

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-18. 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 Community & Economic Development, Cultural and Recreational, Enterprise Activities, General Government, Health and Welfare, Judicial, and Public Safety functional areas of the County.

Pages B-19 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-19 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-20 provides the beginning and end-of-year balances for each of these funds for 2007 actual, 2008 estimated, and 2009 projected as well as the percent change from 2008 estimated.
- The Budget History by Functional Area on page B-21 summarizes sources by category and uses by functional area (i.e., Community & Economic Development, Cultural & Recreational, Debt Service, Enterprise, General Government, Health & Welfare, Judicial, Public Safety, Other, and Capital,) for the years 2007 (actual), 2008 (amended), and 2009 (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-22 summarizes uses by category (i.e., Personnel, Commodities, Contractual Services, Operating Capital, Other, Capital Budget) for the same three-year period.

Page B-23 provides a five-year listing of budgeted personnel by County department, organized by functional area.

Budget Overview Table of Contents

Introduction	B-1
Budget Message from the County Administrator/Controller	B-2
Significant Priorities and Issues	B-10
Strategic Planning and Budgeting	B-12
All Funds Summary	B-19
2009 All Funds Budget Summary by Fund Type and Component Unit	B-19
All Funds History of Fund Balances	B-20
All Funds Budget History by Functional Area	B-21
All Funds Budget History by Category	B-22
All Funds Personnel History by Functional Area	B-23



October 23, 2008

The Honorable Board of Commissioners
Kent County Administration Building
300 Monroe Avenue NW
Grand Rapids, MI 49503-2221



RE: 2009 Kent County Annual Budget

As the Chief Administrative and Financial Officer of the County, it is my responsibility to develop and submit the annual budget for your review and approval. Attached is the proposed 2009 Annual Budget, which represents the 11th budget that I have presented to the Board of Commissioners. As we have come to expect, the elected officers, department directors, and judiciary continue to rise to the challenge and have done an exceptional job of holding the line on requests while protecting the provision of quality services that Kent County is not only mandated to provide, but also services that we choose to provide. We are able to do this despite the fact that other local units of government and the state continue to face significant financial challenges. This is a testament to the ability of the Board of Commissioners for your direction, and to all County departments that manage finances in an appropriate manner. Care has been taken to preserve General Fund reserves, as directed by the Finance & Physical Resources Committee through expenditure control and, where possible, generating additional revenues.

This 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 the Board of Commissioners makes on an annual basis.

The annual budget is used for a variety of reasons. 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 resources (taxes) provided by the public and programs/services to be provided. 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 2009 proposed budget for both operating and capital needs has a gross expenditure requirement of \$402.3 million, which is an 8.1% increase over the adopted 2008 budget. The proposed budget includes operating expenditures of \$369.1 million, and capital expenditures of \$33.2 million. Projected revenues and existing fund balances (reserves) 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 funding to ensure that County facilities and equipment are properly maintained;
- Maintains services and programs to support the quality of life enjoyed by County residents; and
- Maintains a competitive comprehensive compensation and benefits package for our workforce.

And like the previous five budgets, the proposed 2009 Budget offers very little margin in terms of revenue projections and planned expenditures. For the sixth 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.

Key Dates

A public hearing on the proposed 2009 Budget and millage rates is necessary. It is recommended that the hearing be held in conjunction with the Board meeting on *Thursday, November 20, 2008*, at 8:30 a.m. The Board should establish the public hearing date at its meeting on October 23. Formal action on the 2009 Budget is scheduled for the last Board meeting of the year, December 11.

Budget In Brief

Fund	2008	2009
All Funds		
Estimated revenues	\$357,996,515	\$383,062,792
Recommended budget	(372,183,778)	(402,309,876)
Other sources(uses)	1,189,769	-
Margin(deficit) *	<u>\$ (12,997,494)</u>	<u>\$ (19,247,084)</u>
General Fund		
Estimated revenues	\$164,069,142	\$167,643,656
Recommended budget	(164,018,488)	(169,620,618)
Margin(deficit)	<u>\$ 50,654</u>	<u>\$ (1,976,962)</u>

*The \$19.2 million use of fund balances in the 2009 budget is primarily attributed to three factors: (1) \$2.3 million Correction & Detention Fund reserves are being utilized to support the General Fund Correctional Facility costs; (2) \$11.3 million in the Revenue Sharing Reserve Fund reserves are being used to supplant State Revenue Sharing in the General Fund; (3) \$2.4 million in Delinquent Tax Revolving Fund reserves are being used to transfer surpluses to the General Fund; and (4) \$2.0 million in General Fund reserves are being utilized to balance the 2009 General Fund budget.

