

# Appendix



The Ottawa County Board of Commissioners

Grand Haven, Michigan

RESOLUTION TO APPROVE 2015 OPERATING BUDGET

At a meeting of the Board of Commissioners of the County of Ottawa, Ottawa County, Michigan, held at the Ottawa County Administrative Annex, Olive Township, Michigan, in said County on September 23, 2014, at 1:30 p.m. local time.

PRESENT: Members – Visser, Baumann, Disselkoen, Dannenberg, Holtrop, Van Dam, Holtvluwer, DeJong, Bergman, Fenske. (10)

ABSENT: Member – Kuyers. (1)

The following preamble and resolution were offered by Disselkoen and supported by Bergman:

WHEREAS, this resolution is known as the FY 2015 General Appropriations Act;  
and

WHEREAS, pursuant to State law, notice of a public hearing on the proposed budget was published in a newspaper on general circulation on September 1, 2014, and a public hearing on the proposed budget was held on September 9, 2014; and

WHEREAS, the Ottawa County voters authorized .3165 mills for Park development, expansion, and maintenance; and

WHEREAS, the Board of Commissioners will authorize, in May 2015, 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, this County Board of Commissioners through its Finance and Administration Committee, has reviewed the recommended budget in detail; and

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

Fund	Sources		Appropriations
	Revenue	Reserves	
Primary Government:			
General Fund	\$ 68,534,907	\$ 1,026,062	\$ 69,560,969
Special Revenue Funds	\$ 75,463,730	\$ 138,540	\$ 75,602,270
Debt Service Fund	\$ 2,584,269		\$ 2,584,269
Capital Project Funds	\$ 525,875	\$ 2,522,349	\$ 3,048,224
Permanent Fund	\$ 23	\$ (23)	
Total Primary Government	\$ 147,108,804	\$ 3,686,928	\$ 150,795,732
Water Resources Component Unit	\$ 1,676,437	\$ 3,734,741	\$ 5,411,178



NOW, THEREFORE, BE IT RESOLVED that the Ottawa County Board of Commissioners hereby adopts the FY2015 Appropriations Act as the official budget for FY2015; and

BE IT FURTHER RESOLVED, that the 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 Ottawa County Board adopts the FY2015 budgets for the various governmental funds by department or activity per the attached schedule; and

BE IT FURTHER RESOLVED, pursuant to the Uniform Budget and Accounting Act, the County Administrator may approve and execute transfers between appropriations up to \$50,000 without prior approval of the Board.

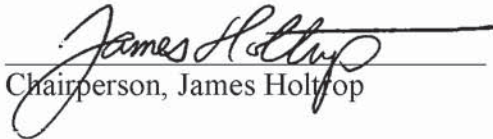
FURTHER BE IT RESOLVED THAT all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

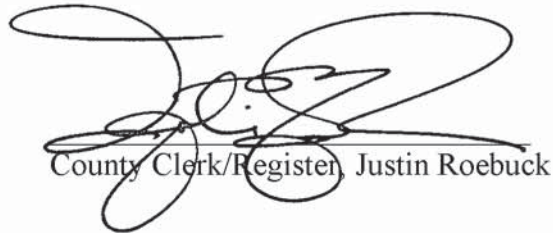
YEAS: Members – Disselkoen, Fenske, DeJong, Visser, Van Dam, Dannenberg, Bergman, Holtvluwer, Baumann, Holtrop. (1)

NAYS: Members – None

ABSTAIN: Members – None

RESOLUTION DECLARED ADOPTED.

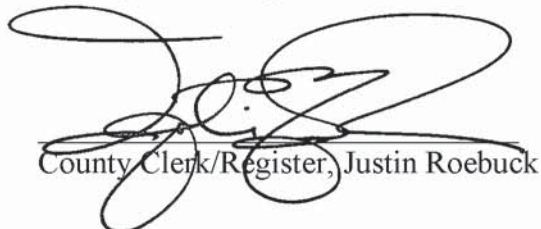
  
Chairperson, James Holtrop

  
County Clerk/Register, Justin Roebuck

Certification

I, the undersigned, duly qualified Clerk of the County of Ottawa, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners of the County of Ottawa, Michigan, at a meeting held on September 23, 2014, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended.

IN WITNESS WHEREOF, I have hereto affixed my official signature this 23<sup>rd</sup> day of September, A.D., 2014.

