

## Introduction to the Budget Overview

This section provides an overview of the Kent County Budget. It is intended to inform County citizens of the fiscal plans of the County Board of Commissioners and Administration for the coming year. The Budget Message from the Administrator/Controller, pages B-2 through B-9, outlines the key priorities, parameters, and issues involved in developing the Budget, and serves as an introduction and overview to the budget. Additional significant priorities and issues affecting the budget are outlined on pages B-10 and B-11. The Strategic Planning and Budgeting section can be found on pages B-12 through B-17. This section contains the overall goals for the County as well as strategic goals, cross-cutting influencing factors, and short-term objectives by department for the Cultural and Recreational, Enterprise Activities, General Government, Health and Welfare, Judicial, and Public Safety functional areas of the County.

Pages B-18 to B-22 present the combined total of all County funds and component units. Funds are classified by seven fund types: General Fund, Capital Improvement Funds, Debt Service Funds, Internal Service Fund, Component Unit Funds, Proprietary Funds, and Special Revenue Funds. This information is summarized in three ways:

- The Budget Summary by Fund on page B-18 summarizes sources and uses for the budget by fund type (i.e., General Fund, Capital Improvement Funds, Debt Service Funds, Internal Service Fund, Component Unit Funds, Proprietary Funds, and Special Revenue Funds). The Fund Balance History on page B-19 provides the beginning and end-of-year balances for each of these funds for 2006 actual, 2007 estimated, and 2008 projected.
- The Budget History by Functional Area on page B-20 summarizes sources by category and uses by functional area (i.e., Cultural & Recreational, Enterprise, General Government, Health & Welfare, Judicial, Public Safety, Other, and Capital, ) for the years 2006 (actual), 2007 (amended), and 2008 (adopted). County departments and programs are categorized by these same functional areas in the Department Summaries section.
- The Budget History by Category on page B-21 summarizes uses by category (i.e., Personnel, Commodities, Contractual Services, Operating Capital, Other, Capital Budget) for the same three-year period.

Page B-22 provides a five-year listing of budgeted personnel by County department, organized by functional area.

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October 29, 2007

**To the Honorable Board of Commissioners:**

As the Chief Administrative and Financial Officer of the County, it is my responsibility and pleasure to develop and submit the proposed 2008 Annual Budget for review and approval, which represents the tenth budget that I have presented to the Kent County Board of Commissioners. The elected officers, department directors, and judiciary have risen to the challenge and have done an exceptional job of holding the line on requests while diligently protecting the provision of services the County is charged with providing. And while local governments and the state continue to face significant financial constraints, Kent County fares well in comparison, which is a testament to the ability of the Board and all County departments to manage our finances in an appropriate manner.



Care has been taken to preserve our General Fund reserves, as directed by the Finance & Physical Resources Committee. This has been done with significant attention given to expenditure control and, where possible, generating additional revenues.

The budget document is one of many tools used by the Board in its decision-making process. And while the budget is by nature a fluid document—one that can change as emergent needs and circumstances dictate—it is also the single most important comprehensive policy statement about County priorities and programs that you, the Board of Commissioners, make on an annual basis.

The annual budget is used for a variety of purposes. First, it provides for accountability; it legitimizes public expenditures and accounts for use of public resources. Second, the budget is a planning tool, used to outline how public resources are received and used. Third, and probably most important, the budget is an information tool, designed to communicate the funding priorities of the organization to our many stakeholders and other interested parties. Thus, the budget should be considered as a means to many ends, but not the end itself.

The 2008 proposed budget for both operating and capital needs has a gross expenditure requirement of \$372,183,778, which is a 0.2% increase over the adopted 2007 budget. The proposed budget includes operating expenditures of \$367,373,264, and capital expenditures of \$4,810,514. Projected revenues and existing surpluses will be adequate to cover the proposed expenditures.

Like its predecessors, this proposed budget embraces those principles that have made our organization fiscally strong. The proposed budget:

- Plans for expenditures that can be supported by current revenues and existing reserves;
- Provides sufficient funding to ensure that County facilities and equipment are properly maintained;
- Maintains most services and programs to support the quality of life enjoyed by County residents; and
- Maintains a competitive comprehensive compensation and benefits package for our work force.

Like the previous four budgets, the proposed 2008 Budget offers very little margin in terms of revenue projections and planned expenditures. For the fifth time in as many years, department directors were requested to provide two variations of their expenditure needs. Most departments were very thoughtful in their reviews and in the reductions that they proposed. Budget targets were provided and, if they couldn't be adhered to, justification was made as to the consequences of meeting the targets. I appreciate the responses to our current fiscal challenge that the department directors and their respective budget staffs offered.

## Summary of Issues

The following is a summary of the primary issues that have shaped the proposed 2008 Budget.

### *Budget Subcommittee*

As part of the process to prepare the 2008 Budget, I recommended the creation of a Budget Subcommittee to “review current and historic funding levels of the various County functions and departments in order to identify the relationship between funding levels and service levels/priorities, and to provide input on functional area and departmental targets for the 2008 Budget.” Chair Morgan concurred with this recommendation and the Subcommittee met numerous times in March, April, and May to perform its assigned tasks.

### *Budget Parameters*

As a result of the Budget Subcommittee discussion, staff made recommendations for budget preparation guidelines, with specific emphasis on the General Fund, to the Finance & Physical Resources Committee, who adopted those guidelines on June 19, 2007. The guidelines included expenditure guidelines for personnel costs, commodities (or supplies), contract services, and aggregate capital expenditures (both operational capital outlay and the CIP).

Category	Parameter
General Fund Reserves	Not to exceed \$2.0 million
New Hires	No new hires requiring a General Fund appropriation
Commodities	Not to exceed 2007 level, unless appropriately justified
Contractual Services	Not to exceed 2007 level, unless appropriately justified
CIP Appropriation	Property tax generated from 0.2 mills of the general operating levy

The budget parameters were emphasized to all department directors, elected officers, and the judiciary as part of the Budget Call Letter, which was issued in July.

The budget review teams conducted their work with the above parameters in mind. The Finance & Physical Resources Committee reviewed and approved a variety of recommendations related to the 2008 General Capital Improvement Program on September 18.

### *Millage Rates*

Calendar year 2007 saw the last year of the transition to a July 1 general operating tax levy. Because no Headlee rollback is anticipated, the proposed operating millage for the July 1, 2008 tax levy is 4.2803 mills. In addition to the operating millage, the Board of Commissioners, at its meeting held September 27, 2007, adopted the millage rates for the debt service and operations for the correctional facility of 0.7893 mills and 0.3244 mills for senior services. Thus, the total proposed millage rate for 2008 is 5.3940 mills, which is the same as the millage levied in 2007. The operating millage rate of 4.2803 mills will be approved in May 2008.

### *Revenues*

Taxes: The County’s State Taxable Value (STV) continues to grow, but at a much more modest rate than it has over the past decade. Even with modest growth comes increased demands. The STV grew from \$20.223 billion in 2006 to \$21.325 billion in 2007, representing an increase of 5.5%. It is estimated that the STV will grow to \$22.157 billion (3.9%) in 2008, which is a part of the basis for the 2008 property tax revenue estimate. The STV will generate approximately \$87.5 million in General Fund property tax revenue, which is a 1.6% increase over the 2007 budgeted general fund property tax revenue of \$86.1 million. This is an anomaly based in large part on the timing of the tax levy in conjunction with offsets for other jurisdiction “capture” and delinquencies. Taxes represent about 65.0% of the County’s total General Fund revenue stream. The projection for all tax revenue totals \$114.5 million, including the designated millages for the Correctional Facility and Senior Services, as well as Industrial Facilities Exemption Certificate taxes, and the Hotel/Motel Tax.

Funding for the CIP budget for 2008 is identical to past years in that the two enterprise departments fund or borrow to finance their own capital projects, while other general projects rely on the 0.200 mill allocation from the general operating property tax levy. This 0.200 mills will provide approximately \$4.3 million for capital.