Budget Summary

Category	2008	2009
Taxes	\$ 123,576,094	\$ 124,498,856
Intergovernmental	60,302,202	60,054,245
Charges for services	94,265,776	92,327,615
Reimbursements	35,566,995	38,633,357
Investment earnings	15,953,360	9,355,840
Other	28,332,088	58,192,879
Total Revenues	<u>\$ 357,996,515</u>	<u>\$ 383,062,792</u>
Personnel costs	\$ 140,623,971	\$ 142,145,251
Commodities	10,752,214	10,731,020
Contractual services	172,147,505	177,416,676
Capital outlay	4,120,290	3,625,336
Other/ Approp lapse	39,729,284	35,222,083
Operating Expenditures	<u>367,373,264</u>	<u>369,140,366</u>
Capital	4,810,514	33,169,510
Total Expenditures	<u>\$ 372,183,778</u>	<u>\$ 402,309,876</u>

Summary of Issues

The following is a summary of the primary issues that have shaped the proposed 2009 Budget.

Budget Parameters

As we have done in the past, budget parameters for the General Fund were established by the Finance & Physical Resources Committee at its meeting on June 17, 2008. The guidelines included expenditure categories for personnel costs, commodities (or supplies), contract services, and aggregate capital expenditures (both operational capital outlay and the CIP). The budget parameters were emphasized to all department directors, elected officers, and the judiciary as part of the Budget Call Letters, which were issued in July.

There have been a couple of recent circumstances affecting revenue estimates that have precluded me from presenting a structurally balanced budget. The first was to revisit the revenue estimates for investment income, based upon recent action by the Federal Reserve Board to reduce interest rates as a result of the financial crises that reached a critical point in September/October. This resulted in a reduction of \$800,000 to the revenue estimate. The second involved the recent negotiations that took place between the County and five cities regarding the Jail Per Diem and Arrest Processing fees, resulting in a reduction of \$641,000 to the original estimate.

Category	Parameter
General Fund Reserves	No reserves used to balance the budget
New Hires	No new hires requiring a General Fund appropriation
Commodities	Not to exceed 2008 level, unless appropriately justified
Contractual Services	Not to exceed 2008 level, unless appropriately justified
CIP Appropriation	Property tax generated from 0.2 mills of the general operating levy

Millage Rates

Because no Headlee rollback is assumed, the proposed operating millage for the July 1, 2009 tax levy is **4.2803 mills**. In addition to the operating millage, the Board of Commissioners, at its meeting held September 25, 2008, 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 2009 is 5.3940 mills, which is the same as the millage levied in 2008. The operating millage rate of 4.2803 mills will be confirmed in May 2009.

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 come increased demands. The STV grew from \$21.325 billion in 2007 to \$21.755 billion in 2008, representing an increase of 2.0%. It is estimated that the STV will grow to \$22.146 billion (1.8%) in 2009, which is the basis for the 2009 general operating property tax revenue estimate. The STV will generate approximately \$87.4 million in General Fund property tax revenue, which is a 1.6% increase over the 2008 budgeted General Fund property tax revenue of \$86.0 million. This is, however, an anomaly and is based in large part on the way the tax levy falls in conjunction with the transition to a July collection. Taxes represent about 64.2% of the County's total General Fund operating revenue stream. The projection for all tax revenue totals \$124.5 million, and includes 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 2009 is identical to past years in that the two enterprise departments fund or borrow for their own capital projects, while other projects are funded from 0.200 mill allocation from the general operating property tax levy. The 0.200 mills will provide approximately \$4.3 million for equipment and building requirements.

Intergovernmental Revenues: During the past six years intergovernmental revenues (primarily due to loss of 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. On and after July 1, 2007, the County's operating millage will be billed in July of each year. Excess funds collected during the three year transition from December 1 to July 1 billing 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 is leading to some uncertainty, given the State's fiscal condition, regarding whether Revenue Sharing will be fully restored.

Interest Income: While there were several years where our revenue from interest income grew fairly well, the projected revenue from return on investments, as noted above, will be down in 2008 and we have estimated a further reduction in this revenue for 2009. It is anticipated that in 2009, the County will receive \$9.4 million in all funds investment earnings with \$2.8 million credited to the General Fund.

Charges for Services: Charges for services, especially those levied by enterprise departments such as the Airport and Public Works, provide approximately 24.0%, \$92.3 million, of the County's revenue.

Personnel

For the sixth consecutive year, the Finance & Physical Resources Committee concurred with the Administrator's recommendation to implement a moratorium on adding new positions that require a General Fund appropriation in the 2009 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. Personnel costs represent 35.3% of the all funds operating budget for 2009 and 65.6% of the General Fund operating budget. While the County has been successful in negotiating agreements that provide for 10% premium co-pay by employees for health insurance, these costs continue to experience significant increases.