  
County Clerk/Register, Justin Roebuck

**SPECIAL REVENUE FUNDS**

**2015 PROPOSED BUDGET  
DETAIL BY FUND OF  
SOURCE AND ACTIVITY**

	General Fund	Parks & Recreation	Friend of the Court	Other Governmental Grants	Health
Fund Balance	1010	2081	2160	2180	2210
	(\$1,026,062)	\$426,682			(\$200,000)
<b>SOURCES:</b>					
Taxes	\$40,799,014	\$3,081,000			
Intergovernmental Revenue	\$9,321,533	\$152,600	\$2,646,351	\$536,632	\$4,007,244
Charges for Services	\$13,220,182	\$468,500	\$225,450	\$50,000	\$889,510
Fines & Forfeits	\$79,400				
Interest on Investments	\$48,360	\$40,850			
Rental Income	\$2,866,747	\$15,750			
Licenses & Permits	\$383,400				\$751,023
Other	\$691,271	\$224,400			\$174,302
Operating Transfers In	\$1,125,000		\$885,091	\$60,205	\$3,394,719
Bond Proceeds					
Proceeds from Refunding Bonds					
Total Revenue	\$68,534,907	\$3,983,100	\$3,756,892	\$646,837	\$9,216,798

**SPECIAL REVENUE FUNDS**

**2015 PROPOSED BUDGET  
DETAIL BY FUND OF  
SOURCE AND ACTIVITY**

**ACTIVITIES:**

Expenditures

Legislative	General Fund	1010			
			\$464,823		
Judicial			\$12,664,327		
General Government			\$17,632,111		
Public Safety			\$25,656,789		
Public Works			\$90,000		
Health & Welfare			\$1,237,077		
Culture & Recreation					
Community & Economic Development			\$906,589		
Other Government Functions			\$719,005		
Capital Projects					
Debt Service			\$553,355		
Operating Transfers Out			\$9,636,893		
			\$69,560,969		
Total Appropriations					
Revenue Over (Under)					
Expenditures			(\$1,026,062)		

	Parks & Recreation	Friend of the Court	Other Governmental Grants	Health
	2081	2160	2180	2210
		\$3,756,892	\$409,268	
			\$157,569	\$9,416,798
			\$80,000	
	\$3,556,418			
	\$3,556,418	\$3,756,892	\$646,837	\$9,416,798
	\$426,682			(\$200,000)

**SPECIAL REVENUE FUNDS**

**2015 PROPOSED BUDGET  
DETAIL BY FUND OF  
SOURCE AND ACTIVITY**

	Mental Health	Substance User Disorder	Solid Waste Clean - Up	Landfill Tipping Fees	Farmland Preservation	Brownfield Redevelopment Authority
Fund Balance	2220	2225	2271	2272	2340	2430
			(\$275,353)	(\$79,418)	(\$200)	(\$23)
<b>SOURCES:</b>						
Revenue						
Taxes						\$762
Intergovernmental Revenue	\$37,338,505	\$1,141,857		\$28,000		\$133,333
Charges for Services	\$537,530			\$320,000		
Fines & Forfeits						
Interest on Investments	\$1,000		\$6,128			
Rental Income						
Licenses & Permits						
Other	\$227,347			\$30,350		
Operating Transfers In	\$563,108					
Bond Proceeds						
Proceeds from Refunding Bonds						
Total Revenue	\$38,667,490	\$1,141,857	\$6,128	\$378,350		\$134,095

**SPECIAL REVENUE FUNDS**

**2015 PROPOSED BUDGET  
DETAIL BY FUND OF  
SOURCE AND ACTIVITY**

	Mental Health	Substance User Disorder	Solid Waste Clean - Up	Landfill Tipping Fees	Farmland Preservation	Brownfield Redevelopment Authority
	2220	2225	2271	2272	2340	2430
<b>ACTIVITIES:</b>						
Expenditures						
Legislative						
Judicial						
General Government						
Public Safety						
Public Works			\$281,481	\$457,768		
Health & Welfare	\$38,667,490	\$1,141,857				
Culture & Recreation						
Community & Economic Development					\$200	\$134,118
Other Government Functions						
Capital Projects						
Debt Service						
Operating Transfers Out						
Total Appropriations	\$38,667,490	\$1,141,857	\$281,481	\$457,768	\$200	\$134,118
Revenue Over (Under)			(\$275,353)	(\$79,418)	(\$200)	(\$23)
Expenditures						

**SPECIAL REVENUE FUNDS**

**2015 PROPOSED BUDGET  
DETAIL BY FUND OF  
SOURCE AND ACTIVITY**

	Infra-structure	Public Improvement	Homestead Property Tax	Register of Deeds Automation Fund	Stabil-ization	Sheriff Grants & Contracts
	2444	2450	2550	2560	2570	2630
Fund Balance	(\$121,279)		\$399	\$51,044		
<b>SOURCES:</b>						
Revenue						
Taxes			\$2,000			
Intergovernmental Revenue						\$7,606,277
Charges for Services				\$250,000		
Fines & Forfeits						
Interest on Investments	\$3,721		(\$50)	\$745		
Rental Income						
Licenses & Permits						\$98,380
Other						\$559,154
Operating Transfers In						
Bond Proceeds						
Proceeds from Refunding Bonds						
Total Revenue	\$3,721		\$1,950	\$250,745		\$8,263,811



