

Budget Resolution

12-15-09-142

RESOLUTION BY COMMISSIONER TANIS

WHEREAS, this resolution shall be known as the FY 2010 General Appropriation Act; and

WHEREAS, pursuant to MCLA 141.412 and 141.413, notice of a public hearing on the proposed budget was published in a newspaper of general circulation on November 9, 2009, and a public hearing on the proposed budget was held on November 19, 2009; and

WHEREAS, the Kent County voters authorized millages of 0.7893 mills for correctional facility operations and debt service, and 0.3244 mills for senior services; and

WHEREAS, the Board of Commissioners will authorize in May 2010, a general property tax levy on all real and personal property within the County upon the current tax roll for County general operations; and

WHEREAS, the Kent County Finance and Physical Resources Committee has reviewed the recommended 2010 Budget in detail; and

WHEREAS, estimated total revenues and appropriations for the various funds are recommended as follows:

<u>Fund</u>	<u>Sources</u>		<u>Appropriation</u>
	<u>Revenues</u>	<u>Reserves</u>	
General Fund	\$165,049,910	\$ 2,733,293	\$167,783,203
Special Revenue Funds*	40,030,693	12,735,614	52,766,307
Capital Project Funds	3,232,889	1,545,000	4,777,889
Internal Service Fund	24,641,079	1,446,799	26,087,878
Debt Service Funds	2,139,853	700	2,140,553
Component Unit Funds	42,473,811	-	42,473,811
Proprietary Funds	<u>40,540,873</u>	<u>7,305,701</u>	<u>47,846,574</u>
Total	\$318,109,108	\$25,767,107	\$343,876,215

* Includes Revenue Sharing Reserve Fund of \$11,970,290

NOW, THEREFORE, BE IT RESOLVED, that the Kent County Board of Commissioners hereby adopts the FY 2010 Appropriation Act as the official budget for FY 2010; and

BE IT FURTHER RESOLVED, that County officials responsible for the appropriations authorized in the Act may expend County funds up to, but not to exceed, the total appropriation authorized for each department or activity; and

BE IT FURTHER RESOLVED, that the Kent County Board adopts the FY 2010 budgets for the various governmental funds by department or activity as follows:

**2010 General Appropriations Act
County of Kent, Michigan**

GENERAL FUND	Appropriation	Memorandum	Total
Estimated Revenues			
Taxes	\$ 85,694,728	\$ -	\$ 85,694,728
Licenses & Permits	93,800	-	93,800
Intergovernmental	9,342,031	-	9,342,031
Charges for Services	18,403,902	-	18,403,902
Fines & Forfeitures	167,000	-	167,000
Investment Earnings	1,891,450	-	1,891,450
Reimbursements	12,681,754	-	12,681,754
Other	4,616,868	-	4,616,868
Transfers In	32,158,377	-	32,158,377
Total Estimated Revenues	165,049,910	-	165,049,910
Fund Balance Usage (Deposit)	2,733,293	-	2,733,293
Total Estimated Revenues & Other Sources	\$167,783,203	\$ -	\$167,783,203
Appropriations			
Circuit Court	\$ 17,312,853	\$ -	\$ 17,312,853
Clerk/Register of Deeds	3,405,225	-	3,405,225
District Court	2,822,217	-	2,822,217
Drain Commission	559,322	-	559,322
Facilities Management	14,207,970	-	14,207,970
Fiscal Services	3,453,822	-	3,453,822
Information Technology	5,183,126	-	5,183,126
Policy/Administration	4,151,127	-	4,151,127
Sheriff's Department	60,847,410	-	60,847,410
Treasurer's Office	1,068,750	-	1,068,750
Parks Department	3,726,713	-	3,726,713
Probate Court – Mental & Estate Division	1,346,130	-	1,346,130
Intergovernmental	4,567,404	-	4,567,404
DHS Social Welfare	700,000	-	700,000
Bureau of Equalization	1,498,566	-	1,498,566
Human Resources	1,803,090	-	1,803,090
Prosecutor's – Criminal/Juvenile	6,114,963	-	6,114,963
Cooperative Extension Service	583,233	-	583,233
Medical Examiner	1,234,334	-	1,234,334
Veterans' Affairs Department	176,285	-	176,285
John Ball Zoological Gardens	3,861,231	-	3,861,231
Transfers Out	31,299,762	-	31,299,762
Total Appropriations before Lapse	169,923,533	-	169,923,533
Estimated Appropriation Lapse	(2,140,330)	-	(2,140,330)
Total Appropriations	\$167,783,203	\$ -	\$167,783,203

