

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. A transmittal letter from the Fiscal Services Director, page B-2, highlights the General Fund amendments to the administrative budget recommendation discussed in the Budget Message. The Budget Message from the Administrator/Controller, pages B-4 through B-12, outlines the key priorities, parameters, and issues involved in developing the Recommended Budget, and serves as an introduction and overview to the budget. Additional significant priorities and issues affecting the budget are outlined on pages B-13 and B-14. The Strategic Planning and Budgeting section can be found on pages B-15 through B-21. 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-22 to B-25 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-22 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-23 provides the beginning and end-of-year balances for each of these funds for 2008 actual, 2009 estimated, and 2010 projected as well as the percent change from 2009 estimated.
- The Budget History by Functional Area on page B-24 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 2008 (actual), 2009 (amended), and 2010 (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-25 summarizes uses by category (i.e., Personnel, Commodities, Contractual Services, Operating Capital, Other, Capital Budget) for the same three-year period.

Page B-26 provides a five-year listing of budgeted personnel by County department, organized by functional area.

Budget Overview Table of Contents

Introduction	B-1
Transmittal Letter from the Fiscal Services Director	B-2
Budget Message from the County Administrator/Controller	B-4
Significant Priorities and Issues	B-13
Strategic Planning and Budgeting	B-15
All Funds Summary	B-22
All Funds Budget Summary by Fund Type and Component Unit	B-22
All Funds History of Fund Balances	B-23
All Funds Budget History by Functional Area	B-24
All Funds Budget History by Category	B-25
All Funds Personnel History by Functional Area	B-26



December 15, 2009

To the Citizens of Kent County, Michigan

RE: Kent County 2010 Budget

On December 15, 2009, the Kent County Board of Commissioners adopted the 2010 Annual Budget via the General Appropriations Act (Resolution 12-15-09-142). The adopted budget is in conformance with Public Act 2 of 1968 and Public Act 621 of 1978, known as the Uniform Budget and Accounting Act.

This budget document presents the financials, of the 2010 Adopted Budget, by Fund. Included in this document is a transmittal letter, from the County Administrator/Controller, high-lighting the administrative budget recommendation presented to the Finance & Physical Resources Committee (FPRC) of the Board of Commissioners. A brief summary of the amendments, made by the FPRC and the Board of Commissioners, to the administrative budget recommendation are listed below. Note that all the amendments were made to the General Fund budget, other funds were not amended.

Category	2010 Administrative Recommendation	Amendment	2010 Adopted Budget
General Fund Revenues:			
Taxes ¹	\$85,605,652	\$ 89,076	\$85,694,728
Other ²	4,516,868	100,000	4,616,868
Charges for Services ³	19,003,902	(600,000)	18,403,902
Reimbursements ⁴	12,658,354	23,400	12,681,754
General Fund Expenses:			
Zoo ⁵	3,842,131	19,100	3,861,231
Policy/Admin ⁶	4,116,127	35,000	4,151,127
Appropriation Lapse ⁷	(2,000,000)	(140,330)	(2,140,330)

**Notes are located on the next page.*

This document is the culmination of several months of work by the Operating Budget Review Committee, the Finance & Physical Resources Committee, the Board of Commissioners, the Fiscal Services Department, Elected Officials, and Department Directors.

Respectfully,

Robert J. White

Robert J. White
Director

County of Kent, Michigan

General Fund Administrative Recommendation Adjustments Notes

1. \$89,076: The inflation Rate Multiplier, for calendar year 2010 TV adjustment, has been finalized at -0.3%. The original estimated used 0.0%. Reduction (\$236,993). BoE change in forecast of 2010 TV - reduce decline from -4.0% to -3.1% resulting in an increase of \$326,069.
2. \$100,000: Increase in Contribution from Zoo Society.
3. (\$500,000):HB4437 - The recommended 2010 County Budget assumed a FY2010 State appropriation of \$16 million to support reimbursement of County Jail services for the period of 7/09 through 6/10 (\$83,000 / mo.) and a FY2011 State appropriation sufficient to fund County reimbursement requests for the period of 7/10 through 12/10. On October 12th, the Governor vetoed this line-item from the FY2010 Corrections Department budget. The revised revenue estimate assumes that a \$12 million appropriation will eventually be restored in the FY2010 State budget. This appropriation would support reimbursements to the County for the period of 7/09 through 3/10. It is further assumed there will be a FY2011 appropriation to provide reimbursement for County Jail services for the period of 10/10 through 12/10. The net revenue loss (unreimbursed 4/10 through 9/10) results in a revenue estimate reduction of \$500,000 (6 mos. x \$83,000).

(\$100,000): Reduced Zoo Fees as a result of not increasing rates.

4. \$23,400: Increase in Medical Examiner Fees.
5. \$19,100: Increase operating expenses at the Zoo to accommodated March operations.
6. \$35,000: Restored for contribution to Grand Valley Metro Council.
7. (\$140,330): Increased Lapse to account for the elimination of Management Pay Plan wage increases in the General Fund.