**SPECIAL REVENUE FUNDS**

**2015 PROPOSED BUDGET  
DETAIL BY FUND OF  
SOURCE AND ACTIVITY**

ACTIVITIES:	Infra-structure	Public Improvement	Homestead Property Tax	Register of Deeds Automation Fund	Stabil-ization	Sheriff Grants & Contracts
Expenditures	2444	2450	2550	2560	2570	2630
Legislative						
Judicial						
General Government			\$1,551	\$199,701		
Public Safety						\$8,263,811
Public Works						
Health & Welfare						
Culture & Recreation						
Community & Economic Development						
Other Government Functions						
Capital Projects						
Debt Service						
Operating Transfers Out	\$125,000					
Total Appropriations	\$125,000		\$1,551	\$199,701		\$8,263,811
Revenue Over (Under)			\$399	\$51,044		
Expenditures	(\$121,279)					

**SPECIAL REVENUE FUNDS**

**2015 PROPOSED BUDGET  
DETAIL BY FUND OF  
SOURCE AND ACTIVITY**

	Michigan Works 2745	Community Action Agency 2746	Department of Human Services 2901	Child Care Circuit Court 2920	DB/DC Conversion 2970	Compensated Absences 2980
Fund Balance					\$6,680	\$52,928
<b>SOURCES:</b>						
Revenue						
Taxes						
Intergovernmental Revenue				\$4,129,569		\$75,000
Charges for Services						
Fines & Forfeits						
Interest on Investments					\$6,680	\$5,091
Rental Income						
Licenses & Permits						
Other				\$621,000		
Operating Transfers In			\$44,547	\$4,130,069		
Bond Proceeds						
Proceeds from Refunding Bonds						
Total Revenue			\$44,547	\$8,880,638	\$6,680	\$80,091

**SPECIAL REVENUE FUNDS**

**2015 PROPOSED BUDGET  
DETAIL BY FUND OF  
SOURCE AND ACTIVITY**

**ACTIVITIES:**

	Michigan Works 2745	Community Action Agency 2746	Department of Human Services 2901	Child Care Circuit Court 2920	DB/DC Conversion 2970	Compensated Absences 2980
Expenditures						
Legislative						
Judicial						\$27,163
General Government						
Public Safety						
Public Works						
Health & Welfare			\$44,547	\$8,880,638		
Culture & Recreation						
Community & Economic Development						
Other Government Functions						
Capital Projects						
Debt Service						
Operating Transfers Out						
Total Appropriations			\$44,547	\$8,880,638		\$27,163
Revenue Over (Under)					\$6,680	\$52,928
Expenditures						

**DEBT SERVICE FUND      CAPITAL PROJECTS FUND      CAPITAL PROJECTS FUND      PERMANENT FUND**

	Total Special Revenue	Total Debt Service	Total QEC Bonds	Total CIP Project	Total Permanent Fund	Total All Funds
Fund Balance	(\$138,540)		(\$498,454)	(\$2,023,895)	\$23	(\$3,686,928)
<b>SOURCES:</b>						
Revenue						
Taxes	\$3,083,762					\$43,882,776
Intergovernmental Revenue	\$57,720,368			\$515,613		\$67,557,514
Charges for Services	\$2,815,990					\$16,036,172
Fines & Forfeits						\$79,400
Interest on Investments	\$64,165				\$262	\$122,810
Rental Income	\$15,750	\$1,818,944				\$4,701,441
Licenses & Permits	\$751,023					\$1,134,423
Other	\$1,375,779					\$2,067,050
Operating Transfers In	\$9,636,893	\$765,325				\$11,527,218
Bond Proceeds						
Proceeds from Refunding Bonds						
<b>Total Revenue</b>	<b>\$75,463,730</b>	<b>\$2,584,269</b>	<b>\$262</b>	<b>\$525,613</b>	<b>\$23</b>	<b>\$147,108,804</b>

**Primary Government**

**2015 PROPOSED BUDGET  
DETAIL BY FUND OF  
SOURCE AND ACTIVITY**

**SOURCES:**

Revenue	
Taxes	
Intergovernmental Revenue	
Charges for Services	
Fines & Forfeits	
Interest on Investments	
Rental Income	
Licenses & Permits	
Other	
Operating Transfers In	
Bond Proceeds	
Proceeds from Refunding Bonds	
Total Revenue	

