided that it is consistent with the uniform chart of accounts prescribed by the State of Michigan. No appropriations measure shall be submitted to the Board of Commissioners, in which estimated total expenditures, including an accrued deficit, exceed estimated total revenues, including available surplus.
  - (b) If necessary a budget comparison which shall explain the reasons for increases or decreases in budgeted items compared with the current fiscal year, the policy of the County as it relates to important budgetary items, and any other information that the Finance Director determines to be useful to the Board of Commissioners in its consideration of appropriations.
8. The Board of Commissioners may direct the Finance Director to submit any additional information it deems relevant in its consideration of the proposed budget and proposed appropriations measure. The Board of Commissioners may conduct budgetary reviews with the Finance Director and any official, officer, department head, commission or board for the purpose of clarification or justification of proposed budgetary items. The Board of Commissioners may revise, alter, or substitute for the proposed general appropriations measure in any way, except that it may not change it in a way that would cause total appropriations, including an accrued deficit, to exceed total estimated revenues, including an unappropriated surplus. An accrued deficit shall be the first item of expenditure in the general appropriations resolution. The Board of Commissioners shall fix the time and place of a public hearing to be held on the proposed budget and proposed appropriations resolution. The Finance Director shall have published, in a newspaper of general circulation within the County of Macomb, notice of the hearing and indication of the place at which the proposed budget and proposed appropriations resolution may be inspected by the public. This notice must be published at least six days before the date of the hearing.

9. No later than their December meeting, the Board of Commissioners shall pass a general appropriation measure providing the authority to make expenditures and incur obligations on behalf of the County of Macomb. The Board of Commissioners may authorize, if they so desire, transfers between appropriation items by any appropriate committee of the Board of Commissioners, or the Finance Director, within limits stated in the appropriations resolution. In no case, however, may such limits exceed those provided for in paragraph 18 of this resolution.

The Board of Commissioners shall cause to be levied and collected the general property tax in an amount not to exceed that set forth by the Tax Allocation Board, State law, or the County of Macomb's fixed portion as voted on by the electorate, as adjusted by State law.

10. In the event that the Board of Commissioners fails to pass a general appropriations resolution by December 31st, the Board of Commissioners, by continuing resolution, may authorize the Finance Director to notify all officers, departments, boards and commissions that they may, in the new fiscal year, make expenditures and incur obligations under the provisions of the general appropriations resolution effective for the fiscal year just completed: except that the authority for any item of appropriation in any month shall be limited to an amount not to exceed one twelfth of the annual appropriation amount for that item. Expenditures shall continue in this manner each month until the effective date of a general appropriations resolution for the new fiscal year.
11. A deviation from the original General Appropriations Resolution shall not be made without first amending the General Appropriations Resolution. All amendments shall follow the applicable provisions of Act 2 of the Public Acts of 1968, as amended.
12. Appropriations will be deemed maximum authorization to incur expenditures and not a mandate to spend. The Finance Director shall exercise supervision and control in order to ensure that, within his capability, expenditures are related to program or work objectives and shall notify the Board of Commissioners when, in his judgement, expenditures not necessary to accomplish those objectives are incurred by any elected official or other administrative officer of a budget center.

13. The Finance Director shall maintain appropriation ledger accounts in which such expenditures, encumbrances and obligations for the future payment of appropriated funds as required are recorded.

14. No money shall be drawn from the County Treasury except in pursuance of an appropriation of the Board of Commissioners.

Each warrant, draft, or contract of the County shall specify the fund and appropriation designated by number assigned in the accounting system classification established pursuant to law from which it is payable upon approval by the Finance Committee of the Board of Commissioners except where modified in the General Appropriations Resolution, and shall be paid from no other fund or appropriation.

The Director of Finance shall verify that accounting procedures shall be as prescribed by the National Committee on Governmental Accounting, as published, (Governmental Accounting, Auditing and Financial Reporting) unless otherwise prescribed by law.

15. No obligations shall be incurred against, and no payment shall be made from any appropriation account unless there is a sufficient unencumbered balance in the appropriation and sufficient funds are or will be available to meet the obligation.

16. The Finance Director, within thirty days after the end of each quarter, shall transmit to the Chairman of the Board of Commissioners an interim report of financial operations, including, but not limited to:

(a) A summary statement of the actual financial condition of the general fund at the end of the previous period

(b) A summary statement showing the receipts and expenditures and encumbrances for the current fiscal year to the end of the previous period

(c) a detailed listing of:

1. Expected revenues by major sources as estimated in the budget; actual receipts to date for the current fiscal year compared with actual receipts for the same period in the prior fiscal year; the balance of estimated revenues to be collected in the then current fiscal year; and any revisions in revenue estimates occasioned by collection experience to date.

2. For each organizational unit and activity; the amount appropriated; the amount charged to each appropriation in the previous quarter and for the current fiscal year and as compared with the same period in the prior fiscal year; the unencumbered balance of appropriations; and any revisions in the estimate of expenditures.
17. Transfers of any unencumbered balance, or any portion thereof, in any budgetary center appropriation account to any other budgetary center appropriation account may not be made without amendment of the General Appropriations Resolution as provided in paragraph 11 of this resolution.
18. The Board of Commissioners may make supplemental appropriations by amending the original General Appropriations Resolution as provided by paragraph 11 of this resolution, provided that revenues in excess of those anticipated in the original General Appropriations measure become available due to:
  - (a) An unobligated surplus from prior years becoming available;
  - (b) Current year revenue exceeding original estimates in amounts great enough to finance increased appropriations

The Board of Commissioners may make a supplemental appropriation by increasing the dollar amount of an appropriation item in the original General Appropriations Resolution or by adding additional items.

At the same time, the estimated amount from the source of revenue to which the increase in revenue may be attributed shall be increased, or a new source and amount added, in a sum sufficient to equal the supplemented expenditure amount. In no case may such appropriations cause total estimated expenditures, including an accrued deficit to exceed total estimated revenues, including an unappropriated surplus.

19. Whenever it appears to the Finance Director or the Budget Committee of the Board of Commissioners that actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such funds were based, the Finance Director shall present to the Budget Committee of the Board of Commissioners recommendations which, if adopted, will prevent expenditures from exceeding available revenues for the current fiscal

year. Such recommendations shall include proposals for reducing appropriations, increasing revenues, or both.

Within 30 days of receiving the recommendations of the Finance Director for bringing appropriations into balance with estimated revenues, the Board of Commissioners shall, as determined by the Budget Committee, amend the General Appropriations Resolution to reduce appropriations or shall approve such measures necessary to provide revenues sufficient to equal appropriations, or both.