Adopted Budget Summary

Category	2009	2010
Taxes	\$ 122,734,216	\$ 121,193,138
Intergovernmental	72,736,486	63,993,002
Charges for services	86,552,208	83,031,337
Reimbursements	39,141,100	41,771,751
Investment earnings	8,393,448	4,841,298
Other	68,367,036	32,130,363
Total Revenues	\$ 397,924,494	\$ 346,960,889
Personnel costs	\$ 142,571,782	\$ 140,837,509
Commodities	13,447,103	11,901,022
Contractual services	174,136,291	174,262,648
Capital outlay	5,236,118	3,131,366
Other/ Approp lapse	35,541,038	39,727,053
Operating Expenditures	370,932,333	369,859,598
Capital	69,683,580	2,099,086
Total Expenditures	\$ 440,615,913	\$ 371,958,684

Adopted Budget In Brief

Fund	2009	2010
All Funds		
Estimated revenues	\$397,924,494	\$346,960,889
Recommended budget	(440,615,913)	(371,958,684)
Other sources(uses)	(1,773,034)	(752,496)
Margin(deficit) *	<u>\$ (44,464,452)</u>	<u>\$ (25,750,291)</u>
General Fund		
Estimated revenues	\$168,068,430	\$165,049,910
Recommended budget	(169,904,033)	(167,783,203)
Margin(deficit)	<u>\$ (1,835,603)</u>	<u>\$ (2,733,293)</u>



October 15, 2009

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



RE: 2010 Kent County Annual Budget

As the Chief Administrative and Financial Officer of the County, it is my responsibility to develop and submit the proposed annual budget for review and approval. The proposed 2010 Annual budget represents the 12th budget that I have presented to the Kent County 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 in this very challenging environment, while minimizing the reduction in services to our citizens. Care has been taken to ensure provision of core services while attempting to limit the impact on our General Fund reserves, as directed by the Finance & Physical Resources Committee.

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 the 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 2010 proposed budget for both operating and capital needs has a gross expenditure requirement of \$370.3 million, which is an 8.0% decrease from the adopted 2009 budget. The proposed budget includes operating expenditures of \$368.2 million, and capital expenditures of \$2.1 million. Projected revenues and existing fund balances (reserves) will be adequate to cover the proposed expenditures.

This 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.

This budget is one of balance: balancing many demands that have different constituencies; balancing services the County is required to provide—along with adequate supporting infrastructure to help

deliver those services—with programs and services that are discretionary; and balancing new or newer initiatives with services that have traditionally been considered the core responsibility of the County. For the seventh time in as many years, department directors were requested to provide two variations of their expenditure needs. Every department was very thoughtful in recommending the reductions proposed. Budget targets were provided and explanation was provided as to the service/program reductions required to meet 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 2010 Budget and millage rates is necessary. It is recommended that the hearing be held in conjunction with the Board meeting on Thursday, November 19, 2009, at 8:30 a.m. The Board should establish the public hearing date at its meeting on November 5. Formal action on the 2010 Budget is scheduled for the Board meeting in December.

Budget Summary

Category	2009	2010
Taxes	\$ 122,734,216	\$ 121,100,828
Intergovernmental	72,736,486	63,208,024
Charges for services	86,552,208	83,631,337
Reimbursements	39,141,100	41,748,351
Investment earnings	8,393,448	4,841,298
Other	65,967,036	32,030,363
Total Revenues	\$ 395,524,494	\$ 346,560,201
Personnel costs	\$ 142,571,782	\$ 140,818,409
Commodities	13,447,103	11,901,022
Contractual services	174,136,291	174,227,648
Capital outlay	5,642,294	3,106,932
Other/ Approp lapse	35,134,862	38,122,988
Operating Expenditures	370,932,333	368,176,999
Capital	68,242,997	2,095,852
Total Expenditures	\$ 439,175,330	\$ 370,272,851

Budget In Brief

Fund	2009	2010
All Funds		
Estimated revenues	\$395,524,494	\$346,560,201
Recommended budget	(439,175,330)	(370,272,851)
Other sources(uses)	(813,617)	-
Margin(deficit) *	<u>\$ (44,464,452)</u>	<u>\$ (23,712,650)</u>
General Fund		
Estimated revenues	\$168,068,430	\$165,437,434
Recommended budget	(169,904,033)	(167,869,433)
Margin(deficit)	<u>\$ (1,835,603)</u>	<u>\$ (2,431,999)</u>

*The \$23.7 million use of fund balances in the 2010 budget is primarily attributed to seven factors: (1) \$1.0 million in Correction & Detention Fund reserves are being utilized to support the General Fund Correctional Facility costs; (2) \$10.2 million in the Revenue Sharing Reserve Fund reserves are being used to supplant State Revenue Sharing in the General Fund; (3) \$2.2 million in Delinquent Tax Revolving Fund reserves are being used to transfer surpluses to the General Fund; (4) \$1.5 million in CIP Fund reserves are being used to transfer surpluses to the General Fund; (5) \$1.4 million in Risk Management Fund reserves are being used to support 2010 anticipated expenditures and spend down reserves; (6) \$5.1 million in Aeronautics Fund reserves are being used to support 2010 anticipated expenditures; and (7) \$2.4 million in General Fund reserves are being utilized to balance the 2010 General Fund budget.

Summary of Issues

Priority Planning Sessions

Early in the year, each Board meeting was preceded by a review of the budgets and financial information for each of the County's functional areas. In April and May, priority planning sessions were held with an external facilitator, using an electronic voting system that provided staff with some general thoughts related to how the Board as a whole viewed the County's budget and finances. The results were mixed, but do represent one element in the Budget development process. As provided to the Board in a memo dated June 30, 2009, the following guidelines were used to assist me in the process:

1. Limit the use of General Fund reserves in support of operating expenses to a reasonable level (\$2 million or less).
2. Reduce the set-aside for capital expenditures from 0.20 mill to 0.15 mill, this will add approximately \$1 million to the General Fund operating budget.
3. Work with those departments that can enhance/increase revenue opportunities to do so, but at a reasonable level.