**DEBT SERVICE FUND      CAPITAL PROJECTS FUND      CAPITAL PROJECTS FUND      PERMANENT FUND**

**Primary Government**

	Total Special Revenue	Total Debt Service	Total QEC Bonds	Total CIP Project	Total Permanent Fund	Total All Funds
Legislative						\$464,823
Judicial	\$4,166,160					\$16,830,487
General Government	\$228,415					\$17,860,526
Public Safety	\$8,263,811					\$33,920,600
Public Works	\$896,818					\$986,818
Health & Welfare	\$58,231,330					\$59,468,407
Community & Economic Development	\$3,556,418					\$3,556,418
Other Government Functions	\$134,318					\$1,040,907
Capital Projects				\$2,359,183		\$719,005
Debt Service		\$2,584,269	\$498,716			\$2,857,899
Operating Transfers Out	\$125,000			\$190,325		\$3,137,624
	\$75,602,270	\$2,584,269	\$498,716	\$2,549,508		\$150,795,732
Revenue Over (Under)						
Expenditures	(\$138,540)		(\$498,454)	(\$2,023,895)	\$23	(\$3,686,928)

**2015 PROPOSED BUDGET  
DETAIL BY FUND OF  
SOURCE AND ACTIVITY**

**ACTIVITIES:**

Expenditures

- Legislative
- Judicial
- General Government
- Public Safety
- Public Works
- Health & Welfare
- Community & Economic Development
- Other Government Functions
- Capital Projects
- Debt Service
- Operating Transfers Out
- Total Appropriations
- Revenue Over (Under)
- Expenditures



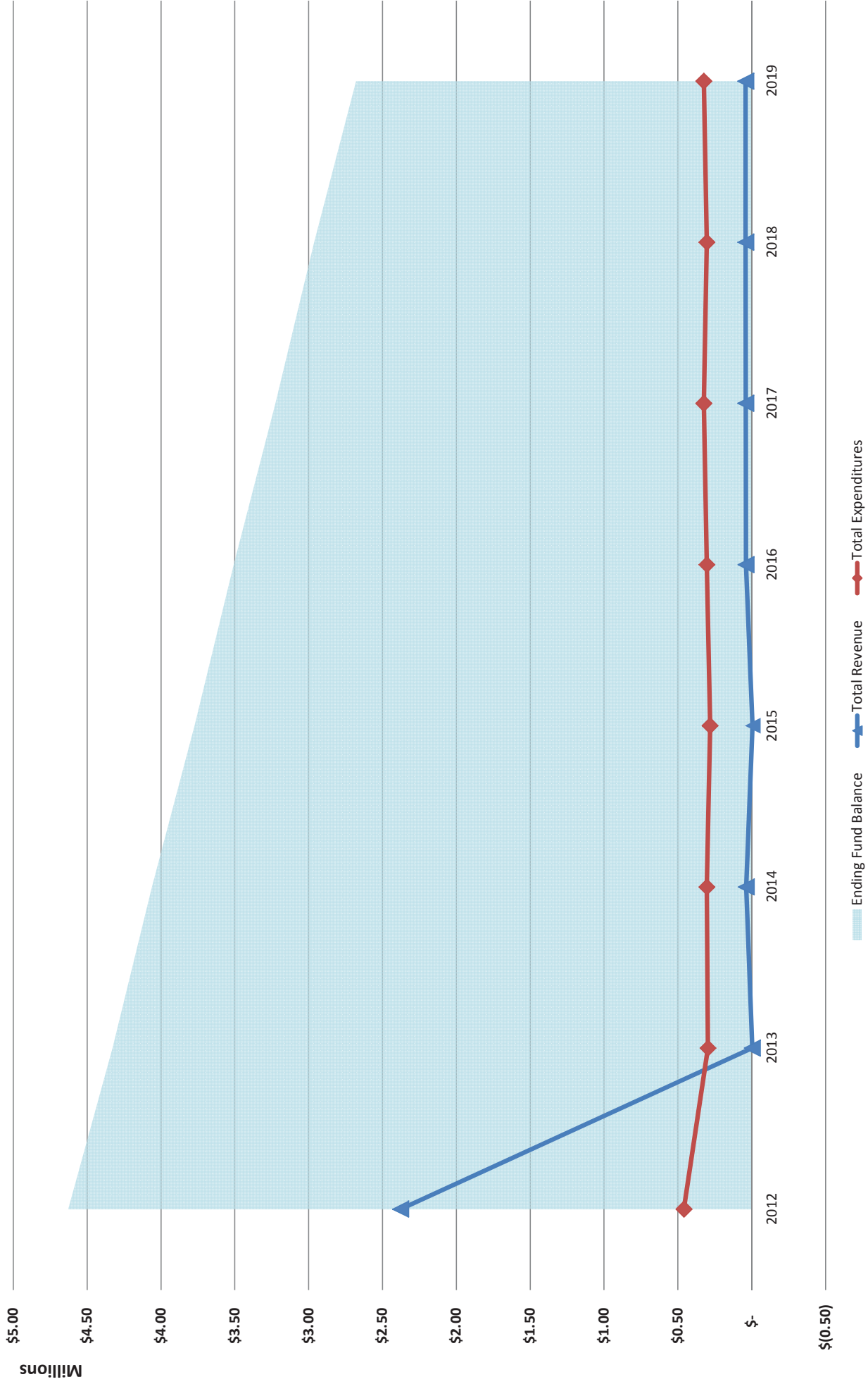
**County of Ottawa**  
**Financing Tools**  
**2271 - Solid Waste Clean-up**