Intergovernmental Revenues: During the past six years intergovernmental revenues (primarily due to loss of State Revenue Sharing) have been significantly lower than pre-2001 appropriations. As you know, the State mandated that over three years, the County operating millage levy be moved from December to July. July 2005 tax bills included the first installment of this transition and the complete transition took place in July 2007. In all future fiscal years, the County's operating millage will be billed on July 1st. Excess funds collected during the past three years have been placed in a special Revenue Sharing Reserve Fund, as directed by the State. These funds are being "drawn down" according to the State's requirements, and it is anticipated that this fund will be depleted sometime during the County's 2011 Fiscal Year. This has led to some uncertainty, given the State's fiscal condition, regarding whether Revenue Sharing will be restored. In addition to the revenue sharing issue, the State—as part of its "fix" for its own 2007 Budget, eliminated Act 2 (Liquor Tax) distributions to counties, which reduced the 2007 budgeted revenues by \$3.2 million (of which \$1.6 million was distributed to the General Fund and \$1.6 million to Network 180 for substance abuse services). While the State indicated this would be a one-year reduction, this revenue has not been included in the projections for the 2008 Budget, given the continuing uncertainty of State appropriations.

Interest Income: Fortunately, during the past several years we have seen significant increases in revenue from interest return on investments. While not at the levels we experienced in the mid- to late-1990s, the revenue from this source has increased since 2005, and is expected to approach the \$16.0 million (for all funds) and the \$3.9 million mark (in the General Fund).

Charges for Services: Charges for services, especially those levied by enterprise departments including the Airport or Public Works, provide approximately 26.3% (\$94.3 million) of the County's revenue.

*Personnel*

For the fifth consecutive year, the Finance & Physical Resources Committee concurred with Administration's recommendation to implement a moratorium on adding new positions that require a General Fund appropriation in the 2008 Budget, unless it is demonstrated that the County would save money or if there were increases in revenues to accommodate the additional expenses associated with a new position. This recommendation was based upon a variety of factors, including the County's financial situation as well as recognition that there has been significant growth in the employee population base since 1996. Personal costs represent 37.8% of the operating budget for 2008. While the County has been successful in negotiating agreements that provide for 10.0% premium co-pay by employees for health insurance, these costs continue to see double-digit increases.

*Capital Improvement Program (CIP)*

Continuing as an integral part of the budget is the Capital Improvement Program (CIP) budget for 2008 - 2012. The CIP consists mainly of one-time or non-recurring capital expenditures. The process calls for the Board to adopt the budget for 2008 projects, using the 2009 - 2012 program report as a barometer of future years' capital needs. Approximately \$9.2 million in CIP projects was requested from departments and agencies. As was the case in previous years, not every request was recommended for funding. At its meeting held September 18, the Finance & Physical Resources Committee voted to recommend that \$5.3 million be appropriated for CIP projects (as identified/itemized in the budget document), compared to \$21.7 million that was budgeted in 2007.

CIP Funding Sources	2007	2008
Operating Levy (0.2 mills)	\$ 4,033,161	\$ 4,289,119
CIP Fund Reserves	5,636,768	-
Debt Financing	12,000,000*	568,000
Grants	-	404,271
<b>Total Sources</b>	<b>\$ 21,669,929</b>	<b>\$ 5,261,390</b>

\*\$12.0 million of the total sources receipted and expensed in the Bond Capital Improvement Project Fund.

Funding for the recommended projects for the 2008 CIP comes from the following sources:

Major expenditures in the CIP include \$450,876 for debt service for Fuller Campus improvements and the 63rd District Court facility, Orthophotography update/aerial maps of the County (\$507,750), design for a Medical Examiner facility (\$568,000), and reimbursements to the Zoo Society for Construction of Exhibits (\$400,000).



### *Hotel/Motel (Lodging Excise) Tax Fund*

The Hotel/Motel Tax Fund is once again being highlighted because there are a number of issues that must be addressed in the near future. Revenues from hotel and motel taxes have historically been used for the following purposes: (1) debt service on the bonds for the DeVos Place Convention Center (approximately \$4.7 million in 2008); (2) the County's contribution to the Grand Rapids-Kent County Convention and Visitors Bureau (\$700,000 in 2008); (3) contributions to the John Ball Zoological Society for construction of exhibits in the John Ball Zoo; and (4) a nominal (\$10,000) contribution to the Arts Festival for marketing purposes. In 2007, a new commitment was added (a \$200,000 annual contribution to the Sports Commission through 2011).

Because funding commitments from the Hotel/Motel Tax exceed revenues, it is proposed that General Fund dollars be used to provide for certain commitments. In 2008 the County's first obligation is to make debt payments on the two bond issues for the Convention Center (Series 2001 in the amount of \$4.683 million and Series 2003 in the amount of \$395,000). The proposed budget provides that Hotel/Motel tax funds be used for debt retirement for the Series 2001 bond issue on the Convention Center (\$4.683 million), \$700,000 for the Convention & Visitors Bureau, \$200,000 for the Sports Commission, and \$10,000 for the Arts Festival.

Estimated 2007 revenues from the Hotel/Motel tax are 2.0% higher than in 2006. Still, the revenues are not able to meet annual expenditures. Therefore, the 2008 Budget proposes that commitments to the Zoo Society (\$400,000) and the Series 2003 bond issue for the Convention Center (\$395,000) be appropriated from the Capital Improvement Fund and General Fund, respectively.

### *Revenue Sharing*

The County's Revenue Sharing Reserve Fund will be depleted sometime during the 2011 Fiscal Year. When the Revenue Sharing Reserve Fund expires, revenue sharing payments from the State are scheduled to be restored. While we should receive some indication of the State's intentions before 2011, we have been and continue to look at what operational efficiencies we should consider in the event that revenue sharing is either significantly reduced or eliminated, incorporating short-and long-term strategies. Unfortunately, recent statements by State legislators lead us to believe that the prospect of Revenue Sharing being restored in its entirety is not very likely. We are faced with either identifying incremental reductions during the next several years (FY 2009-2012), or implementing major cuts of \$6.3 million in 2011 and an additional \$6.7 million in 2012. I will recommend the former alternative.

### *Corrections/Detention Millage*

In the 2007 Budget Message I noted that with the convergence of declining revenues and increased expenditures, the County's budget in 2011 will result in a "perfect storm." This "perfect storm" includes: 1) depletion of the Revenue Sharing Reserve Fund and our belief that Revenue Sharing will not be restored; and 2) the Corrections/Detention Millage will expire in December 2009, with 2010 the last year that the County will receive funding from this source (and its approximately \$15-17 million contribution to the General Fund to support operations in the Correctional Facility), unless that millage is renewed.

In late 2004, I created an intergovernmental work group to review the many issues associated with the correctional facility, and a report was presented to the Board of Commissioners in March 2006. It was recommended that a millage renewal question be placed on the ballot in 2008. Additional work has been done, including the creation of a Subcommittee of the Board, including Chair Morren, Vice-Chair VanderMolen, Grand Rapids Township Supervisor Michael DeVries, Algoma Township Supervisor Dennis Hoemke, Kentwood Mayor Rick Root, and Walker Mayor Rob VerHuelen. This group met for several months in Spring and Summer of this year to provide input into the planning process for any potential millage question developed. At this time, it looks as if a millage request should be placed on the ballot in 2009 or no later than May 2010. Input from the subcommittee, and a recommendation from staff, will be forthcoming in the first quarter of 2008.

### *Credit Rating*

Given the economic climate in the State of Michigan, Kent County continues to remain fiscally sound, as evidenced in part by retaining the triple-A credit ratings from both Standard & Poor's and Moody's Investor

Services' for long-term debt. However, the past five fiscal years have resulted in the County using reserves to cover shortfalls in revenue for operations. This is a trend that cannot be sustained and this budget provides for one that does not use reserves to "balance" the budget. That is, current projected revenues are sufficient to cover current anticipated expenditures. Given our "guilt by association" with the State of Michigan, it is uncertain how long we will be able to maintain the highest credit ratings. Thus, it continues to be important for the County to continue to exercise fiscally sound budgeting practices, which has been our historical practice. Again, most department directors have risen to the challenge and have thoughtfully prepared and submitted their respective budget requests.