The proposed 2009 Budget includes a recommendation to eliminate nine General Fund subsidized positions from several departments. While some of the positions are vacant, others are not. The positions recommended for elimination include:

Department	Positions Eliminated	Vacant	FTE	Savings
Bureau of Equalization	00000176 - Appraisal Division Manager	Yes	1.0	\$ 99,719
Clerk - Register of Deeds	00001229 - Clerk Typist II	Yes	1.0	41,145
Cooperative Extension	00000543 - Clerk Typist I (<i>reduced from FT to PT</i>)	No	0.5	32,603
Health Department - Communicable Disease	00001158 - Clerk Typist II	Yes	0.5	16,832
Health Department - Education	00001335 - Public Health Educator I	Yes	1.0	59,709
Health Department - Grant Program	00002489 - Public Health Program Supervisor	Yes	1.0	76,339
Health Department - Pandemic Flu	00002944 - Public Health Program Supervisor	Yes	1.0	64,776
Health Department - Strong Beginnings	00002880 - Outreach Worker I	Yes	0.5	16,832
Parks Department	00002547 - Clubhouse Supervisor (<i>replace w/PT Coordinator</i>)	No	1.0	53,983
Total			7.5	\$ 461,938

Capital Improvement Program (CIP)

Continuing as an integral part of the budget is the Capital Improvement Program (CIP) budget for 2009 - 2013. The CIP consists primarily of one-time or non-recurring capital expenditures. The process calls for the Board to adopt the budget for 2009 projects, using 2010 - 2013 as a barometer for future years' capital needs. The original list of FY2009 projects submitted by operating departments totaled \$17.7 million of improvements to be financed from the general tax levy. As was the case in previous years, not every request was recommended for funding. At its meeting held August 21, the Finance & Physical Resources Committee voted to recommend that \$4.7 million be appropriated for CIP projects (as identified/itemized in the budget document), compared to \$5.3 million that was budgeted in 2008.

Funding for the recommended projects for the 2009 CIP comes from the following sources:

CIP Funding Sources	2008	2009
Operating Levy (<i>0.2 mills</i>)	\$ 4,289,119	\$ 4,331,000
CIP Fund Reserves	-	250,000
Debt Financing	568,000	-
Grants	404,271	-
Other	-	150,000
Total Sources	\$ 5,261,390	\$ 4,731,000

The \$4.73 million in 2009 recommended projects includes funding for design of a Juvenile Detention Center remodel project. The project description includes renovation of the kitchen/dining and support areas of the Juvenile Detention Facility at a total estimated cost of \$2.6 million. It is recommended that the planning/design phase of this project commence in Fiscal Year 2009 with the anticipation that this \$170,000 cost will be financed, in FY2010, from bond proceeds upon completion of this phase of the

project. Other major expenditures in the CIP include \$1.4 million for additional costs associated with the 63rd District Court; \$1.2 million for debt service on the 2008 Capital Improvement Bonds; and \$400,000 to the Zoo Society to fund construction of exhibits.

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 (almost \$4.9 million in 2009); (2) the County's contribution to the Grand Rapids-Kent County Convention & Visitors Bureau (\$700,000 in 2009); and (3) a (\$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 continue to exceed revenues, for the 2009 Budget it is proposed that General Fund dollars be used to augment some of these commitments, similar to what was done in 2008. The other option was to reduce some commitments, but 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 \$4.87 million and Series 2003 in the amount of \$392,513). In addition, the County has a contractual obligation to the

Convention & Visitors Bureau for funding (which expires December 31, 2009), and a resolution from the Board committing \$400,000 annually to the John Ball Zoological Society through 2010. Coupled with the additional commitment of \$200,000 to the Sports Commission through 2011, the options included either reducing funding to the Zoo Society and Sports Commission, or use General Fund dollars to partially finance the commitments. The recommendation for 2008, which was accepted by the Board of Commissioners, was to provide 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. The balance of obligations (\$395,000 for the Series 2003 Convention Center bond issue and \$400,000 for the John Ball Zoo Society) was funded by the County's General Fund and Capital Improvement Fund, respectively. This added to the increased demands that are already placed on the General Fund.

In the first nine months of 2008, revenues from the Hotel/Motel Tax are about 4.9% higher than a similar period for 2007. Still, the revenues are not able to meet annual expenditures. Therefore, once again it is recommended that commitments to the Zoo Society (\$400,000) and \$392,513 for the Series 2003 bond issue for the Convention Center 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 balance is fully exhausted, 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 permanently 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 is not very likely. So we are faced with either incremental reductions during the next several years, or a major program/service reduction of up to \$11 million in 2011.

Corrections/Detention Millage

For the past several Budget Messages I indicated that if the Corrections/Detention Millage was not renewed, coupled with the concerns about whether Revenue Sharing would be restored, and our ongoing struggles in the Hotel/Motel Tax continued, we would be faced with a "perfect storm" in 2011. I am both pleased and relieved that we can eliminate concerns about the Corrections/Detention Millage from the list, at least for the next 20 years before the expiration of the recently approved millage renewal (in 2029).