<b>Revenue Summary</b>		2012	2013	2014	2015	2016	2017	2018	2019
	Actuals	Actuals	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Interest on Investments	\$ 37,156.00	\$ (4,434.00)	\$ 36,895.00	\$ (6,128.00)	\$ 38,863.00	\$ 41,043.00	\$ 41,280.00	\$ 41,472.00	\$ 41,472.00
Other Revenue	\$ 2,340,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 2,377,156.00</b>	<b>\$ (4,434.00)</b>	<b>\$ 36,895.00</b>	<b>\$ (6,128.00)</b>	<b>\$ 38,863.00</b>	<b>\$ 41,043.00</b>	<b>\$ 41,280.00</b>	<b>\$ 41,472.00</b>	<b>\$ 41,472.00</b>

<b>Expenditure Summary</b>		2012	2013	2014	2015	2016	2017	2018	2019
	Actuals	Actuals	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Landfill Clean-up	\$ 418,468.00	\$ 296,436.00	\$ 284,000.00	\$ 281,481.00	\$ 304,000.00	\$ 324,000.00	\$ 304,000.00	\$ 304,000.00	\$ 324,000.00
Transfer Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures	\$ 40,607.00	\$ -	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 459,075.00</b>	<b>\$ 296,436.00</b>	<b>\$ 304,000.00</b>	<b>\$ 281,481.00</b>	<b>\$ 304,000.00</b>	<b>\$ 324,000.00</b>	<b>\$ 304,000.00</b>	<b>\$ 304,000.00</b>	<b>\$ 324,000.00</b>

<b>Fund Balance Summary</b>		2012	2013	2014	2015	2016	2017	2018	2019
	Actuals	Actuals	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Beginning Fund Balance	\$ 2,710,567.00	\$ 4,628,648.00	\$ 4,327,778.00	\$ 4,060,673.00	\$ 3,773,064.00	\$ 3,507,927.00	\$ 3,224,970.00	\$ 2,962,250.00	\$ 2,962,250.00
Total Revenue	\$ 2,377,156.00	\$ (4,434.00)	\$ 36,895.00	\$ (6,128.00)	\$ 38,863.00	\$ 41,043.00	\$ 41,280.00	\$ 41,472.00	\$ 41,472.00
Total Expenditures	\$ 459,075.00	\$ 296,436.00	\$ 304,000.00	\$ 281,481.00	\$ 304,000.00	\$ 324,000.00	\$ 304,000.00	\$ 304,000.00	\$ 324,000.00
Revenue Over/Under	\$ 1,918,081.00	\$ (300,870.00)	\$ (267,105.00)	\$ (287,609.00)	\$ (265,137.00)	\$ (282,957.00)	\$ (262,720.00)	\$ (282,528.00)	\$ (282,528.00)
<b>Ending Fund Balance</b>	<b>\$ 4,628,648.00</b>	<b>\$ 4,327,778.00</b>	<b>\$ 4,060,673.00</b>	<b>\$ 3,773,064.00</b>	<b>\$ 3,507,927.00</b>	<b>\$ 3,224,970.00</b>	<b>\$ 2,962,250.00</b>	<b>\$ 2,679,722.00</b>	<b>\$ 2,679,722.00</b>