#### *On The Horizon*

County staff continues to search for ways to increase efficiencies, reduce costs, and look at alternative sources of revenue. One revenue source that is not being recommended in the 2008 Budget, but that will in all likelihood be included in the 2009 Recommended Budget, is the implementation of a charge to those cities and townships that currently receive fire dispatch service from the Sheriff Department at no cost. This service costs about \$200,000 annually, and in conjunction with Sheriff Stelma, it will be proposed that in 2009 we implement a fee, based on calls from local units, for 50% of the cost of this service and in 2010, a fee covering 100% of the cost.

Second, as noted above, for 2008 approximately \$800,000 has been "diverted" from Hotel/Motel taxes to the General and CIP Funds to honor the various commitments the County has made. It is anticipated that if revenues do not increase from Hotel/Motel taxes, commitments funded from this source will have to either be further reduced or augmented to an even greater extent by General Fund appropriations.

Third, while not an imminent issue, at some point in 2010-2011, the County will have to look at replacing its financial, payroll, and human resources applications (commonly referred to as PeopleSoft). This will be a significant undertaking and will require both financial and human resources.

#### **Summary of Major Operating Budget Changes**

As noted previously, the proposed 2008 General Fund Budget provides for \$164,018,488 in expenditures and \$164,069,142 in revenues. This compares to the amended 2007 General Fund budget expenditure level of \$165,050,957 (or a 0.6% decrease).

The following highlights departments and functions that have experienced some of the more significant changes in proposed expenditures from the amended 2007 Budget to the proposed 2008 Budget:

Sheriff's Department: The 0.1% incremental increase in the Sheriff's budget can be attributed to personnel reductions and other efficiencies at the Sheriff's Department. There were 2.00 full-time equivalent positions, a Cook II and a vacant Social Worker I, eliminated in the Correctional Facility; 1.00 full-time equivalent, vacant Clerk II position, was eliminated in Enforcement; and 2.14 full-time equivalent positions, including two vacant part-time Park Police Officers and the reduction of 2,662 hours in the occupied part-time Park Police Officer positions, were reduced from Parks Security which is reported within the Parks Department budget.

Circuit Court: The 0.7% incremental increase in the Circuit Court budget (in Judicial) is the result of personnel reductions and other efficiencies at the Circuit Court. There were 1.24 full-time equivalent positions, including two part-time Youth Specialists, eliminated in the Childcare budget (in Health & Welfare) which is partially funded by the General Fund.

Facilities Management: The 23.0% decrease in the DHS Building budget can be attributed to the reduction of a 0.50 full-time equivalent, which includes the reduction of one full-time Maintenance Repair Worker to part-time; and a 67.3% reduction in the County's central cost allocation. The overall FY 2008 budget for Facilities Management shows a 1.5% decrease from FY 2007.

Information Technology: The 34.9% decrease in the Finance & Human Resource System (FHRS) budget is based on the 68.2% reduction in the PeopleSoft maintenance contract. The 10.1% decrease in the Help Desk budget is the result of the elimination of 1.00 full-time equivalent, consisting of four part-time Coop Student positions.

Prosecutor's Office: The Prosecutor's budget was reduced 1.2% from the FY 2007 Amended budget. This reduction includes the elimination of 1.00 full-time equivalent, Caseworker Assistant, position.

Parks: The 32.5% decrease in the Millennium Park budget can be attributed to the elimination of a 0.24 full-time equivalent, Park Maintenance Seasonal, position and significant reductions in all other budget categories based on prior actual experience. The 42.6% decrease in Park Security can be attributed to personnel eliminations discussed previously under the Sheriff's Department. The 18.1% decrease in the Parks Administration budget can be attributed to the elimination of 1.00 full-time equivalent, vacant Park Operations Supervisor, position. Also, 0.96 full-time equivalent, or four part-time Park Maintenance Seasonal, positions were eliminated at Kaufman Golf Course. The overall FY 2008 budget for Parks shows a 12.0% decrease from FY 2007.

Policy/Administration: The 27.0% decrease in the Prevention Program budget is a result of the DHS Indigent Care activity being relocated to the Intergovernmental cost center, where a corresponding increase is reflected. The 2.6% decrease in the Administrator's Office budget can be attributed to the elimination of a 0.50 full-time equivalent, vacant Intern, position. The overall FY 2008 budget for Policy/Administration shows a 14.3% decrease from FY 2007.

Bureau of Equalization: The 10.2% decrease is primarily the result of the elimination of 1.0 full-time equivalent, vacant Abstract/Title Clerk I, position.

Clerk - Elections: As with each election year, there is the need for supplies, ballots, etc. associated with the on-election (even-numbered) years. Thus, the proposed 2008 budget shows a 107.2% increase from what was budgeted for this activity in 2007, and an overall increase of 7.7% in the Clerk's budget.

Human Resources: The 1.7% decrease in the Human Resources budget can be attributed to the elimination of 1.05 full-time equivalent positions, including a vacant part-time Law Clerk/Legal Analyst and a vacant part-time Senior Admin Specialist.

Treasurer's Office: The Tax Tribunal Refunds budget is reduced 100% due to an accounting change for this activity. The 3.4% decrease in the Treasurer's operating budget is based on the elimination of 1.00 full-time equivalent, vacant Account Clerk III, position. The overall FY 2008 budget for the Treasurer's Office shows a 13.4% decrease from FY 2007.

Intergovernmental: The primary reason for the 32.5% increase in the Intergovernmental budget can be attributed to an additional \$650,000 appropriation as a result of relocation of the DHS Indigent Care activity from the Policy/Administration budget.

Cooperative Extension: There was the equivalent of 1.00 full-time position eliminated from the Cooperative Extension budget, including a part-time Graphic Artist position and the reduction of a Coop Education Assistant from full-time to part-time.

Transfers Out - Friend of the Court: Effective October 1, 2007, the Federal Government changed the definition of matching funds for federal grant reporting purposes. The local unit will no longer be allowed to use federal incentive payments as a match for federal grant funding. Federal grant funding, for continuation of existing programs, is expected to decline by over \$700,000 in FY 2008. A combination of \$429,000 in increased funding from General taxes (19.8% increase) and \$271,000 draw (one-time) on Fund Balance will be utilized to offset the loss of these funds.

## **Board Goals**

Since 1995, the Board of Commissioners and key administrative staff have met in five major priority and goal-setting sessions. A review of the major public policy and fiscal administration priorities identified during the 1995, 1997, 1998, 1999, and 2005 sessions can be summarized in the following statements. Kent County strives to:

- Conduct County affairs in an open and accessible manner by communicating with the public and local units of government about the issues faced, services provided, and contributions to the quality of life

made by the County by continuing to develop a communication and information infrastructure based upon sound technological innovation and investment;

- Actively pursue legislative changes needed to support decisions made by the Board of Commissioners not only to secure the County’s fair share of state and federal funds but also to advance the County’s priorities and initiatives to improve services to our citizens; and
- Be an effective steward of public funds using professional budgeting and fiscal management techniques and practices to: (1) provide mandated services and, within the limits of available resources, discretionary services; and (2) invest in the maintenance of the County’s infrastructure. This will be accomplished by taking measures to preserve a strong financial position as measured by:
  - The County’s favorable credit ratings;
  - Maintaining adequate reserves;
  - Maximizing revenues internally; and
  - Recruit, train, and develop (through education and training) a diverse; and qualified work force.

These principles are specifically designed to provide both mandated and discretionary services to the public in an efficient and effective manner. The strategic planning initiative completed in late 2005 reaffirmed existing philosophies, adding the last initiative related to more active engagement in legislative issues.

This budget also continues to reflect the policy of the Board as identified in the County’s Fiscal Policies, which is to maintain 10.0% of the subsequent year’s operating budget in reserve. This level of fund balance is necessary to maintain and protect the County’s outstanding bond ratings, which continues to be a high priority of the Board of Commissioners.

**Work Groups and Teams**

There are many work groups and teams that have been established to provide recommendations on the many issues facing the County. Some of the work groups have been specific in nature with a limited function and timetable. Others have become “institutionalized” into the operations of the County. The employees listed to the right participated in the FY 2008 budget review work groups.