- Each department was given a budget target for 2010 based on each department's 2008 spending as a percent of total General Fund spending and Board priorities established during priority planning.

This information was used as a basis for determining the budget parameters established by the Finance & Physical Resources Committee.

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 July 9, 2009. Guidelines included expenditure categories 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 million in reserves used to balance the budget
New Hires	No new hires requiring a General Fund appropriation
Commodities	Not to exceed 2009 level, unless appropriately justified
Contractual Services	Not to exceed 2009 level, unless appropriately justified
CIP Appropriation	Property tax generated from 0.15 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 Capital Improvement Program on August 20, 2009.

Millage Rates

Because no Headlee rollback is assumed, the proposed operating millage for the July 1, 2010 tax levy is **4.2803 mills**. In addition to the operating millage, the Board of Commissioners, at its meeting held October 8, 2009, 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 2010 is 5.3940 mills, which is the same as the millage levied in 2009. The operating millage rate of 4.2803 mills will be confirmed by the Board of Commissioners in May 2010.

Revenues

Taxes: For the first time in its history, the County's State Taxable Value (STV) will decrease in 2010. The combination of the recession and its impact on jobs, coupled with the housing mortgage crisis and the resultant foreclosures, significantly impacted the County, not only in terms of STV, but also with deed recordings. In addition, the strains created by the financial crisis that began in August 2007, has affected our pension costs and we have seen reductions in income from interest earnings. We also anticipate that there will be action taken by the State that will impact revenue sharing proceeds we are allowed to take from our Revenue Sharing Reserve Fund. It is estimated that the STV will decline 3.5% to \$ 21.061 billion in 2010, which is the basis for the 2010 general operating property tax revenue estimate. The STV will generate approximately \$83.8 million in General Fund property tax revenue, which is a 2.1% decrease from the 2009 budgeted General Fund property tax revenue of \$86.2 million. Taxes represent about 64.2% of the County's total General Fund operating revenue stream. The projection for all tax revenue totals \$121.1 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 2010 has also changed. While the two enterprise department funds (Aeronautics and Public Works) borrow for their capital projects, other projects are being funded by a

0.15 mill allocation from the general operating property tax levy. This reduction from the previously dedicated 0.20 mills will provide approximately \$3 million for capital needs.

Intergovernmental Revenues: During the past seven 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. As of July 2007, the County’s operating millage is billed in July of each year. Excess funds collected during the 2005-2007 period were placed in a special Revenue Sharing Reserve Fund, as directed by the State. These funds have been withdrawn 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 continued uncertainty, given the State’s fiscal condition, regarding whether Revenue Sharing will be restored at that time.

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 2009 and we have estimated a further reduction in this revenue for 2010. It is anticipated that in 2010, the County will receive \$4.8 million in all funds investment earnings with \$1.9 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 24.1%, or \$83.6 million, of the County’s revenue.

Personnel

For the seventh consecutive year, the Finance & Physical Resources Committee concurred with my recommendation to continue a moratorium on adding new positions that require a General Fund appropriation in the 2010 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. Further, the Board adopted a “hiring freeze” policy on any vacant positions, and a Personnel Review Committee was established and meets on a regular basis to review departmental requests to replace employees who have left County employment. Personnel costs represent 38.0% of the all funds operating budget for 2010 and 64.8% 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, this line item continues to experience significant increases.

Capital Improvement Program (CIP)

Continuing as an integral part of the budget is the Capital Improvement Program (CIP) budget for 2010 - 2014. The CIP consists mainly of one-time or non-recurring capital expenditures. The process calls for the Board to adopt the budget for 2010 projects, using 2011 - 2014 as a barometer for future years’ capital needs. Approximately \$6.5 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 August 20, the Finance & Physical Resources Committee voted to recommend that \$3.27 million be appropriated for CIP projects (as identified/itemized in the budget document), compared to \$4.7 million that was budgeted in 2009.

CIP Funding Sources	2009	2010
Operating Levy	\$ 4,331,000	\$ 3,104,655
CIP Fund Reserves	250,000	45,000
Grants	-	125,000
Other	150,000	-
Total Sources	\$ 4,731,000	\$ 3,274,655

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

The \$3.27 million in 2010 recommended projects includes funding for expansion of the Sheriff's Dispatch Facility. The Sheriff's Department currently operates from a 1,300 square foot facility with a total of six fully functional phone radio consoles and two phone only consoles. Over the past several years, the Sheriff's Department has been working in conjunction with the Central Dispatch Authority toward better coordination of 911 call routing. The Dispatch Authority has designated the Kent County Sheriff's Department as a viable option to meet the needs for 911 call reception. This will require the conversion of existing space at the Sheriff's Department to accommodate additional consoles at a total estimated cost of \$375,000. Other major expenditures in the CIP include \$350,000 for Lighting/Ballast Replacement at the Correctional Facility; \$1.2 million for debt service on the 2008 Capital Improvement Bonds; and \$250,000 for Energy Management Integration.