## 2271 - Solid Waste Clean-up



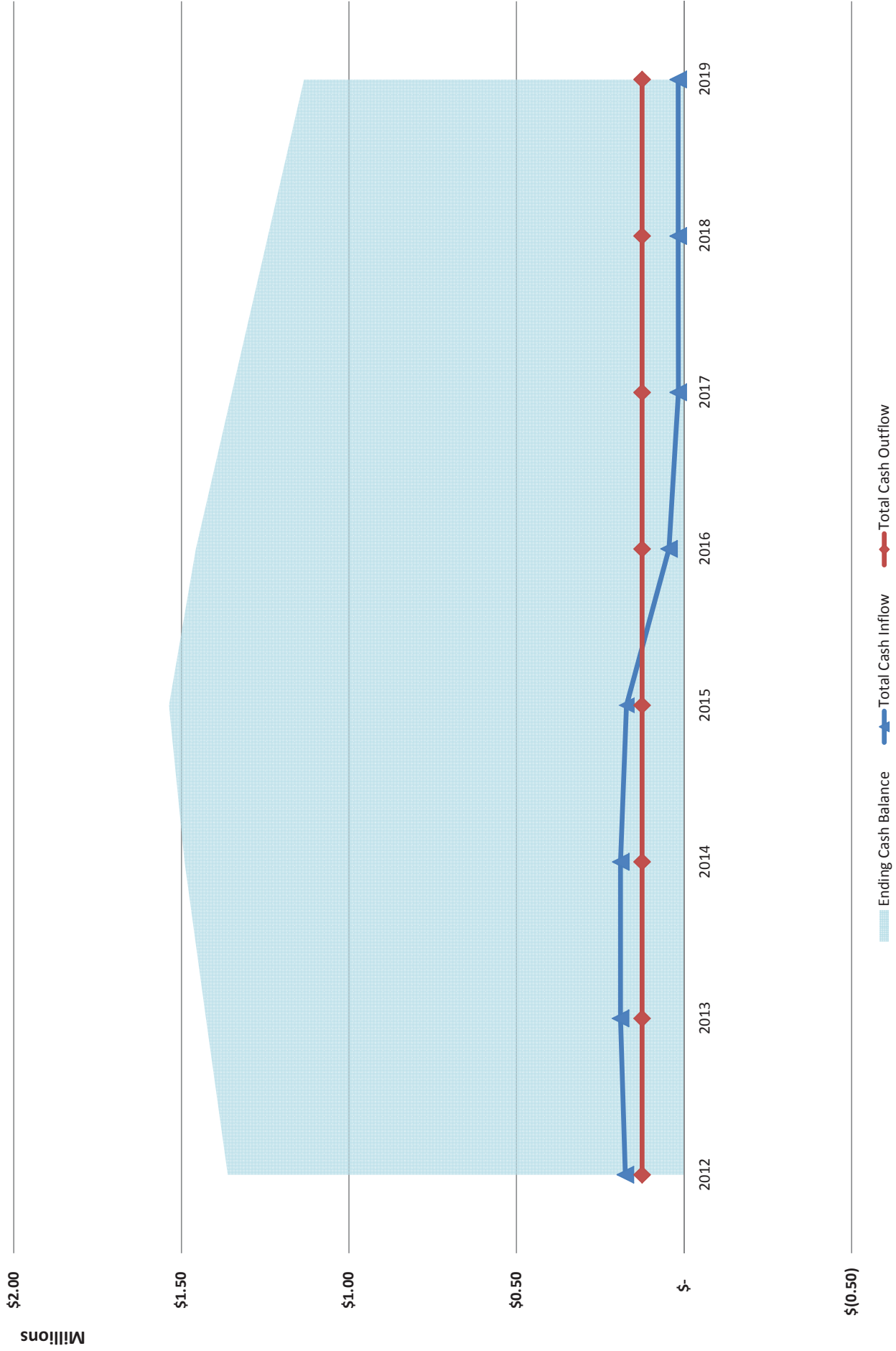
## County of Ottawa 2444 - Infrastructure

Cash Inflow Summary		2012	2013	2014	2015	2016	2017	2018	2019
	Actuals	Actuals	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Loan Repayments	\$ 158,842.00	\$ 177,189.00	\$ 168,016.00	\$ 168,016.00	\$ 28,968.00	\$ -	\$ -	\$ -	\$ -
Interest on Investments	\$ 16,331.00	\$ 12,637.00	\$ 21,263.00	\$ 3,721.00	\$ 15,835.00	\$ 17,049.00	\$ 17,270.00	\$ 17,270.00	\$ 17,381.00
Transfer from the Project Portion									
Operating Transfers - General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Cash Inflow</b>	<b>\$ 175,173.00</b>	<b>\$ 189,826.00</b>	<b>\$ 189,279.00</b>	<b>\$ 171,737.00</b>	<b>\$ 44,803.00</b>	<b>\$ 17,049.00</b>	<b>\$ 17,270.00</b>	<b>\$ 17,270.00</b>	<b>\$ 17,381.00</b>

Cash Outflow Summary		2012	2013	2014	2015	2016	2017	2018	2019
	Actuals	Actuals	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Land & Land Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building & Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other/Consultant									
Debt Service	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00
<b>Total Cash Outflow</b>	<b>\$ 125,000.00</b>	<b>\$ 125,000.00</b>	<b>\$ 125,000.00</b>	<b>\$ 125,000.00</b>	<b>\$ 125,000.00</b>	<b>\$ 125,000.00</b>	<b>\$ 125,000.00</b>	<b>\$ 125,000.00</b>	<b>\$ 125,000.00</b>