**Performance Measurements**

County departments, offices, agencies, and the judiciary continue to make significant progress in developing and utilizing performance measurements (PMs). The bar has been raised as a result of the biannual departmental PMs by the Legislative & Human Resources Committee and the enhanced database developed by the Performance Measurement Review Team (PMRT). There is an increased emphasis on outputs and outcomes, as well as indicators related to both, and to efficiencies that departments are achieving and measuring.

**Conclusion**

The budget is the primary policy statement on County programs and priorities from the Board of Commissioners to the citizens of Kent County. The budget provides information to the public on the funding priorities and programs that have been established. In this sense, the budget is also a plan. It provides a road map for departments, offices, and agencies to use in implementing the programs funded by the Board. And, like most plans, the budget can—and should—be a flexible document that is subject to change as needs emerge, more information becomes available, and priorities change.


CIP Review Committee
Jon Denhof, Purchasing Robert Mihos, Facilities Management Craig Paull, Information Technology Lloyd Pitsch, Sheriff’s Department Roger Sabine, Parks Marvin Van Nortwick, Fiscal Services Robert White, Fiscal Services
Operating Budget Review Committee
Wayman Britt, Administrator’s Office Donald Clack, Human Resources Jim Day, Board of Commissioners Office Daryl Delabbio, Administrator’s Office Mary Swanson, Administrator’s Office Craig Paull, Information Technology Marvin Van Nortwick, Fiscal Services Robert White, Fiscal Services
Performance Measurement Review Team
Wayman Britt, Administrator’s Office Steve Duarte, Fiscal Services Gail Glocheski, Human Resources Craig Paull, Information Technology Mary Swanson, Administrator’s Office



As we continue to adhere to a strong set of Fiscal Policies, continue our commitment to performance-based budgeting, and continue to see progress in making accurate estimates for revenues and expenditures, this process will continue to improve.

Once again, I would like to thank all the departments, elected officers, and judiciary for their cooperation and assistance in developing the proposed 2008 Annual Budget. Many people contributed to this effort and all should be proud of the results. In addition, I would like to express my appreciation to the CIP Review Committee, the Operating Budget Review Committee, the Performance Measurements Review Team, and the Finance & Physical Resources Committee, for their extensive work in the development of this document. I would also like to commend the Fiscal Services staff for the tremendous amount of time and effort that was devoted to the preparation of this budget. Finally, I would like to thank the special Budget Subcommittee established early in the year, which met on eight occasions to review departmental funding and program issues. This group was Chaired by Board Vice-Chair Dick VanderMolen, and included Chair Roger Morgan, Commissioners Dean Agee, Jack Boelema, Nadine Klein, Marv Hiddema, and Harold Voorhees. Assistant Administrator Mary Swanson and Fiscal Services Director Robert White ably staffed the Subcommittee. In short, the collective professionalism, diligent work, commitment to cooperation, and the good will and spirit of many individuals made this document possible and the budget process an efficient and effective one.

Respectfully,

A handwritten signature in blue ink that reads "Daryl J. Delabbio". The signature is written in a cursive style with a large initial "D".

Daryl J. Delabbio  
County Administrator/Controller

## Significant Priorities and Issues

In keeping with its commitment to maintaining a financially strong and effective organization, Kent County continually assesses and monitors the potential financial impact of external circumstances, as well as that of internal policies and programs. The following are substantive issues, initiatives, and fiscal issues affecting County finances during 2008 and beyond.

### Revenue Sharing

As a result of its ongoing budget issues, the State of Michigan's FY 2005 budget "zeroed-out" County-revenue sharing. To provide replacement revenue, the State legislature enacted legislation (Michigan Public Act 357 of 2004) which changed the collection schedule for the County's general operating property tax from December to July. As a result, beginning with the 2005 summer tax levy, one-third of the County operating property tax levy was collected as a summer tax. In 2006, two-thirds of the operating tax levy was collected in the summer. In 2007 (and thereafter), the entire operating tax levy will be collected in the summer. Winter tax bills were reduced each year by the same amount. The additional funds that Kent County collected, as a result of the accelerated tax billings, over this three year time period, were placed in a special fund and are being drawn down on a schedule similar to distributions the County would have received in revenue sharing payments from the State. It is anticipated that the fund will provide Kent County with a steady, predictable revenue stream for 7.2 years (FY 2011), at which time the reserve fund will be depleted. It is uncertain whether State revenue sharing payments to counties will be fully reinstated.

### State and Local Economic Forecasts

The State economic slow down since 2001 continues to affect the residents of Kent County, as well as Kent County revenues. The recession being experienced by durable goods manufacturers in West Michigan directly affects Kent County resources, slowing the rate of growth in property tax revenues, and forcing reductions in State shared revenues. As a result, Kent County revenues have been growing moderately, and some previously funded State programs have been eliminated or reduced. These reductions in revenue growth have required the establishment of the 2008 budget parameters, including continuation of a moratorium on adding new positions that require additional General Fund appropriation and requests to department directors to prepare budgets maintaining or decreasing overall spending while absorbing increases in personnel costs for health care and negotiated salary increases.

### Economic Development - Utilization of Tax Increment/Exemption Initiatives

Local governmental units in Kent County continue to establish and/or extend tax exemption and tax capture districts. In FY 2006, tax abatement and tax capture districts claimed over \$6.0 million in County levy tax collections to underwrite various economic development activities. It is expected that, without legislative relief, this percentage of tax levy diversion will be at minimum maintained or in a more likely scenario increased over the next several years. The County must seek legislative relief in the form of limitations on the amount of tax capture either by time or amount. The County's ability to continue delivering basic public safety and social welfare programming may become jeopardized by the continuing and increasing diversion of County tax levies to other local government spending initiatives.

### Long-term Financial Planning

Unreserved, undesignated fund balance in the General Fund was 6.0% (12/31/2006) of total General Fund expenditures and transfers out, which exceeds our goal of 5.0% for budgetary and planning purposes. As part of a sound financial management program, management prepares a five-year financial forecast for the General Fund. The forecasted General Fund Revenues, Expenses and Fund Balances for the current budget (FY 2008) and fiscal years FY 2009 through FY 2012 can be found on pages C-13 and C-14 of the Fund Summaries section. Based on the current financial forecast, the County will be able to continue current service levels without raising its tax rate while retaining a projected fund balance of \$69.5 million at December 31, 2012.

### Health and Benefits Sub Committee

In September 2006, the Board Chair created a Health Care/Benefits Subcommittee of the Board of Commissioners. The charge of the Subcommittee is: to become acquainted with the various issues and costs associated with health care for both current employees and retirees ("Other Post Employment Benefits," or

OPEB); to discuss long-term options (2008 and beyond) available to the County for providing health care for current employees, and associated costs/issues related to those options; to provide guidance and direction to County administrative and fiscal staff on health care costs (2008 and beyond) and OPEB costs; and to communicate, via a written report, to the Board of Commissioners. The Subcommittee met four times and is in the process of finalizing its report to the Board of Commissioners.

### **Lodging Excise Tax**

There are a number of Hotel/Motel Tax funding issues that must be addressed in the near future. Revenues from hotel and motel taxes are used for the following purposes: debt service on the bonds for the DeVos Place Convention Center (approximately \$4.68 million in 2008); the County's contribution to the Grand Rapids-Kent County Convention and Visitors Bureau (\$700,000 in 2008); and a nominal (\$10,000) contribution to the Arts Festival for marketing purposes. Also included in the 2008 Budget is an appropriation of \$200,000 for the West Michigan Sports Commission.

While experiencing solid growth in 2007, the Hotel/Motel Tax Fund revenues are still not able to meet annual expenditures. Based on estimated FY 2008 revenues and appropriations, unrestricted fund balance will be almost completely eliminated by December 31, 2008. If that is the case, additional reductions in programming will be required.

### **Corrections/Detention Millage Renewal**

The Corrections/ Detention Millage will expire in December of 2009. Fiscal year 2010 will be the last year that the County will receive funding from this source (with a \$17 million annual contribution to the General Fund to support operations in the Correctional Facility), unless that millage is renewed.

The County Administrator has created a staff committee to review the immediate, mid-term, and long-term issues and needs of the Correctional Facility and the Correctional Facility millage (0.7893 mills; scheduled to expire in December 2009). After looking at the issues on both a macro (correction and detention facilities, alternatives to incarceration, etc.) and a micro (estimated capital and operational costs for an addition to the jail) level, a report was presented to the Board of Commissioners in March 2006. Staff is currently in the process of developing a recommendation on the corrections/detention millage.