Credit Rating

In spite of the depressed economy 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 six fiscal years have resulted in the County using reserves to cover shortfalls in revenue for operations. This is a trend that cannot be sustained; unfortunately this budget continues to rely on reserves to "balance" the budget. That is, current projected revenues are not 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 being recommended in the 2009 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 \$476,000 annually, and in conjunction with Sheriff Stelma, it is proposed that in 2009 we implement a fee, based on a combination of estimated population served and incidents reported in 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 2009 approximately \$800,000 has been “diverted” from Hotel/Motel Taxes to the General Fund and Capital Improvement Program Fund 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 software 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 above, the proposed 2009 budget provides for \$402.3 million in expenditures and \$383.1 million in revenues. This is a 8.1% increase compared to the adopted 2008 budget expenditure level of \$372.2 million. The primary reason for this increase is the \$29.6 million planned for the Correctional Facility Development and the Juvenile Detention Remodel construction projects. Section C Fund Summaries (pages C-5 through C-7) note the proposed General Fund departmental appropriations for the 2009 Fiscal Year. As you will notice, most of the increases in these appropriations are modest or are less than the 2008 appropriations (ranging from -6.4% in the County Clerk’s Office to +7.6% in Facilities Management).

The following highlights departments and functions that have experienced some of the more significant changes in proposed 2009 Budget:

Facilities Management: The 7.6%, or \$981,285, increase in the Facilities Management budget can be attributed to the first year of operations and maintenance on the new Human Services facility. The \$1,076,087 in costs for this new facility are covered by rent and reimbursements from the State of Michigan.

Circuit Court: Included in the 2.2% increase in the 2009 Circuit Court budget is two new full-time Law Clerk positions.

Sheriff’s Department: Revenue in the Sheriff’s Department was reduced approximately \$641,000 as a result of a 25% reduction in the jail per diem rate charged to other local municipalities. This is the result of a recent agreement that was reached between the County and the five cities charged per diem and arrest processing fees.

Clerk – Elections: As with each off-election year, there is not the need for supplies, ballots, etc. associated with the on-election (even-numbered) years. Thus, the proposed 2009 budget shows a 42.2% decrease from what was budgeted for this activity in 2008, and an overall reduction of 6.4% in the Clerk’s budget.

Transfers Out - DHS Childcare: The 5.1% increase in the General Fund subsidy to the Department of Human Services Childcare budget is a result of continued increases in the number of placements and the costs of placements. This area has been, and continues to be, a concern and has increased significantly over the past several years. Unfortunately, expenditures cannot be controlled by the County because the DHS is a state agency, and the County and State share costs on a 50/50 basis.

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:
 - A. The County’s favorable credit ratings;
 - B. Maintaining adequate reserves;
 - C. Maximizing revenues internally; and
 - D. Recruit, train, and develop 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.

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 review of 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.

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 participated in the FY 2009 budget review work groups.

Conclusion

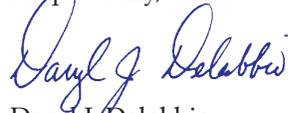
The budget is the primary policy statement on County programs and priorities from the Board of Commissioners to the citizens of Kent County. The budget provides information to the public on the funding priorities and programs that have been established. In this sense, the budget is also a plan. It provides 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 Bert Vescolani, Zoo 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 Deb Kauffman, Administrator’s Office 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 2009 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. 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,



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 2009 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 was 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 2009 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 2007, tax abatement and tax capture districts claimed over \$7.3 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.

Financial Planning

Unreserved, undesignated fund balance in the General Fund was 8.0% (12/31/2007) of total General Fund expenditures and transfers out. As part of a sound financial management program, management prepares a five-year financial forecast for the General Fund. 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 \$65.9 million at December 31, 2009.

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 \$4.87 million in 2009); the County's contribution to the Grand Rapids-Kent County Convention and Visitors Bureau (\$700,000 in 2009); and a nominal (\$10,000) contribution to the Arts Festival for marketing purposes. Also included in the 2009 Budget is an appropriation of \$200,000 for the West Michigan Sports Commission.

While experiencing a small reduction in 2008, the Hotel/Motel Tax Fund revenues are still not able to meet annual expenditures. Based on estimated FY 2009 revenues and appropriations, unrestricted fund balance will be almost completely eliminated by December 31, 2009. If that is the case, additional reductions in programming will be required.

Corrections/Detention Millage Renewal

The Corrections/ Detention Millage renewal (20 years) was approved by the electorate in August, 2008.