Cash Balance Summary		2012	2013	2014	2015	2016	2017	2018	2019
	Actuals	Actuals	Budget	Budget	Budget	Projected	Projected	Projected	Projected
Beginning Cash Balance	\$ 1,311,353.00	\$ 1,361,526.00	\$ 1,426,352.00	\$ 1,490,631.00	\$ 1,537,368.00	\$ 1,457,171.00	\$ 1,349,220.00	\$ 1,241,490.00	\$ 1,241,490.00
Total Cash Inflow	\$ 175,173.00	\$ 189,826.00	\$ 189,279.00	\$ 171,737.00	\$ 44,803.00	\$ 17,049.00	\$ 17,270.00	\$ 17,270.00	\$ 17,381.00
Total Cash Outflow	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00
Inflow Over/Under	\$ 50,173.00	\$ 64,826.00	\$ 64,279.00	\$ 46,737.00	\$ (80,197.00)	\$ (107,951.00)	\$ (107,730.00)	\$ (107,730.00)	\$ (107,619.00)
<b>Ending Cash Balance</b>	<b>\$ 1,361,526.00</b>	<b>\$ 1,426,352.00</b>	<b>\$ 1,490,631.00</b>	<b>\$ 1,537,368.00</b>	<b>\$ 1,457,171.00</b>	<b>\$ 1,349,220.00</b>	<b>\$ 1,241,490.00</b>	<b>\$ 1,241,490.00</b>	<b>\$ 1,133,871.00</b>

## 2444 - Infrastructure



**County of Ottawa**  
**Financing Tools**  
**5160 - Delinquent Tax Revolving Fund**

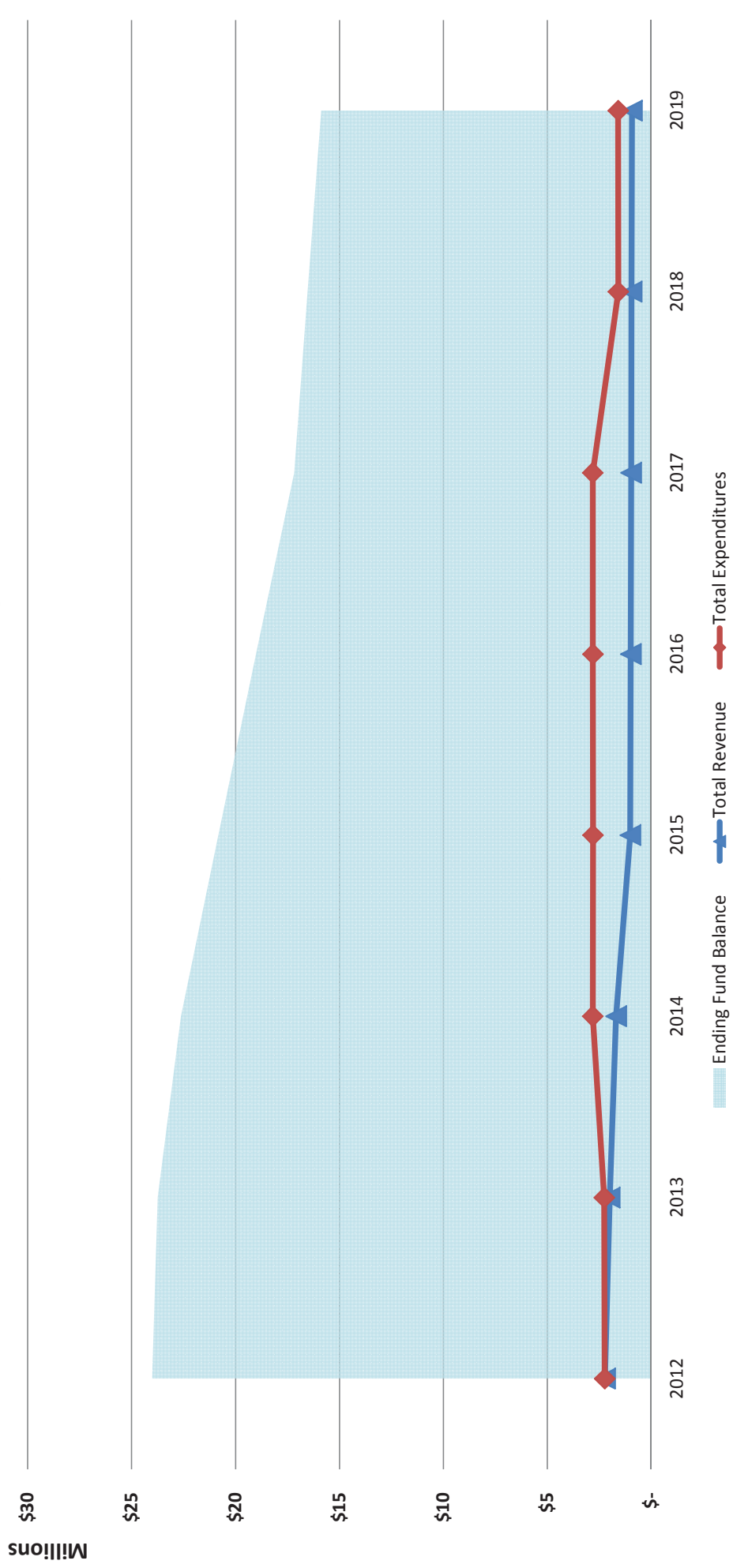
Revenue Summary	2012	2013	2014	2015	2016	2017	2018	2019
	Actuals	Actuals	Estimate	Budget	Projected	Projected	Projected	Projected
Operating Revenue	\$ 1,788,556.00	\$ 1,169,824.25	\$ 1,190,634.00	\$ 843,639.00	\$ 826,766.00	\$ 810,231.00	\$ 794,025.00	\$ 778,145.00
Forfeiture Revenue	\$ 273,321.00	\$ 845,280.24	\$ 492,453.00	\$ 139,625.00	\$ 136,833.00	\$ 134,096.00	\$ 131,413.00	\$ 128,786.00
Non-operating Revenue	\$ 162,500.00	\$ (13,455.08)	\$ 6,023.00	\$ 25,500.00	\$ 24,990.00	\$ 24,490.00	\$ 24,000.00	\$ 23,521.00
<b>Total Revenue</b>	<b>\$ 2,224,377.00</b>	<b>\$ 2,001,649.41</b>	<b>\$ 1,689,110.00</b>	<b>\$ 1,008,764.00</b>	<b>\$ 988,589.00</b>	<b>\$ 968,817.00</b>	<b>\$ 949,438.00</b>	<b>\$ 930,452.00</b>