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 continue to be addressed in the 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 (\$5.4 million in 2010); (2) the County's contribution to the Grand Rapids-Kent County Convention & Visitors Bureau (\$625,000 recommended for 2010); and (3) a \$10,000 contribution to the Arts Festival for marketing purposes. In 2007, a new commitment was added to contribute \$200,000 annually to the Sports Commission through 2011.

Because funding commitments from the Hotel/Motel Tax continue to exceed revenues, for the 2010 budget, it is proposed that General Fund dollars be used to augment some of these commitments, similar to what was done in 2009. 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 \$5.05 million and Series 2003 in the amount of \$390,862). In addition, the County has a contractual obligation to the Convention & Visitors Bureau for funding (which expires December 31, 2009). Coupled with the additional commitment of \$200,000 to the Sports Commission through 2011, the options included either reducing funding to the Convention & Visitors Bureau and Sports Commission, or use General Fund dollars to partially finance the commitments. The recommendation for 2010, is to provide that Hotel/Motel tax funds be used for debt retirement for the Series 2001 bond issues on the Convention Center (\$5.4 million), \$625,000 for the Convention & Visitors Bureau (reduced \$75,000 from 2009), \$200,000 for the Sports Commission, and \$10,000 for the Arts Festival. The \$400,000 for the John Ball Zoo Society, funded by the Capital Improvement Program Fund in 2008 and 2009, is not recommended for funding in FY 2010.

Revenue Sharing

The County's Revenue Sharing Reserve Fund will be depleted sometime during the 2011 fiscal year. When the Revenue Sharing Reserve Fund ends, 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. This means that in 2011, once the Revenue Sharing Reserve Fund is depleted, the County could potentially not realize restoration of revenue sharing and the budget will see a reduction of another \$7 million in revenues; and from 2012 forward, a reduction of \$11 to \$12 million annually.

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 eight fiscal years have resulted in the County using reserves to cover shortfalls in revenue required to support continuing operations. While this is a trend that cannot be sustained given continuing revenue declines, this budget provides for one more year that uses 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 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.

Other

Compounding the above are the increased and often conflicting demands for limited resources as well as the "entrenched constituencies" that exist within some departments. As is the case with all budgets, the recommendations contained herein do not include full funding of everything that was requested by departments. Thus, the budget can best be described as one of balancing departmental ambitions with available resources and Board-identified parameters and priorities. As requests continue to exceed resources, the Board must continue to determine the level of services it is required by law to provide and what additional services it wants and is able to provide. The Mandated Services Study, and continuous reference to it through Standing Committee Action Request forms, serves as one tool to assist the Board in this endeavor.

On the Horizon

Aside from Revenue Sharing, other challenges facing the County include the implementation of, and costs associated with, the Children's Rights settlement entered into by the State. We are still not sure of the impact, but we know it will be around \$4 million annually. This cost has not been included in the proposed budget as we await further details on its implementation.

Second, the affects of mortgage foreclosures continues to affect the County. The next 'wave' of foreclosures is anticipated to involve commercial properties. While this is being monitored, the impact is unknown at the present time.

Third, the Hotel/Motel Tax Fund continues to require an appropriation from the General Fund to meet its obligations. While some costs have been reduced or eliminated, expenditures significantly exceed revenues.

Fourth, while not an imminent issue, at some point in 2012-2013, the County will have to begin examining replacement of 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 2010 budget provides for \$370.3 million in expenditures and \$346.6 million in revenues. This is an 8.0% decrease compared to the 2009 adopted budget expenditure level of \$402.3 million.

The following is a short list of the programs/services identified for elimination, which may be of the greatest interest to the public (other changes in the budget will have impact on the internal functions of County operations and will be disclosed in a separate communication):

Sheriff's Department: Food service at the Correctional & Community Re-entry Facilities will be contracted out (\$551,000 net savings); reduce maintenance at the Correctional Facility (\$315,584); reduce inmate processing staff (\$344,220); and increase mileage standards on cruisers to 125,000 miles (\$126,000).

Information Technology: Withdraw from financial participation in REGIS support (\$170,000).

John Ball Zoo: Zoo will be closed to public November through March (\$294,509).

Policy/Administration: Withdraw from participation in GVMC and NACO dues (\$82,500).

Other: Reduce network180 support to mandated level (\$136,444).

Transfers Out - Childcare: Childcare placements will continue to be redirected from State Institutions to alternative less costly facilities (\$300,000).

Transfer Out - Lodging Excise Tax Fund: Reduce Convention & Visitor's Bureau support (\$75,000).

Board Goals

Since 1995, the Board of Commissioners and key administrative staff have met in six major priority and goal-setting sessions. A review of the major public policy and fiscal administration priorities identified during the 1995, 1997, 1998, 1999, 2005, and 2009 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% 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 2010 budget review work groups.

Conclusion

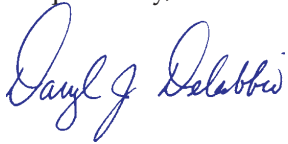
The budget is the primary policy statement on County programs and priorities from the Board of Commissioners to the citizens of Kent County. The budget provides information to the public on the funding priorities and programs that have been established. In this sense, the budget is also a plan. It provides 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.

As mentioned above, the 2010 Budget can best be described as an effort to balance the major and conflicting needs of the organization and community, weighing priorities, emphasizing the mandated functions of the County, and attempting to appropriate limited resources in the most reasonable and responsible manner as possible. The budget process has been a difficult one, but it represents the best efforts from all departments, offices, and agencies.