July 1 Tax Collection

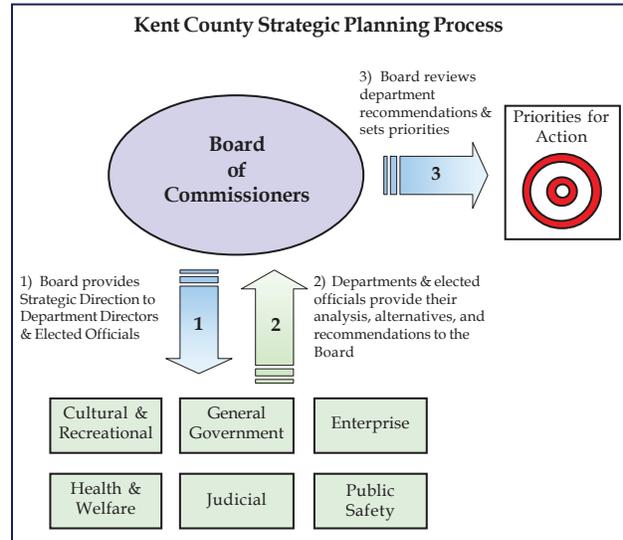
In 2004, the State Legislature dictated that county governments shift their annual operating tax levy from the traditional December 1 date to a July 1st billing cycle. The transition from winter to summer tax billing was to take place over a three-year time period resulting in the County's operating 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 2009 Budget on January 1, 2009, immediately thereafter-incurred expenditures approximating \$14.1 million per month. Generating only \$6.5 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. Community & Economic Development, Cultural & 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.

Community and Economic Development

Community Development and Housing Commission

Strategic Goals

- Maintain/enhance partnerships and relationships that support the Mission of Kent County government
- Diversify sources of revenue

Cross-Cutting Influencing Factors

- 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

Short-Term Tactical Objectives (by Department)

- **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

- **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

Cultural and Recreational Functional Area

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

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

Short-Term Tactical Objectives (by Department)

- **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, County Clerk/Register of Deeds, Drain Commissioner, Facilities Management, Fiscal Services, Human Resources, Information Technology, Kent/MSU Cooperative Extension, Prosecutor's Office-Criminal, Appellate and Juvenile Divisions, 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
- 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

- 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
- 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)

- **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
- **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
- **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
- **Prosecutor's Office:** continue to improve case processing; align staff and judicial and prosecutorial resources to focus on expediency; maximize effectiveness of existing staff and reduce staff growth
- **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 Veterans' Affairs

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
- **Veterans' Affairs:** 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, and Friend of the Court), 63rd District Court, Office of Community Corrections, Probate Court, and the Prosecutor's Office-Family Law Division

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
- **Prosecutor's Office:** continue to improve case processing; align staff and judicial and prosecutorial resources to focus on expediency; maximize effectiveness of existing staff and reduce staff growth

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)

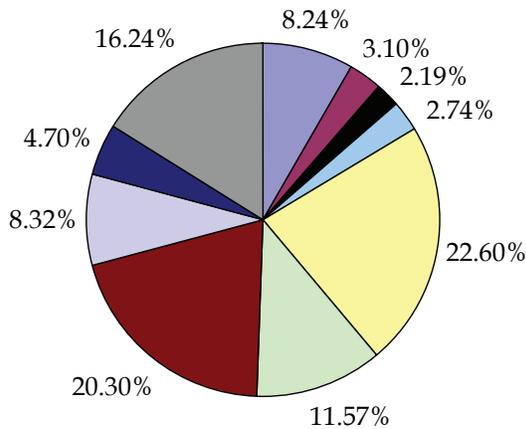
Short-Term Tactical Objectives (System-wide)

- 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

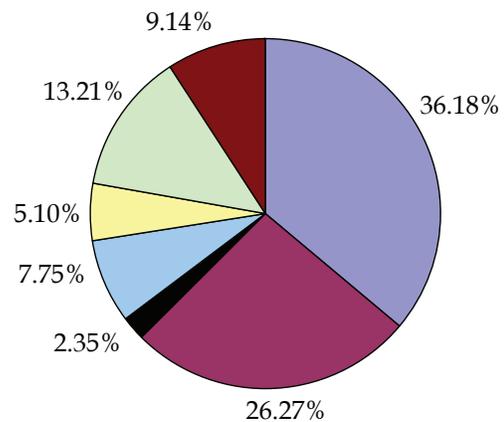
2009 All Funds Budget Summary By Fund Type