**2010 General Appropriations Act
County of Kent, Michigan**

SPECIAL REVENUE FUNDS	Appropriation	Memorandum*	Total Appropriation
Estimated Revenues			
Taxes	\$28,209,999	\$ -	\$ 28,209,999
Licenses & Permits	70,000	1,348,900	1,418,900
Intergovernmental	3,344,273	43,244,430	46,588,703
Charges for Services	4,670,608	1,712,163	6,382,771
Fines & Forfeitures	443,765	244,657	688,422
Investment Earnings	436,900	-	436,900
Reimbursements	642,000	5,008,918	5,650,918
Other	247,606	515,773	763,379
Transfers In	1,965,542	28,373,170	30,338,712
Total Estimated Revenues	40,030,693	80,448,011	120,478,704
Fund Balance Usage (Deposit)	12,735,614	387	12,736,001
Total Estimated Revenues & Other Sources	\$52,766,307	\$80,448,398	\$133,214,705
Appropriations			
Fire Commission	\$ 570,928	\$ -	\$ 570,928
Friend of the Court	-	9,026,574	9,026,574
Health Department	-	28,316,492	28,316,492
Lodging Excise Tax	6,433,876	-	6,433,876
Correction & Detention Millage	17,915,320	-	17,915,320
Senior Millage	6,941,022	-	6,941,022
Register of Deeds Automation Fund	728,851	-	728,851
Central Dispatch Collection	3,900,000	-	3,900,000
Drug Law Enforcement Fund	168,803	-	168,803
Community Development	-	3,548,552	3,548,552
Child Care	-	21,798,228	21,798,228
DHS Child Care	-	13,991,783	13,991,783
DHS Social Welfare	3,362,000	-	3,362,000
Revenue Sharing Reserve Fund	11,970,290	-	11,970,290
Veteran's Trust	-	75,715	75,715
SP – Circuit Court Com Corrections Admin	-	912,892	912,892
SP – Circuit Court Com Corrections Grant	-	229,900	229,900
SP – Circuit Court Family Counseling	70,000	-	70,000
SP – Circuit Court Juv Accountability	-	387	387
SP – Circuit Court DMC Inter and Reduction	-	126,696	126,696
SP – Drain Commission Special Assessment	73,805	-	73,805
SP – FM Fallasburg Dam	13,531	-	13,531
SP – Cooperative Extension Mississippi Food Net	48,801	-	48,801
SP – FOC Access & Visitation Grant	-	15,000	15,000
SP – Prosecutor's Cooperative Reimbursement	-	1,799,828	1,799,828
SP – Remonumentation Program	140,000	-	140,000
SP – Sheriff Drug Enforcement	-	103,957	103,957
SP – Sheriff Gifts Honor Camp	5,000	-	5,000
SP – Sheriff Gifts Jail	92,830	-	92,830
SP – Sheriff DARE	5,000	-	5,000
SP – Sheriff Local Correction Officers Train	243,250	-	243,250
SP – Sheriff Michigan Dispatch Training	33,000	-	33,000
SP – Sheriff Michigan Justice Training	50,000	-	50,000
SP – Sheriff Secondary Road Patrol	-	502,394	502,394
Total Appropriations	\$52,766,307	\$80,448,398	\$133,214,705

**2010 General Appropriations Act
County of Kent, Michigan**

CAPITAL PROJECT FUNDS	Appropriation	Memorandum	Total Appropriation
Estimated Revenues			
Taxes	\$3,107,889	\$ -	\$3,107,889
Intergovernmental	125,000	-	125,000
Investment Earnings	-	-	-
Reimbursements	-	-	-
Other	-	-	-
Transfer In	-	-	-
Total Estimated Revenues	3,232,889	-	3,232,889
Fund Balance Usage (Deposit)	1,545,000	-	1,545,000
Total Estimated Revenues & Other Sources	\$4,777,889	\$ -	\$4,777,889
Appropriations			
Capital Improvement Program	\$4,777,889	\$ -	\$4,777,889
Building Authority Construction	-	-	-
Bond Capital Improvement	-	-	-
Total Appropriations	\$4,777,889	\$ -	\$4,777,889

INTERNAL SERVICE FUND	Appropriation	Memorandum	Total Appropriation
Estimated Revenues			
Charges for Services	\$ 1,250,000	\$ -	\$ 1,250,000
Investment Earnings	152,000	-	152,000
Reimbursements	23,204,079	-	23,204,079
Other	35,000	-	35,000
Total Estimated Revenues	24,641,079	-	24,641,079
Fund Balance Usage (Deposit)	1,446,799	-	1,446,799
Total Estimated Revenues & Other Sources	\$26,087,878	\$ -	\$26,087,878
Appropriations			
Risk Management	\$26,087,878	\$ -	\$26,087,878
Total Appropriations	\$26,087,878	\$ -	\$26,087,878

DEBT SERVICE FUNDS	Appropriation	Memorandum*	Total Appropriation
Estimated Revenues			
Intergovernmental	\$ -	\$ 784,978	\$ 784,978
Investment Earnings	-	300	300
Other	-	9,742,524	9,742,524
Transfers In	2,139,853	959,417	3,099,270
Total Estimated Revenues	2,139,853	11,487,219	13,627,072
Fund Balance Usage (Deposit)	700	(17,203)	(16,503)
Total Estimated Revenues & Other Sources	\$ 2,140,553	\$11,470,016	\$13,610,569
Appropriations			
Building Authority Debt Service Fund	\$ -	\$11,470,016	\$11,470,016
Debt Service Fund	2,140,553	-	2,140,553
Total Appropriations	\$ 2,140,553	\$11,470,016	\$13,610,569

*The Building Authority Debt Service Memorandum Budget was previously appropriated by the Kent County Building Authority.



**2010 General Appropriations Act
County of Kent, Michigan**

COMPONENT UNIT FUNDS	Appropriation	Memorandum*	Total Appropriation
Estimated Revenues			
Intergovernmental	\$ 639,380	\$2,512,910	\$ 3,152,290
Charges for Services	38,154,605	-	38,154,605
Investment Earnings	1,208,398	-	1,208,398
Other	2,471,428	-	2,471,428
Total Estimated Revenues	42,473,811	2,512,910	44,986,721
Fund Balance Usage (Deposit)	-	-	-
Total Estimated Revenues & Other Sources	\$42,473,811	\$2,512,910	\$44,986,721
Appropriations			
Housing Commission	\$ -	\$2,512,910	\$ 2,512,910
Public Works	42,473,811	-	42,473,811
Total Appropriations	\$42,473,811	\$2,512,910	\$44,986,721

*The Housing Commission's Memorandum Budget was previously appropriated by the Kent County Board of Commissioners via the signature approval of the Kent County Board Chair.