### **July 1 Tax Collection**

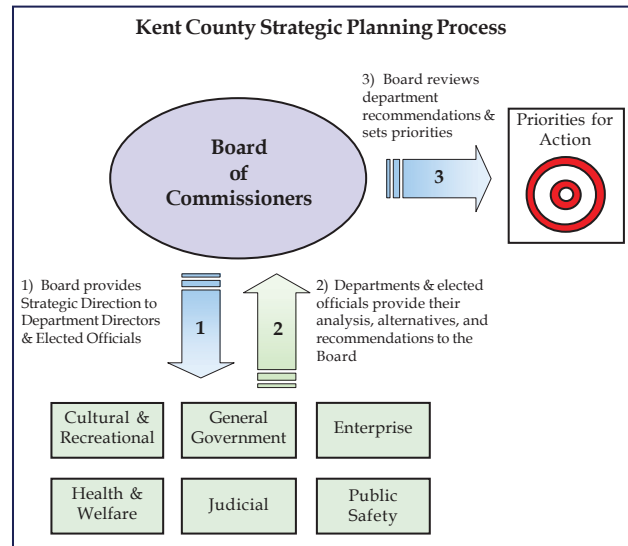
In 2004, the State Legislature dictated that county governments shift their annual operating tax levy from the traditional December 1 date to a July 1st billing cycle. The transition from winter to summer tax billing was to take place over a three-year time period resulting in the County's operating tax levy, for Fiscal Year 2007, being presented to taxpayers on July 1st.

General Fund programs/services are primarily financed by revenues generated from these operating tax levies. Over 50 percent of General Fund revenues are generated from the levy of property tax. The County will begin its Fiscal Year 2008 Budget on January 1, 2008, immediately thereafter incurring expenditures approximating \$13.7 million per month. Generating only \$6.3 million in revenues each month over the course of the first seven months, the County can expect to become especially reliant on the maintenance of significant annual carryover cash reserves in order to maintain a positive General Fund cash balance prior to receipts coming in, from the July 1st property tax levy, in August and September of each fiscal year.

In January 2007, the Board of Commissioners amended the fund balance policy to annually designate (set-aside) an amount equal to 40.0% of subsequent year estimated general tax levy revenues. This designation of fund balance will provide sufficient intra-year cash flow reserves to maintain liquidity (promptly pay for goods and services as received).

## Strategic Planning and Budgeting

Culminating an extensive six-month process involving both Commissioners and staff, the Board adopted the Kent County Strategic Plan on January 26, 2006. The planning process resulted in two products, a Summary Plan document and Detailed Proceedings: the Summary Plan provided a mechanism to communicate Board policy, mission, goals and “way of doing business” to all departments; the Detailed Proceedings consists of a record of the discussions undertaken throughout the process. The document is used as the basis for setting priorities with respect to organizational development and resource allocation, and serves as a road map for guiding County activity in a variety of areas. The County’s strategic goals, cross-cutting influencing factors, and short-term tactical objectives are listed below and can also be found at the beginning of each functional area (i.e. Cultural and Recreational, Enterprise Activities, General Government, Health and Welfare, Judicial, and Public Safety) in the Department Summaries (Section D). The strategic plan emphasizes the following goals:



The strategic plan emphasizes the following goals:

- Maintenance of the long-term financial health of the County;
- Pro-actively balance demand for mandated versus discretionary services;
- Develop strategies for the investment of County resources in aging infrastructure, the justice system, and preventative services;
- Implement strategies for pursuing legislation favorable to the County;
- Encourage innovation at all levels of county government;
- Invest in programs that encourage healthy lives for citizens; and
- Conduct all county affairs in an open and accessible manner.

### Cultural and Recreational Functional Area

Kent/MSU Cooperative Extension, John Ball Zoological Gardens, and the Parks Department

#### Strategic Goals

- Diversify funding sources – become more self-supporting
- Achieve a complete make-over of the zoo program and infra-structure within next ten (10) years
- Adopt a governing structure for the zoo that reduces County involvement in operations
- Achieve position as a consistent key tourist/recreation attraction in the Grand Rapids area
- Provide a comprehensive array of park experiences to the county population that meets/exceeds competitive leisure activity offerings
- Expand the bio-fuel development sales of agricultural products grown in Kent County via efforts with MSU researchers
- Bring research from MSU to Kent County in multiple educational program areas: nutrition and health, youth development, agriculture and natural sciences, urban and rural development



### **Cross-Cutting Influencing Factors**

- Reductions in funding for area schools will increase the need for and the role of the zoo as an educational resource and scientific classroom
- Competition for residents' leisure time and money will continue to become more intense; variety of options available for leisure time require changes to "traditional" historical offerings
- Long-term success for the zoo and county parks will depend upon effective marketing/promotions to various audiences in the community
- Many of the current facilities were constructed in the 1950's and the infra-structure is aging
- As urban/suburban development increases in Kent County, competition for available land will become more intense and cost of available land will also increase
- Many programs offered by MSU Cooperative Extension support programming offered by Health Department
- Demographic shifts from rural to urban/suburban areas will impact the delivery of Extension programming

### **Short-Term Tactical Objectives (by Department)**

- **Cooperative Extension:** Leverage local resources to obtain increased matching funds; support county efforts to reduce infant mortality and improve overall health of children through nutrition education; provide support to the United Growth for Kent County program on informed land-use in both urban and rural areas; support the development of ethanol as a gasoline additive; continue to work with local groups to promote a viable agricultural industry in Kent County
- **John Ball Zoo:** Formally improve exhibits, amenities, infra-structure, revenue sources, and presence in the community over next five (5) years; achieve a dominant position in local, state, national, and international conservation and research programs for zoological activities of its size; provide pre-eminent outreach and onsite educational experiences
- **Parks Department:** Maintain and renovate the existing parks to achieve a level of quality consistent with users' expectations; continue to implement the master plan of land acquisition; analyze, recommend, and obtain approval of a sustaining maintenance and operations budget that meets customer expectations; develop programming that increases usage and revenue

### **Enterprise Activities Functional Area**

Department of Aeronautics and the Department of Public Works

#### **Strategic Goals**

- Participate in the economic development and planning efforts of the region
- Sustain the appropriate useful life of infra-structure
- Continue to respond to changing economic and community demand, adjusting services accordingly
- Operate without the use of Kent County General Fund support
- Develop and implement a long-term energy generation and use strategy for landfill gas and district heating and cooling system
- Develop and implement a strategy for increased solid waste recovery, processing, and recycling services and systems

### **Short-Term Tactical Objectives**

- Improve the Geographical Information System (GIS)
- Improve electronic (digital) record-keeping (both)
- Pursue appropriate federal and state grants (both)
- Complete landfill expansion into Allegan County; augment waste water collection services in cooperation with Township service districts

### **General Government Functional Area**

Administrator's Office, Office of the Executive Assistant to the Board of Commissioners, Bureau of Equalization, Community Development, County Clerk/Register of Deeds, Drain Commissioner, Facilities Management, Fiscal Services, Housing Commission, Human Resources, Information Technology, Risk Management, and Treasurer's Office

### **Strategic Goals**

- Politically advocate to protect current sources of revenue from legislative changes
- Reduce cost of Kent County government operations
- Develop internal and external communications strategy
- Diversify sources of revenue
- Be an employer of choice
- Grow/enhance a participative employee culture
- Maintain/enhance partnerships and relationships that support the Mission of Kent County government
- Develop a Sustainability mentality, to enhance environmental preservation within county facilities
- Politically advocate for stream-lined election laws that improve voting process and enhance the integrity of elections
- Protect current revenue streams and explore methods to ensure changes in statutory allowable fees cover costs

### **Cross-Cutting Influencing Factors**

- Contract requirements associated with a unionized work-force
- Elected officials – significant amount of office functions mandated by state or federal law
- New housing development in rural areas impacts work load and heightens issues with aging county drain infra-structure
- Opportunities for enhancing departmental efficiencies through accelerated use of information systems
- Demographic changes in the county, in combination with regional economic trends, are placing increased pressure on multiple county services and the supply of affordable housing
- Potential state take-over of vital statistics for federal terrorism-related issues
- Opportunities for enhancing departmental efficiencies through accelerated use of information systems