	General	Special Revenue	Debt Service	Capital Project	Internal Service	Component Unit	Proprietary	Total
Revenues By Category								
Taxes	\$ 89,175,400	\$ 29,092,456	\$ -	\$ 4,331,000	\$ -	\$ -	\$ 1,900,000	\$124,498,856
Charges for services	18,449,501	2,770,255	-	-	1,775,000	50,696,182	18,636,677	92,327,615
Intergovernmental	9,739,003	38,814,976	-	150,000	-	7,350,266	4,000,000	60,054,245
Reimbursements	12,404,741	3,851,055	-	170,000	21,547,561	480,000	180,000	38,633,357
Investment earnings	2,805,250	1,069,350	-	500,000	104,000	2,098,340	2,778,900	9,355,840
Licenses and permits	82,950	1,497,652	-	-	-	-	-	1,580,602
Fines and forfeitures	201,100	555,398	-	-	-	-	5,000	761,498
Other	3,219,402	542,383	8,303,133	29,430,000	25,000	1,372,894	12,957,967	55,850,779
Total Revenues	136,077,347	78,193,525	8,303,133	34,581,000	23,451,561	61,997,682	40,458,544	383,062,792
Expenditures By Function								
Enterprise activities	-	-	-	-	-	54,801,496	36,126,144	90,927,640
Health and welfare	8,876,461	69,439,951	-	-	-	3,362,000	-	81,678,412
Public safety	61,125,098	4,212,590	-	-	-	-	-	65,337,688
General government	42,012,869	880,308	-	-	-	-	3,652,000	46,545,177
Judicial	21,531,557	11,935,304	-	-	-	-	-	33,466,861
Community & economic dev	537,513	8,161,810	-	-	-	3,764,186	-	12,463,509
Debt service	-	-	11,019,207	-	-	-	-	11,019,207
Cultural and recreation	8,783,191	20,500	-	-	-	-	-	8,803,691
Other	-	-	-	-	23,898,181	-	-	23,898,181
Appropriation lapse	(5,000,000)	-	-	-	-	-	-	(5,000,000)
Capital	-	-	-	33,169,510	-	-	-	33,169,510
Total Expenditures	137,866,689	94,650,463	11,019,207	33,169,510	23,898,181	61,927,682	39,778,144	402,309,876
Other Financing Sources (Uses)								
Transfers in	31,566,309	30,793,379	2,717,424	1,393,000	-	-	-	66,470,112
Transfers out	(31,753,929)	(28,506,309)	-	(3,149,874)	-	-	(3,060,000)	(66,470,112)
Total Other Fin Sources (Uses)	(187,620)	2,287,070	2,717,424	(1,756,874)	-	-	(3,060,000)	-

Expenditures by Functional Area



Expenditures by Fund Type



<ul style="list-style-type: none"> Capital Cultural and recreation Enterprise activities Health and welfare Other / Lapse Community & economic dev Debt service General government Judicial Public safety 	<ul style="list-style-type: none"> General Special Revenue Debt Service Capital Project Internal Service Component Unit Proprietary
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Fund type graph percentages include Transfers Out.

All Funds History of Fund Balances By Fund Type

Government Fund Type	FY 2007	FY 2008	FY 2009 Adopted			
	Fund Bal	Est Fund Bal	Sources	Uses	Fund Bal	% Change
General Fund	\$ 70,209,406	\$ 69,762,535	\$ 167,643,656	\$ 169,620,618	\$ 67,785,573	-2.8%
Fire Prevention	174,505	184,005	540,000	536,257	187,748	2.0%
Friend of the Court	288,919	101,019	8,910,022	8,910,022	101,019	0.0%
Health	210,734	100,334	26,606,021	26,606,021	100,334	0.0%
Lodging Excise Tax	1,790,818	1,459,918	5,648,200	5,942,032	1,166,086	-20.1%
Correction and Detention	4,859,379	3,001,679	16,716,000	18,988,625	729,054	-75.7%
Senior Millage	1,000,451	1,010,251	7,023,256	7,423,256	610,251	-39.6%
Register of Deeds Automation	1,168,570	1,374,970	635,000	622,915	1,387,055	0.9%
Drug Law Enforcement Fund	29,663	194,363	347,336	147,336	394,363	102.9%
Community Development	-	-	2,219,778	2,219,778	-	NA
State Revenue Sharing Reserve	38,404,377	27,922,181	726,650	12,006,309	16,642,522	-40.4%
Child Care	77,630	77,630	23,124,091	23,124,091	77,630	0.0%
DHS Child Care	83,738	19,723	12,203,399	12,203,399	19,723	0.0%
Veteran's Trust	12,946	12,716	79,104	79,104	12,716	0.0%
Special Project Calendar Year	1,763,755	2,076,355	606,893	745,893	1,937,355	-6.7%
Special Project Fiscal Year	7,795	7,795	3,601,154	3,601,734	7,215	-7.4%
Special Revenue Funds	49,873,280	37,542,939	108,986,904	123,156,772	23,373,071	-37.7%
Debt Service	255,601	11,701	2,122,040	2,122,040	11,701	0.0%
Building Auth Debt Service	439,587	450,856	8,898,517	8,897,167	452,206	0.3%
Debt Service Fund	695,188	462,557	11,020,557	11,019,207	463,907	0.3%
Capital Improvement Program	8,695,356	6,793,856	4,481,000	4,731,000	6,543,856	-3.7%
Bond Capital Improvement	-	8,556,600	1,393,000	1,393,000	8,556,600	0.0%
Building Auth Construction	26,263,757	14,329,754	30,100,000	30,195,384	14,234,370	-0.7%
Capital Project Funds	34,959,113	29,680,210	35,974,000	36,319,384	29,334,826	-1.2%
Internal Service Fund	3,827,115	6,357,618	23,451,561	23,898,181	5,910,998	-7.0%
Public Works	62,157,509	71,551,709	54,801,496	54,801,496	71,551,709	0.0%
Social Welfare	(64,015)	-	3,432,000	3,362,000	70,000	NA
Housing Commission	70,127	70,127	2,512,910	2,512,910	70,127	0.0%
Shelter Plus Care	-	-	1,251,276	1,251,276	-	NA
Component Unit Funds	62,163,621	71,621,836	61,997,682	61,927,682	71,691,836	0.1%
Aeronautics	179,011,130	180,560,530	36,126,144	36,126,144	180,560,530	0.0%
Delinquent Tax Revolving	12,196,320	11,353,020	4,332,400	6,712,000	8,973,420	-21.0%
Proprietary Funds	191,207,450	191,913,550	40,458,544	42,838,144	189,533,950	-1.2%