PROPRIETARY FUNDS	Appropriation	Memorandum	Total Appropriation
Estimated Revenues			
Taxes	\$ 4,180,522	\$ -	\$ 4,180,522
Intergovernmental	4,000,000	-	4,000,000
Charges for Services	18,840,059	-	18,840,059
Fines & Forfeitures	5,000	-	5,000
Investment Earnings	1,152,250	-	1,152,250
Reimbursements	235,000	-	235,000
Other	12,128,042	-	12,128,042
Total Estimated Revenues	40,540,873	-	40,540,873
Fund Balance Usage (Deposit)	7,305,701	-	7,305,701
Total Estimated Revenues & Other Sources	\$47,846,574	\$ -	\$47,846,574
Appropriations			
Aeronautics	\$40,251,324	\$ -	\$40,251,324
Delinquent Tax Fund	7,595,250	-	7,595,250
Total Appropriations	\$47,846,574	\$ -	\$47,846,574

BE IT FURTHER RESOLVED, that appropriations made for the available balances and outstanding encumbrances at fiscal year end for grants are continued in full force and effect and shall carry over to successive fiscal years until the grants are completed or otherwise terminated; and

BE IT FURTHER RESOLVED, that appropriations made for the available balances and outstanding encumbrances at fiscal year end for capital projects are continued in full force and effect and shall carry over to successive fiscal years until the projects are completed or otherwise terminated; and

BE IT FURTHER RESOLVED, that appropriations made for the outstanding purchase orders and contractual encumbrances at fiscal year end in the operating funds are continued in full force and effect and shall carry over to successive fiscal years until the projects are completed or otherwise terminated; and

BE IT FURTHER RESOLVED, that the County Administrator/Controller shall provide the Kent County Finance and Physical Resources Committee, at the end of each fiscal quarter, a report of year to date revenues and expenditures compared to the budgeted amounts in the various funds of the County; and

BE IT FURTHER RESOLVED, that this resolution supersedes all previous resolutions related to the General Fund and Lodging Excise Tax Fund appropriations and/or commitments; and

BE IT FURTHER RESOLVED, that whenever it appears to the Kent County Administrator/Controller or the Kent County Board that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, or when it appears that expenditures will exceed an appropriation, the County Administrator/Controller shall present to the County Board recommendations to prevent expenditures from exceeding available revenues and reserves or appropriations for the budget year. Such recommendations may include proposals for reducing appropriations, increasing revenues or a combination thereof.

Commissioner Tanis moved the resolution be adopted.

County Debt

Constitutional Debt Limitation

Article VII, Section 6 of the State Constitution states "No county shall incur any indebtedness which shall increase its total debt beyond 10%, of its assessed valuation." The Notes are included within this debt limitation.

STATEMENT OF LEGAL DEBT MARGIN - APRIL 30, 2009		
2009 State Equalized Value (SEV)		\$23,810,524,071
Legal Debt Limit (10% of SEV)		2,381,052,407
Debt Outstanding (including the Notes)	476,422,904	
Revenue Bonds - No LTGO Pledge	45,250,000	
Net Amount Subject to Legal Debt Limit		431,172,904
Margin of Additional Debt That Can Be Legally Incurred		\$ 1,949,879,503
Debt Outstanding as a percentage of 2009 SEV		1.8%

Debt Statement

The following table reflects a breakdown of the County’s direct and overlapping debt as of April 30, 2009 including the Bonds. Bonds or notes designated L.T.G.O. are limited tax pledge bonds or notes.

Debt Type	Gross	Self-supporting or Portion Paid Directly By Benefited Municipalities	Net	Net Debt	
				Per Capita ⁽¹⁾	% of SEV
Direct Debt					
County Building Authority (L.T.G.O.)	\$ 89,760,000	\$ 385,000	\$ 89,375,000		
General Obligation Limited Tax Notes	55,000,000	55,000,000	-		
Refuse and Solid Waste Bonds (L.T.G.O.)	21,755,000	21,755,000	-		
Airport Bonds (L.T.G.O.)	148,840,000	148,840,000	-		
(Revenue)	45,250,000	45,250,000	-		
Water and Sewer Bonds (L.T.G.O.)	3,900,000	3,900,000	-		
Drain Bonds (L.T.G.O.)	11,729,000	11,729,000	-		
County/City Building Authority Bonds (L.T.G.O.)	77,788,904	4,065,000	73,723,904		
CIP Bonds (L.T.G.O.)	22,400,000	-	22,400,000		
Total Direct Debt	\$ 476,422,904	\$ 290,924,000	185,498,904	\$ 306.50	0.8%
Overlapping Debt ⁽²⁾					
School Districts			1,270,768,899		
Cities			214,165,000		
Community Colleges			46,018,303		
Townships			28,762,000		
Villages			2,795,000		
Intermediate School Districts			61,940		
Total Overlapping Debt			1,562,571,142	2,581.85	6.4%
Total Direct and Overlapping			\$1,748,070,046	\$ 2,888.35	7.2%

(1) Based on 2008 estimated population of 605,213

(2) Overlapping debt is the portion of other public debt for which a County taxpayer is liable in addition to the Direct Debt of the County.