Performance Measurement Review Team
Wayman Britt, Administrator’s Office Jennifer DeHaan, Administrator's Office Steve Duarte, Fiscal Services Craig Paull, Information Technology Mary Swanson, Administrator’s Office Matt VanZetten, Administrator's Office
CIP Review Committee
Jon Denhof, Purchasing Al Jano, 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

Once again, I would like to thank all the departments, elected officers, and judiciary for their cooperation and assistance in developing the proposed 2010 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, the Finance & Physical Resources Committee, and the Board of Commissioners for the extensive work required to develop 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.

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 2010 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 2010 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 5.9% (12/31/2008) 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 \$65.1 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 \$5.45 million in 2010); the County's contribution to the Grand Rapids-Kent

County Convention and Visitors Bureau (\$625,000 in 2010); and a nominal (\$10,000) contribution to the Arts Festival for marketing purposes. Also included in the 2010 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 continued to decline in 2009 and still are not able to meet annual expenditures. The \$1.23 million operating deficit in 2009 required a \$505,700 subsidy from the General Fund to maintain the level of reserves required by policy. If revenues continue to decline, 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 2010 Budget on January 1, 2010, immediately thereafter-incurred expenditures approximating \$14.0 million per month. Generating only \$6.6 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).

Energy Use Reduction Program

In 2009, an Energy Use Reduction Program was created to oversee and promote energy use reduction throughout the County. This positioned the County to develop an Energy Policy and Strategy and apply for a \$2.8 million formula grant from the American Recovery and Reinvestment Act through the Department of Energy. The \$2.8 million will be expended over the next three years and will enable the County to make infrastructure improvements that will result in cost-savings/cost avoidance for taxpayers.

New Facilities During 2009

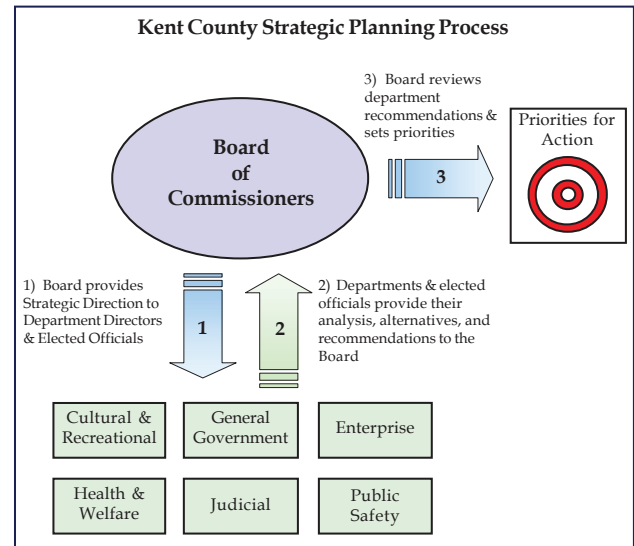
Two much anticipated and long-awaited facilities projects came into service during 2009: a new 63rd District Court which co-located the two separate divisions of the Court, and the Human Services Complex, which replaces the outdated and failing 415 Franklin site for the State's Department of Human Services, and allows for co-location of that service with a Kent County Health Department Clinic and an Area Community Services Employment and Training (ACSET) service center.

Intergovernmental Collaboration Effort

Efforts toward disposal/re-utilization of the 415 Franklin properties resulted in an intergovernmental collaboration success story when the County and the City of Grand Rapids reached agreement on transfer of the properties (including the Paul I. Phillips Gymnasium and several parking lots) to the City in exchange for some City-owned property needed for parking adjacent to the new Human Services Complex. In preparation of the transfer of the property, staff worked with the County Clerk, the City of Grand Rapids and several County departments on the relocation of County records storage to the Community Archive and Research Center (CARC).

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:



(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:

- 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 infrastructure 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 infrastructure is aging

Short-Term Tactical Objectives (by Department)

- **John Ball Zoo:** Formally improve exhibits, amenities, infrastructure, 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 on site 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 infrastructure
- 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 infrastructure

- 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)

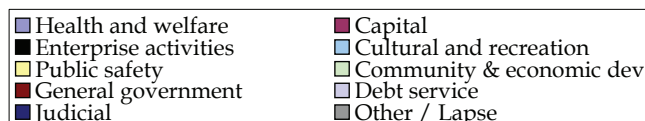
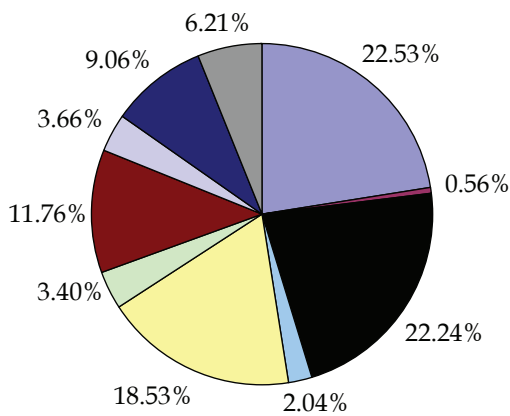
Short-Term Tactical Objectives (System-wide)