### Short-Term Tactical Objectives (by Department)

- **County Administration (Administrator's Office, Board Office, Fiscal Services, Human Resources, IT):** develop tactical labor strategy to address staffing, diversity, training, pay and benefits; continue and enhance all forms of collaboration with other public and private entities; develop strategy to prevent encroachment on millage capacity; develop and expand training programs to promote County culture and enhance collaboration; enhance technology to improve internal efficiencies and provide services on 24/7 basis
- **Clerk/Register of Deeds:** maintain a high-level of performance; monitor potential problems/opportunities resulting from increased federal "anti-terrorism" efforts and court mergers
- **Drain Commission:** expand un-petitioned maintenance of county drains; reduce level of storm water management and master planning services to townships; continue digitalization of records; upgrade GIS system; assess/recommend fee increases for administration of Subdivision Control Act; continue to use interns and honor camp individuals
- **Facilities Management:** review construction and maintenance contracts to assure state-of-the-art processes and procedures; administer property management program that achieves timely and cost-effective enhancements to facilities; promote processes that enhance the communication with county departments in identifying and resolving facilities needs; and continue to develop department-wide cost reduction programs, while focusing on improving customer service
- **Housing Commission:** increase the number of housing choice vouchers available to service senior citizens; develop a Housing and Urban Development (HUD) Home Ownership program to increase homeownership through voucher mortgage assistance
- **Community Development:** develop partnerships with community-based organizations to construct more single-family homes via MSHDA Home funds; increase program income by increasing amount of loans made for rehabilitation (vs. grants); provide more educational programming for prospective home owners; pursue opportunities to contract with outside vendors for rehabilitation work to reduce cost of operations; continue to collaborate and fund projects for local units of government and non-profit partners
- **Treasurer's Office:** monitor activities of other units or levels of government to consolidate tax collection programs; capture personal property tax collection; continue efforts to reduce cost of operations

### Health and Welfare Functional Area

Health Department, Circuit Court Child Care, Department of Human Services Child Care, and Soldiers and Sailors Relief

### Strategic Goals

- Create a fair and equitable fee structure for Health Department services that is consistent with surrounding counties and captures 100% of cost of services provided
- Become more outcomes-based with the outcomes firmly grounded in public health science
- Match county funds to expand Medicaid waiver program for seniors who qualify for nursing homes but desire to remain in their own homes
- Advocate for changes in the DHS business model to allow for more creative service delivery
- Re-locate DHS office to more appropriate office space

### Cross-Cutting Influencing Factors

- Health Department Sheldon clinic and DHS office needs re-location (significant number of common customers/clientele)

- Animal Shelter needs to be relocated prior to corrections expansion
- Senior Millage and Health Department both focus programming on improving the health of older adults and reducing health expenditures
- Local DHS office is limited in its ability to implement management changes that can improve efficiency of operations (technology applications must be state-wide for many programs)
- Renewal of millage for senior programs closely timed to renewal of millage for corrections

#### **Short-Term Tactical Objectives (by Department)**

- **Health Department:** complete Phase II of departmental Strategic Plan; evaluate and possibly restructure MSS/ISS and WIC; improve department's public relations efforts with both public and elected officials; increase staff diversity and hours of clinical operations; improve outcomes in infant mortality, obesity, tobacco control, land-use decisions, and chronic disease
- **Soldiers and Sailors Relief Office:** Increase the number of qualified veterans served by the Office and increase the level of financial support obtained for veterans from the Veterans Administration
- **Circuit Court Child Care:** Reduce out-of-home placement through more effective programming (in-home care, tether, etc.)
- **DHS Child Care:** Implement state-developed "Family to Family" program to reduce expenditures for out-of-home placements (pilot program)

#### **Judicial Functional Area**

17th Circuit Court (including Administration and Adjudication Support Services, Circuit Court Services, Circuit Court Probation, Friend of the Court, and the County Clerk's Office/Circuit Court Division), 63rd District Court, Office of Community Corrections, Probate Court, and the Prosecutor's Office

#### **Strategic Goals**

- Continue to improve case processing; align staff and judicial and prosecutorial resources to focus on expediency
- Reduce recidivism
- Maximize collection of fines and fees (and restitution)
- Maximize effectiveness of existing staff and reduce staff growth
- Provide professional guardianship services to persons in need
- Expand use of jail-diversion strategies to make more effective use of jail space

#### **Cross-Cutting Influencing Factors**

- SCAO is encouraging the Court to improve and enhance collections efforts
- SCAO is requiring judges to report individually on aging of case-load
- SCAO is encouraging the expanded use of non-adversarial methods (mediation, diversion, etc.)
- Technology is becoming more user-friendly and pervasive
- Community is experiencing an increase in domestic violence, retail fraud, landlord/tenant issues, identity theft, pro-per litigants, and a decrease in drug-related crime
- Changing demographics of the community is increasing demand for interpretation services
- System is experiencing continued pressure to reduce jail population and prison commitment (legislatively and as result of local facility over-crowding)



- State and federal legislation establish new mandates without funding support
- Continuation of efforts to work with Prosecutor and Courts to further improve jail diversion strategies
- Work with Prosecutor to reduce amount of time between hearing and arraignment

#### **Short-Term Tactical Objectives (by Department)**

- **17th Circuit Court:** Continue to increase the use of mediation in domestic relations cases; improve child support collections to equal or exceed best county in state; reduce level of arrears; continue to develop jail diversion strategies for prisoners with mental health issues
- **63rd District Court:** Secure an appropriately designed additional space
- **Probate Court:** Explore ways to expand professional guardianship services to meet growing demand

### **Public Safety Functional Area**

#### **Sheriff's Department**

#### **Strategic Goals**

- Continue to control the cost of providing service at the jail
- Establish a base-line allocation method for road patrol
- Implement a computer-based system to allow citizens to report misdemeanors and receive written report (for insurance claims)
- Evaluate potential for more multi-township collaborative efforts to fund road patrol operations
- Increase jail capacity within next 5 years

#### **Cross-Cutting Influencing Factors**

- Growth and development of residential and business areas in rural parts of county combined with service expectations of new "suburban/ex-urban" residents/businesses (more traffic) increases pressure for road patrol and response times
- Expected increase in the number of officers at Grand Rapids Police Department likely to have short-term impact on jail population (more arrests/incarceration)

#### **Short-Term Tactical Objectives (System-wide)**

- Develop a more effective community re-entry program
- Aggressively develop strategies to better manage the cost of inmate health-care
- Develop a more effective method for obtaining information from computers during criminal investigations
- Develop equitable funding formula for Central Dispatch
- Renew Corrections and Detention millage
- Expand the availability and utilization of alternative sentencing programs