Source: Municipal Advisory Council

Year	DEBT AMORTIZATION SCHEDULE REQUIREMENTS AT APRIL 30, 2009													Percent Amortized
	Tax Notes	Refuse Disposal Bonds	Airport Revenue Bonds	Water & Sewer LTGO Bonds		Drain Bonds	City/County Building Authority Bonds			Capital Improvement Bonds	Total	Cumulative Total		
				Bonds	Bonds		City/County Building Authority Bonds	County Building Authority Bonds						
2009	\$ -	\$ 10,505,000	\$ -	\$ 490,000	\$ 1,217,000	\$ 3,895,000	\$ 4,640,000	\$ 1,205,000	\$ 21,952,000	\$ 21,952,000	\$ 21,952,000	4.6%		
2010	-	11,250,000	3,595,000	510,000	1,287,000	4,260,000	5,685,000	1,265,000	27,852,000	49,804,000	49,804,000	10.5%		
2011	19,000,000	-	4,180,000	530,000	1,275,000	4,675,000	3,405,000	1,305,000	34,370,000	84,174,000	84,174,000	17.7%		
2012	36,000,000	-	4,645,000	550,000	1,330,000	5,115,000	3,540,000	1,340,000	52,520,000	136,694,000	136,694,000	28.7%		
2013	-	-	5,155,000	580,000	1,390,000	5,585,000	3,710,000	1,040,000	17,460,000	154,154,000	154,154,000	32.4%		
2014	-	-	5,695,000	605,000	1,190,000	6,085,000	3,880,000	1,070,000	18,525,000	172,679,000	172,679,000	36.2%		
2015	-	-	6,305,000	635,000	1,250,000	3,513,370	4,075,000	1,105,000	16,883,370	189,562,370	189,562,370	39.8%		
2016	-	-	6,575,000	-	930,000	3,455,616	4,270,000	1,145,000	16,375,616	205,937,986	205,937,986	43.2%		
2017	-	-	6,860,000	-	970,000	3,399,714	4,435,000	1,185,000	16,849,714	222,787,700	222,787,700	46.8%		
2018	-	-	7,185,000	-	285,000	3,339,653	4,660,000	1,230,000	16,699,653	239,487,353	239,487,353	50.3%		
2019	-	-	7,545,000	-	295,000	3,303,950	4,890,000	1,060,000	17,093,950	256,581,303	256,581,303	53.9%		
2020	-	-	7,925,000	-	310,000	3,270,176	5,135,000	1,110,000	17,750,176	274,331,479	274,331,479	57.6%		
2021	-	-	8,310,000	-	-	3,232,569	5,400,000	1,160,000	18,102,569	292,434,048	292,434,048	61.4%		
2022	-	-	8,710,000	-	-	3,219,531	4,860,000	1,215,000	18,004,531	310,438,579	310,438,579	65.2%		
2023	-	-	9,125,000	-	-	3,201,469	5,005,000	1,270,000	18,601,469	329,040,048	329,040,048	69.1%		
2024	-	-	9,575,000	-	-	2,433,499	5,270,000	1,330,000	18,608,499	347,648,547	347,648,547	73.0%		
2025	-	-	10,055,000	-	-	2,385,378	5,535,000	785,000	18,760,378	366,408,925	366,408,925	76.9%		
2026	-	-	7,785,000	-	-	2,344,096	5,805,000	820,000	16,754,096	383,163,021	383,163,021	80.4%		
2027	-	-	8,175,000	-	-	2,298,194	1,775,000	860,000	13,108,194	396,271,215	396,271,215	83.2%		
2028	-	-	8,580,000	-	-	2,257,832	1,850,000	900,000	13,587,832	409,859,047	409,859,047	86.0%		
2029	-	-	5,270,000	-	-	2,211,380	1,935,000	-	9,416,380	419,275,427	419,275,427	88.0%		
2030	-	-	5,535,000	-	-	2,172,718	-	-	7,707,718	426,983,145	426,983,145	89.6%		
2031	-	-	5,810,000	-	-	2,134,759	-	-	7,944,759	434,927,904	434,927,904	91.3%		
2032	-	-	6,100,000	-	-	-	-	-	6,100,000	441,027,904	441,027,904	92.6%		
2033	-	-	6,405,000	-	-	-	-	-	6,405,000	447,432,904	447,432,904	93.9%		
2034	-	-	6,725,000	-	-	-	-	-	6,725,000	454,157,904	454,157,904	95.3%		
2035	-	-	7,065,000	-	-	-	-	-	7,065,000	461,222,904	461,222,904	96.8%		
2036	-	-	7,415,000	-	-	-	-	-	7,415,000	468,637,904	468,637,904	98.4%		
2037	-	-	7,785,000	-	-	-	-	-	7,785,000	476,422,904	476,422,904	100.0%		
Total	\$ 55,000,000	\$ 21,755,000	\$ 194,090,000	\$ 3,900,000	\$ 11,729,000	\$ 77,788,904	\$ 89,760,000	\$ 22,400,000	\$ 476,422,904	\$ 476,422,904	\$ 476,422,904			

Debt History

There is no record of default on any obligation of the County.

Short-Term Financing

The County does not issue short-term obligations for cash flow purposes. The County has in the years 1974 through 2009 issued short-term notes in order to establish a Delinquent Tax Revolving Fund. Notes issued in each of these years have been in a face amount, which has been less than the actual real property tax delinquency. The primary security for these notes is the collection of the delinquent taxes pledged to the payment of principal of and interest on the notes issued. The County has pledged its full faith and credit and limited taxing power to the payment of the principal and interest on notes issued. The County may or may not issue notes to fund the Fund in future years. The amount of notes issued in 2005 through 2009 and their outstanding balance as of April 30, 2009 are as follows:

OUTSTANDING NOTES			
Tax Year	Year Issued	Notes Issued	Amount Outstanding
2005	2006	\$ 24,000,000	\$ -
2006	2007	29,000,000	-
2007	2008	34,000,000	19,000,000
2008	2009	36,000,000	36,000,000

Source: County of Kent

Kent County Employees' Retirement Plan

The County sponsors and administers the Kent County Employees' Retirement Plan (the "Plan"), a single-employer, defined benefit pension plan, which covers all employees of Kent County, except employees of the Road Commission and CMH Authority. The Plan was established and may be amended by the Kent County Board of Commissioners and is administered by the Kent County Employees' Retirement Plan Board. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. It is accounted for as a separate pension trust fund. Stand-alone financial reports are issued that includes financial statements and required supplementary information for the Plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information, which may be obtained from the County of Kent Human Resources Department, 300 Monroe Ave. N.W., Grand Rapids, MI 49503.

Summary of Significant Accounting Policies

The financial statements of the Kent County Employees' Retirement Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period which the contributions are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administration of the Plan is funded through the Plan's investment earnings.

Method Used to Value Investments

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Kent County Employees' Retirement Plan Board of Trustees, with the assistance of a valuation service.