- 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

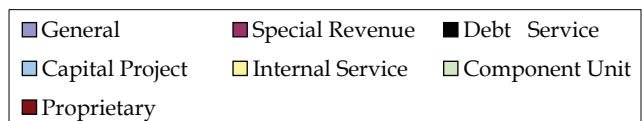
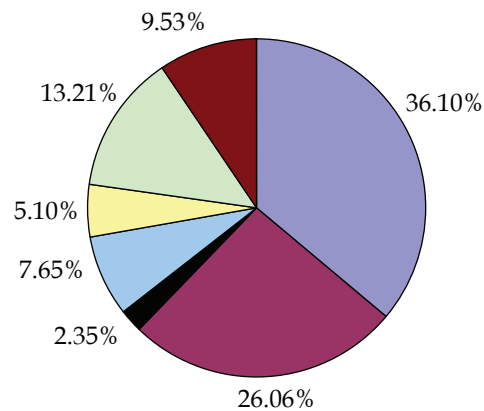
2010 All Funds Budget Summary By Fund Type

	General	Special Revenue	Debt Service	Capital Project	Internal Service	Component Unit	Proprietary	Total
Revenues By Category								
Taxes	\$ 85,694,728	\$ 28,209,999	\$ -	\$ 3,107,889	\$ -	\$ -	\$ 4,180,522	\$121,193,138
Charges for services	18,403,902	6,382,771	-	-	1,250,000	38,154,605	18,840,059	83,031,337
Intergovernmental	9,342,031	46,588,703	784,978	125,000	-	3,152,290	4,000,000	63,993,002
Reimbursements	12,681,754	5,650,918	-	-	23,204,079	-	235,000	41,771,751
Investment earnings	1,891,450	436,900	300	-	152,000	1,208,398	1,152,250	4,841,298
Licenses and permits	93,800	1,418,900	-	-	-	-	-	1,512,700
Fines and forfeitures	167,000	688,422	-	-	-	-	5,000	860,422
Other	4,616,868	763,379	9,742,524	-	35,000	2,471,428	12,128,042	29,757,241
Total Revenues	132,891,533	90,139,992	10,527,802	3,232,889	24,641,079	44,986,721	40,540,873	346,960,889
Expenditures By Function								
Enterprise activities	-	-	-	-	-	42,473,811	40,251,324	82,725,135
Health and welfare	8,458,192	75,338,799	-	-	-	-	-	83,796,991
Public safety	60,847,410	8,090,482	-	-	-	-	-	68,937,892
General government	40,049,025	1,004,988	-	-	-	-	2,695,250	43,749,263
Judicial	21,531,200	12,180,890	-	-	-	-	-	33,712,090
Community & economic dev	150,000	9,982,428	-	-	-	2,512,910	-	12,645,338
Debt service	-	-	13,610,569	-	-	-	-	13,610,569
Cultural and recreation	7,587,944	-	-	-	-	-	-	7,587,944
Other	-	-	-	-	26,087,878	-	-	26,087,878
Appropriation lapse	(2,140,330)	(853,172)	-	-	-	-	-	(2,993,502)
Capital	-	-	-	2,099,086	-	-	-	2,099,086
Total Expenditures	136,483,441	105,744,415	13,610,569	2,099,086	26,087,878	44,986,721	42,946,574	371,958,684
Other Financing Sources (Uses)								
Transfers in	32,158,377	30,338,712	3,099,270	-	-	-	-	65,596,359
Transfers out	(31,299,762)	(27,470,290)	-	(2,678,803)	-	-	(4,900,000)	(66,348,855)
Total Other Fin Sources (Uses)	858,615	2,868,422	3,099,270	(2,678,803)	-	-	(4,900,000)	(752,496)
Net Inc (Dec) in Fund Balances	\$ (2,733,293)	\$ (12,736,001)	\$ 16,503	\$ (1,545,000)	\$ (1,446,799)	\$ -	\$ (7,305,701)	\$ (25,750,291)

Expenditures by Functional Area



Expenditures by Fund Type



Fund type graph percentages include Transfers Out.