## 2008 All Funds Budget Summary By Fund Type

	General	Special Revenue	Debt Service	Capital Project	Internal Service	Component Unit	Proprietary	Total
<b>Revenues By Category</b>								
Taxes	\$89,313,322	\$ 28,288,653	\$ -	\$ 4,289,119	\$ -	\$ -	\$ 1,685,000	\$123,576,094
Licenses and permits	75,050	1,570,948	-	-	-	-	-	1,645,998
Intergovernmental	9,787,728	37,953,619	-	404,271	-	7,956,584	4,200,000	60,302,202
Charges for services	19,265,496	2,855,620	-	-	1,865,000	50,593,359	19,686,301	94,265,776
Fines and forfeitures	244,500	371,412	-	-	-	-	5,000	620,912
Investment earnings	3,898,650	1,847,510	-	1,300,000	106,500	2,290,200	6,510,500	15,953,360
Reimbursements	8,043,901	3,691,618	-	-	23,161,476	480,000	190,000	35,566,995
Other	2,928,957	541,446	7,887,322	568,000	25,000	1,303,970	12,810,483	26,065,178
<b>Total Revenues</b>	<b>133,557,604</b>	<b>77,120,826</b>	<b>7,887,322</b>	<b>6,561,390</b>	<b>25,157,976</b>	<b>62,624,113</b>	<b>45,087,284</b>	<b>357,996,515</b>
<b>Expenditures By Function</b>								
General government	35,450,473	3,208,453	10,472,690	-	24,750,300	3,491,592	2,956,500	80,330,008
Public safety	60,636,024	4,152,183	-	-	-	-	-	64,788,207
Judicial	28,643,094	12,789,571	-	-	-	-	-	41,432,665
Cultural and recreation	9,329,513	5,798,849	-	-	-	-	-	15,128,362
Health and welfare	3,354,662	67,116,985	-	-	-	3,362,000	-	73,833,647
Enterprise activities	-	-	-	-	-	55,700,521	40,682,284	96,382,805
Other	1,607,570	-	-	-	-	-	-	1,607,570
Appropriation Lapse	(6,130,000)	-	-	-	-	-	-	(6,130,000)
Capital	-	-	-	4,810,514	-	-	-	4,810,514
<b>Total Expenditures</b>	<b>132,891,336</b>	<b>93,066,041</b>	<b>10,472,690</b>	<b>4,810,514</b>	<b>24,750,300</b>	<b>62,554,113</b>	<b>43,638,784</b>	<b>372,183,778</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	30,511,538	30,163,864	2,603,933	-	-	-	-	63,279,335
Transfers out	(31,127,152)	(27,511,538)	-	(450,876)	-	-	(3,000,000)	(62,089,566)
<b>Total Other Fin Sources (Uses)</b>	<b>(615,614)</b>	<b>2,652,326</b>	<b>2,603,933</b>	<b>(450,876)</b>	<b>-</b>	<b>-</b>	<b>(3,000,000)</b>	<b>1,189,769</b>
<b>Net Inc (Dec) in Fund Balances</b>	<b>\$ 50,654</b>	<b>\$ (13,292,889)</b>	<b>\$ 18,565</b>	<b>\$ 1,300,000</b>	<b>\$ 407,676</b>	<b>\$ 70,000</b>	<b>\$ (1,551,500)</b>	<b>\$ (12,997,494)</b>

## All Funds History of Fund Balances By Fund Type

Government Fund Type	FY 2006	FY 2007	FY 2008 Adopted			Fund Bal
	Fund Bal	Est Fund Bal	Sources	Uses	Fund Bal	Inc(Dec)
<b>General Fund</b>	<b>\$ 72,215,885</b>	<b>\$ 69,313,885</b>	<b>\$ 164,069,142</b>	<b>\$ 164,018,488</b>	<b>\$ 69,364,539</b>	<b>\$ 50,654</b>
Fire Prevention	158,987	172,187	535,200	521,608	185,779	13,592
Parks	4,027	-	-	-	-	-
Friend of the Court	100,000	298,108	8,418,635	8,716,743	(0)	(298,108)
Health	100,000	100,000	26,603,841	26,603,841	100,000	-
Lodging Excise Tax	3,181,944	1,668,869	5,430,500	5,776,969	1,322,400	(346,469)
Correction and Detention	4,129,549	4,610,209	16,509,887	18,538,265	2,581,831	(2,028,378)
Senior Millage	524,129	627,129	6,889,766	7,176,801	340,094	(287,035)
Register of Deeds Automation	883,378	1,290,002	680,000	663,373	1,306,629	16,627
Drug Law Enforcement Fund	24,061	48,461	169,208	141,208	76,461	28,000
Community Development	1	1	2,260,159	2,260,159	1	-
State Revenue Sharing Reserve	47,788,333	38,246,597	1,250,000	11,511,538	27,985,059	(10,261,538)
Child Care	77,630	100,000	23,144,183	23,144,183	100,000	-
DHS Child Care	83,598	83,598	10,121,275	10,121,275	83,598	0
Veteran's Trust	1,886	2,186	66,264	66,264	2,186	-
Special Project Calendar Year	1,865,253	1,887,253	577,476	705,935	1,758,794	(128,459)
Special Project Fiscal Year	37,149	36,521	4,628,296	4,629,417	35,400	(1,121)
<b>Special Revenue Funds</b>	<b>58,959,925</b>	<b>49,171,121</b>	<b>107,284,690</b>	<b>120,577,579</b>	<b>35,878,232</b>	<b>(13,292,889)</b>
Debt Service	244,776	253,476	1,414,164	1,414,164	253,476	-
Building Auth Debt Service	429,037	438,037	9,077,091	9,058,526	456,602	18,565
<b>Debt Service Fund</b>	<b>673,813</b>	<b>691,513</b>	<b>10,491,255</b>	<b>10,472,690</b>	<b>710,078</b>	<b>18,565</b>
Capital Improvement Program	10,204,187	9,481,838	5,261,390	5,261,390	9,481,838	-
Bond Capital Improvement	0	5,000	-	-	5,000	-
Building Auth Construction	1,548,534	25,181,435	1,300,000	-	26,481,435	1,300,000
<b>Capital Project Funds</b>	<b>11,752,722</b>	<b>34,668,274</b>	<b>6,561,390</b>	<b>5,261,390</b>	<b>35,968,274</b>	<b>1,300,000</b>
<b>Internal Service Fund</b>	<b>2,244,137</b>	<b>2,234,737</b>	<b>25,157,976</b>	<b>24,750,300</b>	<b>2,642,413</b>	<b>407,676</b>
Public Works	53,384,077	62,119,677	55,700,521	55,700,521	62,119,677	-
Social Welfare	5	5	3,432,000	3,362,000	70,005	70,000
Housing Commission	70,127	70,127	3,491,592	3,491,592	70,127	-
<b>Component Unit Funds</b>	<b>53,454,209</b>	<b>62,189,809</b>	<b>62,624,113</b>	<b>62,554,113</b>	<b>62,259,809</b>	<b>70,000</b>
Aeronautics	169,090,650	175,559,250	40,682,284	40,682,284	175,559,250	-
Delinquent Tax Revolving	10,423,266	8,891,766	4,405,000	5,956,500	7,340,266	(1,551,500)
<b>Proprietary Funds</b>	<b>179,513,916</b>	<b>184,451,016</b>	<b>45,087,284</b>	<b>46,638,784</b>	<b>182,899,516</b>	<b>(1,551,500)</b>

## All Funds Budget History By Functional Area

	FY 2006		FY 2007		FY 2008		
	Audited	Percent	Amended	Percent	Requested	Adopted	Percent
<b>Revenues By Category</b>							
Taxes	\$136,411,670	37.9%	\$120,438,643	29.5%	\$127,476,603	\$ 123,576,094	34.5%
Licenses and permits	1,364,712	0.4%	1,349,995	0.3%	1,645,998	1,645,998	0.5%
Intergovernmental	60,153,439	16.7%	71,238,409	17.5%	61,081,517	60,302,202	16.8%
Charges for services	92,319,918	25.7%	96,142,372	23.6%	95,029,215	94,265,776	26.3%
Fines and forfeitures	665,151	0.2%	662,401	0.2%	620,912	620,912	0.2%
Investment earnings	12,862,936	3.6%	11,326,934	2.8%	15,953,360	15,953,360	4.5%
Reimbursements	31,835,580	8.8%	36,547,521	9.0%	35,555,745	35,566,995	9.9%
Other	24,306,288	6.8%	69,884,066	17.1%	26,065,178	26,065,178	7.3%
<b>Total Revenues</b>	<b>359,919,695</b>	<b>100.0%</b>	<b>407,590,341</b>	<b>100.0%</b>	<b>363,428,528</b>	<b>357,996,515</b>	<b>100.0%</b>
<b>Expenditures By Function</b>							
General government	69,501,200	21.0%	80,522,827	18.5%	80,713,640	80,330,008	21.6%
Public safety	58,272,902	17.6%	63,989,012	14.7%	65,034,561	64,788,207	17.4%
Judicial	37,457,064	11.3%	42,017,721	9.6%	41,713,534	41,432,665	11.1%
Cultural and recreation	14,476,888	4.4%	17,166,059	3.9%	15,280,616	15,128,362	4.1%
Health and welfare	67,253,656	20.4%	75,717,399	17.4%	75,804,381	73,833,647	19.8%
Enterprise activities	77,056,739	23.3%	93,563,095	21.5%	97,146,244	96,382,805	25.9%
Other	1,404,622	0.4%	1,535,440	0.4%	1,627,570	1,607,570	0.4%
Appropriation lapse	-	0.0%	(6,300,000)	-1.4%	(6,130,000)	(6,130,000)	-1.6%
<b>Operating Expenditures</b>	<b>325,423,072</b>	<b>98.5%</b>	<b>368,211,552</b>	<b>84.5%</b>	<b>371,190,546</b>	<b>367,373,264</b>	<b>98.7%</b>
Capital	4,949,520	1.5%	67,637,786	15.5%	8,711,023	4,810,514	1.3%
<b>Total Expenditures</b>	<b>330,372,592</b>	<b>100.0%</b>	<b>435,849,338</b>	<b>100.0%</b>	<b>379,901,569</b>	<b>372,183,778</b>	<b>100.0%</b>
<b>Other Fin Sources (Uses)</b>							
Transfers in	51,722,996		69,203,268		64,696,578	63,279,335	
Transfers out	(51,746,167)		(69,201,128)		(63,506,809)	(62,089,566)	
<b>Total Other Fin Sources (Uses)</b>	<b>(23,171)</b>		<b>2,140</b>		<b>1,189,769</b>	<b>1,189,769</b>	
<b>Net Inc (Dec) in Fund Balances</b>	<b>\$ 29,523,932</b>		<b>\$ (28,256,857)</b>		<b>\$ (15,283,272)</b>	<b>\$ (12,997,494)</b>	