Approximately 30% of the active membership may retire at age 60 with 5 years of service or 25 years of service regardless of age. All other members may retire at age 55 with 15 or more years of credited service. Members are vested after completing 5 years of credited service. For all members, annual regular retirement allowances are determined by multiplying total credited service times 2.5% times final average compensation, with a maximum County financed benefit of 75% of final average compensation. Final average compensation is determined based on the member's highest wages for three consecutive years during the last five years. Retirement options that provide for survivor benefits are available to members. The plan also provides death and disability benefits. If a member leaves employment or dies before vesting, accumulated member contributions are refunded to the member or designated beneficiary. Members who are vested and terminate their employment have the option of deferring retirement benefits until age 60 or withdrawing their contribution, thereby forfeiting any future benefits.

Funding Policy

The contribution requirements of Plan members are established and may be amended by the Board of Commissioners in accordance with County policies, union contracts, and Plan provisions. After meeting eligibility requirements, active Plan members are required to contribute to the Plan based on their bargaining unit or management group contribution rate. Member rates are either fixed at 6.5% of total salary or variable based on union contracts in place. The variable rate was 6.5% for 2008.

The County is required to contribute at actuarially determined rates expressed as a percentage of covered payroll. The County's contribution rate for the year ended December 31, 2008 was 5.95% of annual covered payroll.

The entry-age actuarial cost method is used to determine plan liabilities. Significant actuarial assumptions used in determining the entry-age actuarial accrued liability include (a) a rate of return on investments of 7% per year compounded annually (b) projected salary increases of 4% attributable to inflation and 0.2% to 5.1% per year depending on age attributable to seniority/merit. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis, with a remaining amortization period of 15 years.

During the year ended December 31, 2008, total contributions of \$11,983,905 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of December 31, 2006. The County contributed \$5,555,541 (5.95% of projected valuation payroll); employees contributed \$6,428,364. The County's contribution consisted of \$9,732,026 for normal cost (9.44% of projected valuation payroll) less \$4,176,485 amortization of the unfunded actuarial accrued liability (-3.49% of projected valuation payroll).

The County had initially contributed the annual required contributions ("ARC"), and thus, has never actually had, or had need to report, a net pension obligation ("NPO"), as required under GASB Statement No. 27.

Schedule of Funding Progress

Actuarial Valuation Date <u>12/31</u>	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded Actuarial Liability (UAL)	Funded Ratio	Covered Payroll	UAL as a Percentage of Covered Payroll
2008	\$581,527,770	\$554,945,546	\$ (26,582,224)	105%	\$93,308,014	-29%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Three-Year Trend Information

Years Ended <u>December 31,</u>	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2006	\$ 7,888,534	100%	\$ -
2007	8,671,388	100	-
2008	5,555,541	100	-

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of

funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The County administers a single-employer defined benefit healthcare plan (the "Plan") accounted for in the VEBA Trust Fund. In addition to the retirement benefits described in Note 17, the Plan provides health insurance benefits to certain retirees or their beneficiaries, which are advanced funded on an actuarial basis.

The County pays a monthly flat dollar subsidy for retirees ranging between \$250 and \$350 per month, depending upon the applicable employee group. In addition, the County provides an implicit subsidy due to having one premium based on a blended rate that treats current employees, retirees, eligible beneficiaries and dependents as one homogeneous group. The implicit subsidy is factored into the actuarial computation of the OPEB liability.

Basis of Accounting. The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Kent County Employees' Retirement Plan Board of Trustees, with the assistance of a valuation service.

Funding policy

The contribution requirements of the Plan members and the County are established and may be amended by the County Board of Commissioners, in accordance with County policies, union contracts, and Plan provisions. The Plan covers the Management Pay Plan, both exempt and non-exempt, elected officials, including judges and nine collective bargaining units. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined through the annual actuarial valuation. For the year ended December 31, 2008, the County contributed \$3,957,970, including cash contributions of \$2,811,116 and an implicit rate subsidy (which did not require cash) of \$1,146,854. Cash payments included \$587,837 for current premiums (approximately 30 percent of total premiums) and an additional \$2,223,279 to prefund benefits. Plan members receiving benefits contributed \$1,346,824, or approximately 70 percent of the total premiums.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the County's annual OPEB cost for the year, the amount

actually contributed to the Plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 3,957,970
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Net OPEB cost (expense)	<u>3,957,970</u>
Contributions made	<u>3,957,970</u>
Increase in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ -</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2008 and the two preceding years were as follows:

Three-Year Trend Information

<u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage</u> <u>of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
2007	\$ 4,641,464	100%	\$ -
2008	3,957,970	100%	-

The schedule of employer contributions, presented as required supplementary information (RSI) following the notes to the financial statements, presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the Plan was 10.9 percent funded. The actuarial accrued liability for benefits was \$38,377,399, and the actuarial value of assets was \$4,201,774, resulting in an unfunded actuarial accrued liability (UAAL) of \$34,175,625. The covered payroll (annual payroll of active employees covered by the Plan) was \$94,065,929, and the ratio of the UAAL to the covered payroll was 36.6 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of shortterm volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2006, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of 4 percent after ten years. Both rates included a 4.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was thirty years.

Fiscal Policy - Debt

I. POLICY

1. **Policy:** Kent County shall endeavor to maintain the highest possible credit ratings so borrowing costs are minimized and access to credit is preserved.
2. **Financial Planning and Overview:** Kent County shall demonstrate to rating agencies, investment bankers, creditors, and taxpayers that a prescribed financial plan is being followed. As part of this commitment, the Fiscal Services Department will annually prepare an overview of the County's General Fund financial condition for distribution to rating agencies and other interested parties.
- 3.