See Section C for more detail regarding fund balances.

All Funds Budget History By Functional Area

	FY 2007		FY 2008		FY 2009		
	Audited	Percent	Amended	Percent	Requested	Adopted	Percent
Revenues By Category							
Taxes	\$ 122,808,167	31.5%	\$ 122,073,713	31.2%	\$ 124,498,856	\$ 124,498,856	32.5%
Charges for services	95,823,781	24.6%	96,234,476	24.6%	92,726,915	92,327,615	24.1%
Intergovernmental	67,769,255	17.4%	69,519,540	17.8%	60,263,338	60,054,245	15.7%
Reimbursements	33,930,383	8.7%	35,566,995	9.1%	38,633,357	38,633,357	10.1%
Investment earnings	15,408,604	4.0%	16,235,153	4.2%	9,356,215	9,355,840	2.4%
Licenses and permits	1,563,731	0.4%	1,646,598	0.4%	1,580,602	1,580,602	0.4%
Fines and forfeitures	618,612	0.2%	620,912	0.2%	761,498	761,498	0.2%
Other	51,714,264	13.3%	48,841,979	12.5%	55,850,779	55,850,779	14.6%
Total Revenues	389,636,796	100.0%	390,739,366	100.0%	383,671,560	383,062,792	100.0%
Expenditures By Function							
Enterprise activities	80,799,041	22.7%	96,832,805	22.2%	90,927,640	90,927,640	22.6%
Health and welfare	74,251,287	20.9%	79,974,488	18.3%	82,558,081	81,678,412	20.3%
Public safety	60,451,103	17.0%	67,088,087	15.4%	65,337,688	65,337,688	16.2%
General government	45,524,862	12.8%	46,051,224	10.5%	46,841,739	46,545,177	11.6%
Judicial	33,203,011	9.3%	33,291,624	7.6%	33,709,325	33,466,861	8.3%
Community & economic dev	12,338,234	3.5%	12,225,798	2.8%	12,463,509	12,463,509	3.1%
Debt service	7,351,099	2.1%	10,471,915	2.4%	11,019,207	11,019,207	2.7%
Cultural and recreation	8,658,773	2.4%	8,718,965	2.0%	8,865,282	8,803,691	2.2%
Other	21,163,480	6.0%	24,750,300	5.7%	23,898,181	23,898,181	5.9%
Appropriation lapse	-	0.0%	(6,130,000)	-1.4%	(5,000,000)	(5,000,000)	-1.2%
Operating Expenditures	343,740,889	96.8%	373,275,206	85.4%	370,620,652	369,140,366	91.8%
Capital	11,503,099	3.2%	63,574,772	14.6%	33,578,302	33,169,510	8.2%
Total Expenditures	355,243,988	100.0%	436,849,978	100.0%	404,198,954	402,309,876	100.0%
Other Fin Sources (Uses)							
Transfers in	65,021,296		68,335,694		67,443,853	66,470,112	
Transfers out	(64,973,806)		(68,926,980)		(67,443,853)	(66,470,112)	
Total Other Fin Sources (Uses)	47,490		(591,286)		-	-	
Net Inc (Dec) in Fund Balances	\$ 34,440,298		\$ (46,701,898)		\$ (20,527,394)	\$ (19,247,084)	

See page B-20 for estimated fund balances for each fund type.