See page B-12 for estimated fund balances for each fund type.



## All Funds Budget History By Category

	FY 2006		FY 2007		FY 2008		
	Audited	Percent	Amended	Percent	Requested	Adopted	Percent
<b>Revenues By Category</b>							
Taxes	\$136,411,670	37.9%	\$120,438,643	29.5%	\$127,476,603	\$ 123,576,094	34.5%
Licenses & permits	1,364,712	0.4%	1,349,995	0.3%	1,645,998	1,645,998	0.5%
Intergovernmental	60,153,439	16.7%	71,238,409	17.5%	61,081,517	60,302,202	16.8%
Charges for services	92,319,918	25.7%	96,142,372	23.6%	95,029,215	94,265,776	26.3%
Fines & forfeitures	665,151	0.2%	662,401	0.2%	620,912	620,912	0.2%
Investment earnings	12,862,936	3.6%	11,326,934	2.8%	15,953,360	15,953,360	4.5%
Reimbursements	31,835,580	8.8%	36,547,521	9.0%	35,555,745	35,566,995	9.9%
Other	24,306,288	6.8%	69,884,066	17.1%	26,065,178	26,065,178	7.3%
<b>Total Revenues</b>	<b>359,919,695</b>	<b>100.0%</b>	<b>407,590,341</b>	<b>100.0%</b>	<b>363,428,528</b>	<b>357,996,515</b>	<b>100.0%</b>
<b>Expenditures By Category</b>							
Personnel	127,643,394	38.6%	143,514,334	32.9%	141,378,174	140,623,971	37.8%
Commodities	8,724,574	2.6%	10,995,824	2.5%	10,745,885	10,752,214	2.9%
Contractual services	156,288,763	47.3%	175,139,920	40.2%	174,303,785	172,147,505	46.3%
Capital outlay	4,940,317	1.5%	5,899,758	1.4%	4,269,980	4,120,290	1.1%
Other	27,826,023	8.4%	38,961,715	8.9%	46,622,722	45,859,284	12.3%
Appropriation Lapse	-	0.0%	(6,300,000)	-1.4%	(6,130,000)	(6,130,000)	-1.6%
<b>Operating Expenditures</b>	<b>325,423,072</b>	<b>98.5%</b>	<b>368,211,552</b>	<b>84.5%</b>	<b>371,190,546</b>	<b>367,373,264</b>	<b>98.7%</b>
Capital projects	4,949,520	1.5%	67,637,786	15.5%	8,711,023	4,810,514	1.3%
<b>Total Expenditures</b>	<b>330,372,592</b>	<b>100.0%</b>	<b>435,849,338</b>	<b>100.0%</b>	<b>379,901,569</b>	<b>372,183,778</b>	<b>100.0%</b>
<b>Other Fin Sources (Uses)</b>							
Transfers in	51,722,996		69,203,268		64,696,578	63,279,335	
Transfers out	(51,746,167)		(69,201,128)		(63,506,809)	(62,089,566)	
<b>Total Other Fin Sources (Uses)</b>	<b>(23,171)</b>		<b>2,140</b>		<b>1,189,769</b>	<b>1,189,769</b>	
<b>Net Inc (Dec) in Fund Balances</b>	<b>\$ 29,523,932</b>		<b>\$ (28,256,857)</b>		<b>\$ (15,283,272)</b>	<b>\$ (12,997,494)</b>	

## All Funds Personnel History By Functional Area

Department	2004	2005	2006	2007	2008
Administrator's Office	10.5	10.5	10.5	11.5	11.0
Board of Commissioners	11.5	11.5	11.5	11.5	11.5
Bureau of Equalization	21.0	21.0	21.0	24.0	23.0
Community Development	6.0	6.0	6.0	6.0	6.0
County Clerk	31.0	31.0	30.0	28.5	28.5
Drain Commissioner	7.0	7.0	7.0	6.5	6.5
Facilities Management	43.5	43.5	46.5	45.0	44.0
Fiscal Services	27.0	26.0	26.0	26.0	26.0
Housing Commission	4.0	4.0	4.0	3.0	3.0
Human Resources	22.0	21.5	21.0	21.0	20.0
Information Technology	43.0	43.0	43.0	43.0	42.0
Risk Management	2.0	2.0	2.0	2.0	2.0
Treasurer's Office	16.0	16.0	16.0	16.0	15.0
<b>General government</b>	<b>244.5</b>	<b>243.0</b>	<b>244.5</b>	<b>244.0</b>	<b>238.5</b>
Sheriff	602.0	596.0	599.0	607.0	602.0
<b>Public safety</b>	<b>602.0</b>	<b>596.0</b>	<b>599.0</b>	<b>607.0</b>	<b>602.0</b>
17th Circuit Court	267.0	264.5	262.5	264.5	264.5
63rd District Court	35.0	35.0	36.0	37.0	37.0
Community Corrections	2.5	2.5	2.5	2.5	2.5
Probate Court	14.0	14.0	14.0	15.0	15.0
Prosecutor's Office	84.0	84.0	82.0	84.0	83.0
<b>Judicial</b>	<b>402.5</b>	<b>400.0</b>	<b>397.0</b>	<b>403.0</b>	<b>402.0</b>
Kent/MSU Cooperative Extension	7.5	6.5	6.5	7.0	6.0
John Ball Zoological Gardens	48.0	48.0	48.0	47.0	47.0
Parks	37.5	37.5	37.5	37.5	36.5
Lodging Excise Tax	2.0	2.0	2.0	2.0	2.0
<b>Cultural and recreation</b>	<b>95.0</b>	<b>94.0</b>	<b>94.0</b>	<b>93.5</b>	<b>91.5</b>
Child Care	129.0	129.0	130.0	132.0	131.0
Health Department	293.0	285.0	276.5	259.0	259.0
Soldiers' & Sailors' Relief	1.0	1.0	1.0	1.0	1.0
<b>Health and welfare</b>	<b>423.0</b>	<b>415.0</b>	<b>407.5</b>	<b>392.0</b>	<b>391.0</b>
Aeronautics	124.0	124.0	124.0	124.0	124.0
Public Works	75.5	75.5	77.5	71.5	71.5
<b>Enterprise activities</b>	<b>199.5</b>	<b>199.5</b>	<b>201.5</b>	<b>195.5</b>	<b>195.5</b>
Central Services	12.0	10.0	9.0	8.0	8.0
Fleet Services	4.0	4.0	4.0	4.0	4.0
<b>Other</b>	<b>16.0</b>	<b>14.0</b>	<b>13.0</b>	<b>12.0</b>	<b>12.0</b>
<b>Total FTE</b>	<b>1,982.5</b>	<b>1,961.5</b>	<b>1,956.5</b>	<b>1,947.0</b>	<b>1,932.5</b>