II. PRINCIPLES

1. **Statutory References:** The Kent County Board of Commissioners may establish rules and regulations in reference to managing the interests and business of the County under of Public Act 156 of 1851 [MCLA 46.11(m)].
 - 1.a. **Financing:** Various statutes, including but not limited to Public Act 34 of 2001, (The Revised Municipal Finance Act) [MCLA 141.2101 to 141.2821], as amended, Public Act 327 of 1945 (The Aeronautics Code) [MCLA 259 et seq.], as amended, and Public Act 94 of 1933 (The Revenue Bond Act) [MCLA 141.101-138], as amended, and PA 185 of 1957 [MCLA 123.731-786], as amended, enable the County to issue bonds, notes, and other certificates of indebtedness for specific purposes.
 - 1.b. **Debt Limit: Section 6 of Article 7 of the Michigan Constitution of 1963 states** "No County shall incur any indebtedness which shall increase its total debt beyond 10 percent of its assessed value."
 - 1.c. **Disclosures:** Effective July 3, 1995, the Securities and Exchange Commission (SEC) enacted amendments to Rule 15c2-12 requiring underwriters of municipal bonds to obtain certain representations from municipal bond issuers regarding disclosure of information after the issuance of bonds. The Rule also contains requirements for immediate disclosure of certain events by borrowers.
2. **County Legislative or Historical References:** Resolution 6-26-97-89, adopted by the Board of Commissioners on June 26, 1997, established rules and guidelines for managing

the financial interests of the County. Such a resolution has been adopted annually since 1987.

2.a. Conflicts: This document restates, clarifies, expands or alters the rules set forth in the Resolution 6-26-97-89. This Policy and the procedures promulgated under it supersede all previous regulations regarding County debt practices.

3. Operational Guidelines - General: Short-term borrowing to finance operating needs will not be used. Interim financing in anticipation of a definite, fixed source of revenue, such as property taxes, an authorized but unsold bond issue, or an awarded grant, is acceptable. Such tax, bond, or grant anticipation notes should not have maturities greater than three years.

4. Operational Guidelines - Additional: The County Administrator/Controller shall evaluate each proposed financing package and its impact on the County's credit worthiness, and report the evaluation to the Finance and Physical Resources Committee.

4.a. Evaluation Requirements: As part of the review process, the Finance and Physical Resources Committee shall review all aspects of the project and recommend to the Board of Commissioners the most appropriate structure of the debt. Options available include notes, installment contracts, industrial development bonds, general obligation bonds, limited tax general obligation bonds, and revenue bonds.

5. Exceptions: The Board of Commissioners, upon recommendation of the Finance and Physical Resources Committee, may consider requests to waive any requirement or guideline contained in this policy.

6. Implementation Authority: Upon adoption of this Statement of Policy and Principles, the Kent County Board of Commissioners authorizes the County Administrator/Controller to establish any standards and procedures which may be necessary for implementation.

7. Periodic Review: The County Administrator/Controller shall review this policy at least every two years and make any recommendations for changes to the Finance and Physical Resources Committee.

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Glossary

A

AAAWM: Area Agency on Aging of West Michigan

ACSET: Area Community Services & Employment Training

Accrual Basis: The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

Aeronautics Fund: A fund to account for the operation and maintenance of the Kent County Airport. Financing is provided primarily by user charges.

Agency Fund: A fund to account for money held by the County in trust for other local units of government and their political subdivisions as well as some receipts that are not initially allocated to individual funds. As required by accounting principles generally accepted in the United States of America (U. S. GAAP), all monies that accrue to the benefit of the County have been allocated to the appropriate funds within the financial statements. Any balance remaining in the Agency Fund is held in trust for other local units of government including any political subdivisions.

Amortization: To gradually write-off the cost or value.

Appropriation: An authorization by the Board of Commissioners which permits the County to incur obligations and to make expenditures of resources.

Audit: A comprehensive review of the financial operations of the County for that calendar year. The purpose of an audit is to express an opinion on the presentation of the financial statements. In addition, the internal controls over the safekeeping of the assets is tested and recommendations are made for improvements. The audit is performed by certified public accountants (CPA).

Assessed Value: The value placed on real and other property as a basis for levying taxes.

B

Balanced Budget: A budget in which expenditures will not exceed estimated revenues and/or available reserves.

BFI: Breastfeeding Initiative

Bond: A written promise to pay a specified sum of money, called the face value or principal, at specified dates, called maturity dates, together with periodic interest at a specified rate. The County incurs bonded debt to pay for the costs of capital improvements.

Bond Capital Improvement Fund: A fund to account for construction projects funded by bonds which currently includes various building and land acquisitions within Kent County.

Budget: A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period; a spending plan that balances revenues and expenditures over a fixed time period - usually a year - and that includes, at least by implication, a work plan.

Budget Adjustment: A procedure to revise a budget appropriation either by Board approval through the adoption of a supplemental appropriation resolution or by the Fiscal Services department's authorization to adjust appropriations within a departmental budget.

Budget Center: A grouping of departments' budgets that are combined to create a cost center for the reporting of revenues and expenses.

Budget Message: A written statement and financial overview of the County presented by the County Administrator.

Building Authority Construction Fund: A fund to account for construction projects of the Building Authority. Financing is provided by bonds, a dedicated millage and the general fund.

Building Authority Debt Service Fund: A fund to account for the retirement of debt related to projects of the Kent County Building Authority which currently includes the correctional facility, sheriff's administration building, courthouse and senior citizens building. Financing for the correctional

facility is provided by a dedicated tax millage paid by County property owners. Financing for the senior citizens building is through a lease with the Area Agency on Aging.

C

CAFR: Comprehensive Annual Financial Report

Capital Expenditure: An outlay for the construction or purchase of a facility that is expected to provide services over a considerable period of time.

Capital Improvements Program (CIP) Budget: A detailed list of capital spending appropriations to be made or incurred in accordance with the Capital Improvement Program from funds subject to the control of the Board of Commissioners; a plan for capital outlays to be incurred over the next six years to meet the capital needs of the County. The lists includes each contemplated project or outlay and specifies the resources or funding estimated to be available to finance them.

Capital Improvement Fund: A fund created to account for all resources to be used for the construction or acquisition of designated fixed assets by a governmental unit except those financed by special assessment, proprietary, or fiduciary funds.