All Funds History of Fund Balances By Fund Type

Government Fund Type	FY 2008	FY 2009	FY 2010 Adopted			
	Fund Bal	Est Fund Bal	Sources	Uses	Fund Bal	% Change
General Fund ⁽¹⁾	\$ 67,706,280	\$ 65,116,379	\$ 165,049,910	\$ 167,783,203	\$ 62,383,086	-4.2%
Fire Prevention	193,689	200,239	527,994	570,928	157,305	-21.4%
Friend of the Court	99,999	99,999	9,026,574	9,026,574	99,999	0.0%
Health	100,002	100,002	28,316,492	28,316,492	100,002	0.0%
Lodging Excise Tax	1,108,384	384,584	6,433,876	6,433,876	384,584	0.0%
Correction and Detention	3,200,377	1,282,077	16,925,530	17,915,320	292,287	-77.2%
Senior Millage	749,724	225,324	6,941,022	6,941,022	225,324	0.0%
Register of Deeds Automation	1,254,358	1,334,043	625,000	728,851	1,230,192	-7.8%
Dispatch Collection Fund	59,792	59,792	3,900,000	3,900,000	59,792	0.0%
Drug Law Enforcement Fund	209,694	345,894	441,765	168,803	618,856	78.9%
Community Development	-	-	2,299,172	2,299,172	-	NA
Shelter Plus Care	-	-	1,249,380	1,249,380	-	NA
DHS Social Welfare	770	770	3,432,000	3,362,000	70,770	9093.6%
Child Care	77,630	77,630	21,798,228	21,798,228	77,630	0.0%
DHS Child Care	19,723	19,723	13,991,783	13,991,783	19,723	0.0%
Veteran's Trust	5,314	8,814	75,715	75,715	8,814	0.0%
Special Project Calendar Year	2,049,317	2,303,517	703,506	775,217	2,231,806	-3.1%
Special Project Fiscal Year	6,294	1,094	3,690,667	3,691,054	707	-35.4%
State Revenue Sharing Reserve	28,061,303	16,261,503	100,000	11,970,290	4,391,213	-73.0%
Special Revenue Funds	37,196,371	22,705,006	120,478,704	133,214,705	9,969,005	-56.1%
Debt Service	11,339	11,339	2,139,853	2,140,553	10,639	-6.2%
Building Auth Debt Service	130,672	130,672	11,487,219	11,470,016	147,875	13.2%
Debt Service Fund	142,011	142,011	13,627,072	13,610,569	158,514	11.6%
Capital Improvement Program	5,205,749	2,069,749	3,232,889	4,777,889	524,749	-74.6%
Bond Capital Improvement	6,545,951	1,783,351	-	-	1,783,351	0.0%
Building Auth Construction	14,324,256	35,218,456	-	-	35,218,456	0.0%
Capital Project Funds	26,075,957	39,071,556	3,232,889	4,777,889	37,526,556	-4.0%
Internal Service Fund	4,612,615	6,127,750	24,641,079	26,087,878	4,680,951	-23.6%
Public Works	69,580,661	73,060,161	42,473,811	42,473,811	73,060,161	0.0%
Housing Commission	743,795	568,181	2,512,910	2,512,910	568,181	0.0%
Component Unit Funds	70,324,457	73,628,343	44,986,721	44,986,721	73,628,343	0.0%
Aeronautics	186,605,220	186,450,320	35,153,351	40,251,324	181,352,347	-2.7%
Delinquent Tax Revolving	14,420,786	11,698,186	5,387,522	7,595,250	9,490,458	-18.9%
Proprietary Funds	201,026,006	198,148,506	40,540,873	47,846,574	190,842,805	-3.7%

(1) General Fund balances include reserves and designations. Unreserved/Undesignated General Fund balances are reported in Section C.

See Section C for more detail regarding all fund balances.

All Funds Budget History By Functional Area

	FY 2008		FY 2009		FY 2010		
	Audited	Percent	Amended	Percent	Requested	Adopted	Percent
Revenues By Category							
Taxes	\$ 123,177,073	32.7%	\$ 122,734,216	30.8%	\$ 121,193,138	\$ 121,193,138	34.9%
Charges for services	91,491,286	24.3%	86,552,208	21.8%	82,881,802	83,031,337	23.9%
Intergovernmental	64,512,335	17.1%	72,736,486	18.3%	64,246,305	63,993,002	18.4%
Reimbursements	40,849,585	10.8%	39,141,100	9.8%	41,844,686	41,771,751	12.0%
Investment earnings	12,439,266	3.3%	8,393,448	2.1%	4,841,298	4,841,298	1.4%
Licenses and permits	1,561,688	0.4%	1,580,602	0.4%	1,518,100	1,512,700	0.4%
Fines and forfeitures	629,971	0.2%	760,498	0.2%	860,122	860,422	0.2%
Other	42,243,019	11.2%	66,025,936	16.6%	29,829,805	29,757,241	8.6%
Total Revenues	376,904,223	100.0%	397,924,494	100.0%	347,215,256	346,960,889	100.0%
Expenditures By Function							
Enterprise activities	80,780,645	21.1%	79,243,333	18.0%	82,725,135	82,725,135	22.2%
Health and welfare	79,288,719	20.7%	86,328,792	19.6%	85,518,925	83,796,991	22.5%
Public safety	64,003,522	16.7%	72,913,818	16.5%	71,189,643	68,937,892	18.5%
General government	43,696,790	11.4%	46,838,614	10.6%	46,617,162	43,749,263	11.8%
Judicial	32,603,338	8.5%	33,683,761	7.6%	34,050,318	33,712,090	9.1%
Community & economic dev	11,660,487	3.0%	12,543,913	2.8%	12,645,338	12,645,338	3.4%
Debt service	10,360,120	2.7%	11,019,207	2.5%	13,610,569	13,610,569	3.7%
Cultural and recreation	8,564,016	2.2%	9,669,815	2.2%	8,374,981	7,587,944	2.0%
Other	23,699,346	6.2%	23,691,080	5.4%	26,087,878	26,087,878	7.0%
Appropriation lapse	-	0.0%	(5,000,000)	-1.1%	(2,993,501)	(2,993,502)	-0.8%
Operating Expenditures	354,656,983	92.5%	370,932,333	84.2%	377,826,448	369,859,598	99.4%
Capital	28,805,014	7.5%	69,683,580	15.8%	5,348,628	2,099,086	0.6%
Total Expenditures	383,461,997	100.0%	440,615,913	100.0%	383,175,076	371,958,684	100.0%
Other Fin Sources (Uses)							
Transfers in	65,729,308		73,456,801		66,633,883	65,596,359	
Transfers out	(65,093,679)		(75,229,835)		(67,386,379)	(66,348,855)	
Total Other Fin Sources (Uses)	635,630		(1,773,034)		(752,496)	(752,496)	
Net Inc (Dec) in Fund Balances	\$ (5,922,145)		\$ (44,464,452)		\$ (36,712,316)	\$ (25,750,291)	

See page B-23 for estimated fund balances for each fund type.