All Funds Budget History By Category

	FY 2007		FY 2008		FY 2009		
	Audited	Percent	Amended	Percent	Requested	Adopted	Percent
Revenues By Category							
Taxes	\$122,808,167	31.5%	\$122,073,713	31.2%	\$124,498,856	\$124,498,856	32.5%
Licenses & permits	1,563,731	0.4%	1,646,598	0.4%	1,580,602	1,580,602	0.4%
Intergovernmental	67,769,255	17.4%	69,519,540	17.8%	60,263,338	60,054,245	15.7%
Charges for services	95,823,781	24.6%	96,234,476	24.6%	92,726,915	92,327,615	24.1%
Fines & forfeitures	618,612	0.2%	620,912	0.2%	761,498	761,498	0.2%
Investment earnings	15,408,604	4.0%	16,235,153	4.2%	9,356,215	9,355,840	2.4%
Reimbursements	33,930,383	8.7%	35,566,995	9.1%	38,633,357	38,633,357	10.1%
Other	51,714,264	13.3%	48,841,979	12.5%	55,850,779	55,850,779	14.6%
Total Revenues	389,636,796	100.0%	390,739,366	100.0%	383,671,560	383,062,792	100.0%
Expenditures By Category							
Personnel	137,219,157	38.6%	140,914,202	32.3%	142,621,748	142,145,251	35.3%
Commodities	10,101,275	2.8%	10,862,925	2.5%	10,731,020	10,731,020	2.7%
Contractual services	162,844,012	45.8%	177,413,433	40.6%	178,385,218	177,416,676	44.1%
Capital outlay	4,820,979	1.4%	4,431,491	1.0%	3,660,586	3,625,336	0.9%
Other	28,755,466	8.1%	45,783,154	10.5%	40,222,080	40,222,083	10.0%
Appropriation lapse	-	0.0%	(6,130,000)	-1.4%	(5,000,000)	(5,000,000)	-1.2%
Operating Expenditures	343,740,889	96.8%	373,275,206	85.4%	370,620,652	369,140,366	91.8%
Capital projects	11,503,099	3.2%	63,574,772	14.6%	33,578,302	33,169,510	8.2%
Total Expenditures	355,243,988	100.0%	436,849,978	100.0%	404,198,954	402,309,876	100.0%
Other Fin Sources (Uses)							
Transfers in	65,021,296		68,335,694		67,443,853	66,470,112	
Transfers out	(64,973,806)		(68,926,980)		(67,443,853)	(66,470,112)	
Total Other Fin Sources (Uses)	47,490		(591,286)		-	-	
Net Inc (Dec) in Fund Balances	\$ 34,440,298		\$ (46,701,898)		\$ (20,527,394)	\$ (19,247,084)	

All Funds Personnel History By Functional Area

Department	2005	2006	2007	2008	2009
Policy/Administration	22.0	22.0	23.0	22.5	22.5
Bureau of Equalization	21.0	21.0	24.0	23.0	20.0
County Clerk	54.0	53.0	52.0	52.0	51.0
Kent/MSU Cooperative Extension	6.5	6.5	7.0	6.0	5.5
Drain Commissioner	7.0	7.0	6.5	6.5	6.5
Facilities Management	43.5	46.5	45.0	44.0	47.5
Fiscal Services	40.0	39.0	38.0	38.0	38.0
Human Resources	21.5	21.0	21.0	20.0	20.0
Information Technology	43.0	43.0	43.0	42.0	42.0
Prosecutor's - Criminal/Juvenile	65.0	63.0	65.0	64.0	64.0
Treasurer's Office	16.0	16.0	16.0	15.0	15.0
General government	339.5	338.0	340.5	333.0	332.0
Sheriff	573.0	576.0	584.0	579.0	570.0
Public safety	573.0	576.0	584.0	579.0	570.0
17th Circuit Court	241.5	239.5	241.0	241.0	242.0
63rd District Court	35.0	36.0	37.0	37.0	37.0
Community Corrections	2.5	2.5	2.5	2.5	2.5
Probate Court	14.0	14.0	15.0	15.0	15.0
Prosecutor's - Cooperative Reimb	19.0	19.0	19.0	19.0	19.0
Judicial	312.0	311.0	314.5	314.5	315.5
Community Development	6.0	6.0	6.0	6.0	6.0
Housing Commission	4.0	4.0	3.0	3.0	3.0
Lodging Excise Tax	2.0	2.0	2.0	2.0	2.0
Community & economic developmt	12.0	12.0	11.0	11.0	11.0
John Ball Zoological Gardens	48.0	48.0	47.0	47.0	49.0
Parks	70.5	70.5	66.5	65.5	65.0
Cultural and recreation	118.5	118.5	113.5	112.5	114.0
Child Care	129.0	130.0	132.0	131.0	132.5
Health Department	285.0	276.5	259.0	259.0	255.0
Veterans' Affairs Department	1.0	1.0	1.0	1.0	1.0
Health and welfare	415.0	407.5	392.0	391.0	388.5
Aeronautics	124.0	124.0	124.0	124.0	124.0
Public Works	75.5	77.5	71.5	71.5	70.5
Enterprise activities	199.5	201.5	195.5	195.5	194.5
Risk Management	2.0	2.0	2.0	2.0	2.0
Other	2.0	2.0	2.0	2.0	2.0
Total FTE	1,971.5	1,966.5	1,953.0	1,938.5	1,927.5

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