Capital Project Funds: These funds were established to account for construction projects and general public improvements. Financing is provided by bond proceeds, interest income, and transfers from other funds.

CDBG: Community Development Block Grant

Child Care Funds: Funds to account for the care of neglected, abused and delinquent juveniles. Revenues are provided through state reimbursements and General Fund appropriations.

CIP: Capital Improvement Program; see Capital Improvements Program Budget.

CIPRC: Capital Improvement Program Review Committee

Community Development Fund: A fund to account for the improvement, rehabilitation and preservation of public facilities in target areas as well as the issuance and repayment of rehabilitation loans. Financing is provided by Community Development Block Grants and program income.

Component Unit Fund: A legally separate governmental unit for whom Kent County remains financially accountable or the nature of the relationship is such that exclusion from the budget would render the document misleading or incomplete.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Correction & Detention Facilities Fund: A fund to account for the proceeds of a dedicated millage levied to pay for operations and debt service related to the expansion of the correction and detention facilities.

D

Debt Service Fund: A fund used to finance and account for the payment of interest and principal on all general long-term debt.

Deficit: The excess of the liabilities of a fund over its assets; the excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

Delinquent Tax Revolving Fund: A fund to account for money advanced by the County to other local taxing units and various county funds to pay for their delinquent taxes. Revenues are generated by the collection of the delinquent taxes.

Depreciation: Expiration in the service life of fixed assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence; the portion of the cost of a fixed asset, other than a wasting asset, charged as an expense during a particular period.

DHS: Department of Human Services, formerly known as Family Independence Agency (FIA)

DMC: Disproportionate Minority Contacts

DPW: Department of Public Works

Drug Law Enforcement Fund: A fund to account for the receipt and expenditures of monies generated through application of various drug forfeiture laws.

DTAN: Delinquent Tax Anticipation Note

E

Encumbrance: Any commitment of funds against an appropriation. It may be in the form of a purchase order or contract. Encumbrance accounting is formally integrated into the accounting system for expenditure control purposes. Until the goods or services are received and become a liability, the commitment is referred to as an encumbrance.

Enterprise Fund: A fund established to account for operations financed and operated in a manner similar to private business enterprises (e.g., water, gas and electric utilities; airports; parking garages, or transit systems). In this case the governing body intends that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; a fund established because the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriated for capital maintenance, public policy, management control, accountability, or other purposes.

Expenditure: A decrease in net financial resources; the payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss. The expenditure categories include Personnel, Commodities, Contractual Services, Capital Outlay, Other, CIP and Transfers Out.

ERS: Electronic Reporting System

F

FEMA: Federal Emergency Management Agency

Fiduciary Fund: The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

FIA: Family Independence Agency - currently Department of Human Services (DHS)

Fire Prevention Fund: A fund to account for the acquisition of fire trucks for participating local units of government. Financing is provided by participating units and General Fund appropriations.

Fiscal Year: A twelve month period to which the Operating Budget applies and at the end of which the County determines its financial position and results of operation. Kent County's fiscal year is the

calendar year.

Fixed Asset: Long-lived tangible asset obtained or controlled as a result of past transactions, events, or circumstances. Fixed assets include buildings, equipment, improvements other than buildings and land.

FOC: Friend of the Court

Friend of the Court Fund: A fund to account for revenues and expenditures of the Friend of the Court office required in the 1982 Public Acts 294, 295, 296, 297, and 298.

FTE: Full-time Equivalent position. A full or part-time position converted to a decimal equivalent of a full-time position based on 2,080 hours per year (40 hours per week).

Fund: A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance: The excess of the assets of a fund over its liabilities, reserves and carryover.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

G

GAAP: Generally Accepted Accounting Principals. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principals.

GASB: Governmental Accounting Standards Board. The authoritative accounting and financial reporting entity that also interprets the financial transactions of governments.

General Fixed Assets Group: A self-balancing group of accounts established to account for fixed assets of a government not accounted for through specific proprietary funds or trust funds.

General Fund: The fund used to account for all financial resources, except those required to be accounted for in another fund.

GFIA: Gerald R. Ford International Airport

GFOA: Government Finance Officers Association

GIS: Geographic Information System

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. They distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, health and welfare, cultural and recreational, and judicial. The business-type activities of the County include the Gerald R. Ford International Airport and the Delinquent Tax Revolving Fund. In addition, they include not only the County itself (known as primary government), but also legally separate entities such as the Department of Human Services, Department of Public Works, Road Commission, Drainage Districts, and Mental Health Authority, for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Governmental Funds: Funds used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Grants: A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending on the grantee.

H

Headlee Amendment: A 1978 Amendment to the Michigan State Constitution limiting property tax rate increases without voter approval. Headlee requires that tax rates be "rolled back" if the increase in a taxing unit's equalized valuation (excluding changes from new construction, improvements and losses) is greater than the rate of inflation. Headlee also requires the State to appropriate necessary funds to local units for any new state-required services and prohibits the State from reducing the State share of existing required services.

Health Fund: A fund to account for special revenue set aside for the purpose of providing health protection for the citizens of Kent County. Revenues are provided through state and federal grants and General Fund appropriations.

HHW: Household Hazardous Waste

HMO: Health Maintenance Organization

Housing Commission Fund: A fund to account for the development of viable urban and rural communities by providing decent housing, a suitable living environment, and expanding economic opportunities principally for persons of low and moderate income. Funding is provided by the federal government, the state, and the Community Development Block Grant (CDBG).

HUD: Housing and Urban Development

I

Indirect Cost: A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Interfund Transfers: The movement of monies between funds of the same governmental entity.

Intergovernmental Revenue: Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Fund: A fund used to account for the financing of goods and services provided by one department or agency to other departments or agencies for a government, or to other governments, on a cost-reimbursement basis.