All Funds Budget History By Category

	FY 2008		FY 2009		FY 2010		
	Audited	Percent	Amended	Percent	Requested	Adopted	Percent
Revenues By Category							
Taxes	\$123,177,073	32.7%	\$122,734,216	30.8%	\$121,193,138	\$121,193,138	34.9%
Licenses & permits	1,561,688	0.4%	1,580,602	0.4%	1,518,100	1,512,700	0.4%
Intergovernmental	64,512,335	17.1%	72,736,486	18.3%	64,246,305	63,993,002	18.4%
Charges for services	91,491,286	24.3%	86,552,208	21.8%	82,881,802	83,031,337	23.9%
Fines & forfeitures	629,971	0.2%	760,498	0.2%	860,122	860,422	0.2%
Investment earnings	12,439,266	3.3%	8,393,448	2.1%	4,841,298	4,841,298	1.4%
Reimbursements	40,849,585	10.8%	39,141,100	9.8%	41,844,686	41,771,751	12.0%
Other	42,243,019	11.2%	66,025,936	16.6%	29,829,805	29,757,241	8.6%
Total Revenues	376,904,223	100.0%	397,924,494	100.0%	347,215,256	346,960,889	100.0%
Expenditures By Category							
Personnel	137,907,823	36.0%	142,571,782	32.4%	145,924,641	140,837,509	37.9%
Commodities	12,133,163	3.2%	13,447,103	3.1%	13,217,606	11,901,022	3.2%
Contractual services	168,581,349	44.0%	174,136,291	39.5%	175,500,192	174,262,648	46.9%
Capital outlay	3,834,878	1.0%	5,236,118	1.2%	3,456,953	3,131,366	0.8%
Other	32,199,770	8.4%	40,541,038	9.2%	42,720,557	42,720,555	11.5%
Appropriation lapse	-	0.0%	(5,000,000)	-1.1%	(2,993,501)	(2,993,502)	-0.8%
Operating Expenditures	354,656,983	92.5%	370,932,333	84.2%	377,826,448	369,859,598	99.4%
Capital projects	28,805,014	7.5%	69,683,580	15.8%	5,348,628	2,099,086	0.6%
Total Expenditures	383,461,997	100.0%	440,615,913	100.0%	383,175,076	371,958,684	100.0%
Other Fin Sources (Uses)							
Transfers in	65,729,308		73,456,801		66,633,883	65,596,359	
Transfers out	(65,093,679)		(75,229,835)		(67,386,379)	(66,348,855)	
Total Other Fin Sources (Uses)	635,630		(1,773,034)		(752,496)	(752,496)	
Net Inc (Dec) in Fund Balances	\$ (5,922,145)		\$ (44,464,452)		\$ (36,712,316)	\$ (25,750,291)	

All Funds Personnel History By Functional Area

Department	2006	2007	2008	2009	2010
Policy/Administration	32.0	33.0	32.5	32.5	31.4
Bureau of Equalization	21.0	24.0	23.0	20.0	17.1
County Clerk	53.0	52.0	52.0	50.0	48.0
Kent/MSU Cooperative Extension	6.5	7.0	6.0	5.5	4.5
Drain Commissioner	7.0	6.5	6.5	6.5	6.5
Facilities Management	46.5	45.0	44.0	47.5	36.5
Fiscal Services	39.0	38.0	38.0	38.0	34.0
Human Resources	21.0	21.0	20.0	20.0	16.1
Information Technology	43.0	43.0	42.0	42.0	37.0
Prosecutor's - Criminal/Juvenile	63.0	65.0	64.0	64.0	61.4
Treasurer's Office	16.0	16.0	15.0	15.0	13.0
General government	348.0	350.5	343.0	341.0	305.5
Sheriff	576.0	584.0	579.0	570.0	545.6
Public safety	576.0	584.0	579.0	570.0	545.6
17th Circuit Court	239.5	241.0	241.0	240.0	232.2
63rd District Court	36.0	37.0	37.0	37.0	34.5
Community Corrections	2.5	2.5	2.5	2.5	2.5
Probate Court	14.0	15.0	15.0	15.0	15.0
Prosecutor's - Cooperative Reimb	19.0	19.0	19.0	19.0	19.0
Judicial	311.0	314.5	314.5	313.5	303.2
Community Development	6.0	6.0	6.0	6.0	8.0
Housing Commission	4.0	3.0	3.0	3.0	3.0
Lodging Excise Tax	2.0	2.0	2.0	2.0	2.0
Community & economic developmt	12.0	11.0	11.0	11.0	13.0
John Ball Zoological Gardens	48.0	47.0	47.0	49.0	44.0
Parks	70.5	66.5	65.5	65.0	55.8
Cultural and recreation	118.5	113.5	112.5	114.0	99.8
Child Care	130.0	132.0	131.0	137.0	135.9
Health Department	279.5	262.0	261.5	256.0	248.6
Veterans' Affairs Department	1.0	1.0	1.0	1.0	1.0
Health and welfare	410.5	395.0	393.5	394.0	385.5
Aeronautics	124.0	124.0	124.0	124.0	120.0
Public Works	77.5	71.5	71.5	70.5	61.8
Enterprise activities	201.5	195.5	195.5	194.5	181.8
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	1,979.5	1,966.0	1,951.0	1,940.0	1,836.4