IT: Information Technology

J

JABG: Juvenile Accountability Block Grant

JBZG: John Ball Zoological Garden

L

Lodging Excise Tax Fund: A fund to account for expenditures incurred in promoting Kent County and maintaining, acquiring or constructing its public convention and entertainment facilities. Revenues are provided by the excise tax on transient room rentals.

Long-term Debt: Debt with a maturity of more than one year after the date of issue.

LTGO: Long-Term General Obligation

M

MCIR: Michigan Childhood Immunization Registry

MCL: Michigan Compiled Law

MCLA: Michigan Compiled Law Annotated

MIHP: The Maternal Infant Health Program provides nursing, nutrition, and social work intervention to Medicaid eligible pregnant women, infants and children considered at risk. Program services are home based and include: comprehensive psycho social and nutritional assessment; care coordination; professional intervention by a multi-disciplinary team; transportation arrangement; and referrals to community services. These families are also eligible to receive childbirth education and/or parenting education classes.

Mill: The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property value.

Mental Health Fund: A fund to account for special revenue set aside for the purpose of providing mental health services to the citizens of Kent County. Revenues are provided through state and federal grants, charges for services and General Fund appropriations. A separate authority was created in

April of 2003 and all assets were transferred to this independent agency.

Modified Accrual Basis: The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both “measurable” and “available to finance expenditures of the current period.” “Available” means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

Moratorium: A waiting period set by an authority or a suspension of activity as in the case of the County’s moratorium on adding new positions that require a General Fund appropriation.

MSU: Michigan State University

N

NFP: The Nurse Family Partnership is a home-visiting national program to address infant mortality.

NIMS: National Incident Management System

NKTS: North Kent Transfer Station

NPDES: National Pollutant Discharge Elimination System

O

Obligations: Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

OBRC: Operating Budget Review Committee

Operating Revenue: Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Operating Expenses: The cost for personnel,

materials and equipment required for a department to function.

P

PA: Public Act

Parks Fund: A fund to account for the operation, maintenance, and capital acquisition/improvement at the County parks and golf-course system. In 2006 and beyond, the Parks operation and maintenance will be accounted for in the General Fund.

PBX: Private Branch Exchange

Performance Measure: Data collected to determine how effective or efficient a program is in achieving its objectives.

Performance Measurement Review Team: A six-member team made up of individuals from the Administrator's Office, the Budget Department and at least one other County department. The purpose of the team is to meet with departments to review their Performance Measurement program, brainstorm ideas and improvements, and make recommendations to the Finance and Physical Resources Committee. Widely known in Kent County as PMRT.

Personnel Services: Expenditures for salaries, wages, and fringe benefits of a government's employees.

PPO: Preferred Provider Organization

PRC: Personnel Review Committee

Program: A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the governmental unit is responsible.

Proprietary Fund: Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position. However, where the GASB has issued pronouncements applicable to

those entities and activities, they should be guided by these pronouncements.

Public Works Fund: A fund to account for the operation and maintenance of the Kent County Public Works. Financing is provided primarily by charges for services.

R

Register of Deeds Automation Fund: A fund to account for the levying of a fee that is specifically earmarked for upgrading technology in the Register of Deeds office. State statute requires that until December 31, 2006, the Register of Deeds shall deposit \$5 for each document recorded into the automation fund, which must be a separate fund and subject to a Board appropriation.

Remonumentation Program: This program is responsible for determining the location of, and reestablishing markers on, the government corners located within the County.

Reserve: An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Reserved Fund Balance: Those portions of fund balance that are not appropriable for expenditure or that are legally segregated for a specific future use.

Resolution: A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources: Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue: Sources of income financing the operations of government.

Revenue Sharing Reserve Fund: A fund created in accordance with Public Act 357 of 2004 to serve as a substitute for State revenue sharing payments to counties. Revenues are to be provided by a set-aside of certain local general property taxes levied in 2004 through 2006 inclusive.

RFP: Request for Proposal

Risk Management and Benefits Fund: A fund to account for claims related to public liability, workers'

compensation, dental benefits and other County insurance programs. The County is self-insured and finances its insurance payments by billing other funds for their respective share.

S

S & P: Standard & Poor's

SCAO: State Court Administrator's Office

SEV: State Equalized Value

Self-insurance: A term used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

Senior Millage Fund: A fund to account for the proceeds of a dedicated millage levied to plan, coordinate, and provide services to persons 60 years of age or older.

SHSG: State Homeland Security Grant

SKL: South Kent Landfill

Social Welfare Fund: A fund to account for the administration of various human service programs. County statute requires that the County Treasurer serve as the custodian of all funds provided for the use of the Family Independence Agency (FIA). In this case, the County simply serves as a pass-through with respect to state and federal funds for FIA operations, maintaining the funds and records as required by the State. The County also appropriates, at its discretion, funding to maintain and administer various welfare services within the County, including hospitalization, community-based organization funding and client support programs.

Special Project Funds: A fund to account for the expenditures and revenues of the various activities financed primarily by restricted grants, funded by the state and federal government. Project lengths vary from one year to annually renewable.

Special Revenue Fund: A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified

purposes. GAAP only requires the use of special revenue funds when legally mandated.

STV: State Taxable Value

T

Taxes: Compulsory charges levied by a government for the purpose of financing the services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Title IV-D Grant: Funding provided to the Friend of the Court, by the Michigan Family Independence Agency, to operate a Cooperative Reimbursement Program designed to establish paternity as well as to secure and enforce support orders.

Transfers: Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Trust and Agency Fund: A special fund, administered by the County as trustee, consisting of resources to be expended or invested under the terms and conditions of the trust.

U

Unreserved Fund Balance: The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

USDA: United States Department of Agriculture

Use of Fund Balance: This is the use of fund equity that is available for appropriation to balance the budget.

V

VA: Veteran's Association

Veterans' Trust Fund: A fund to account for state grants received for the purpose of financially assisting qualified veterans.

W

WIC: Women, Infants and Children

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