Expenditure Summary	2012	2013	2014	2015	2016	2017	2018	2019
	Actuals	Actuals	Estimate	Budget	Projected	Projected	Projected	Projected
Forfeiture Expenditures	\$ 187,636.00	\$ 216,300.67	\$ 213,930.00	\$ 211,558.00	\$ 213,622.00	\$ 215,727.00	\$ 217,874.00	\$ 220,065.00
Transfer to GF/Other Funds	\$ -	\$ -	\$ 625,000.00	\$ 625,000.00	\$ 625,000.00	\$ 625,000.00	\$ 625,000.00	\$ 625,000.00
Principle & Interest Payments	\$ 2,051,017.00	\$ 2,044,597.01	\$ 1,970,844.00	\$ 1,968,944.00	\$ 1,967,694.00	\$ 1,967,944.00	\$ 744,444.00	\$ 746,913.00
<b>Total Expenditures</b>	<b>\$ 2,238,653.00</b>	<b>\$ 2,260,897.68</b>	<b>\$ 2,809,774.00</b>	<b>\$ 2,805,502.00</b>	<b>\$ 2,806,316.00</b>	<b>\$ 2,808,671.00</b>	<b>\$ 1,587,318.00</b>	<b>\$ 1,591,978.00</b>

Fund Balance Summary	2012	2013	2014	2015	2016	2017	2018	2019
	Actuals	Actuals	Estimate	Budget	Projected	Projected	Projected	Projected
Beginning Fund Balance	\$ 24,023,477.00	\$ 24,009,201.00	\$ 23,749,952.73	\$ 22,629,288.73	\$ 20,832,550.73	\$ 19,014,823.73	\$ 17,174,969.73	\$ 16,537,089.73
Total Revenue	\$ 2,224,377.00	\$ 2,001,649.41	\$ 1,689,110.00	\$ 1,008,764.00	\$ 988,589.00	\$ 968,817.00	\$ 949,438.00	\$ 930,452.00
Total Expenditures	\$ 2,238,653.00	\$ 2,260,897.68	\$ 2,809,774.00	\$ 2,805,502.00	\$ 2,806,316.00	\$ 2,808,671.00	\$ 1,587,318.00	\$ 1,591,978.00
Revenue Over/Under	\$ (14,276.00)	\$ (259,248.27)	\$ (1,120,664.00)	\$ (1,796,738.00)	\$ (1,817,727.00)	\$ (1,839,854.00)	\$ (637,880.00)	\$ (661,526.00)
<b>Ending Fund Balance</b>	<b>\$ 24,009,201.00</b>	<b>\$ 23,749,952.73</b>	<b>\$ 22,629,288.73</b>	<b>\$ 20,832,550.73</b>	<b>\$ 19,014,823.73</b>	<b>\$ 17,174,969.73</b>	<b>\$ 16,537,089.73</b>	<b>\$ 15,875,563.73</b>



## 5160 - Delinquent Tax Revolving Fund



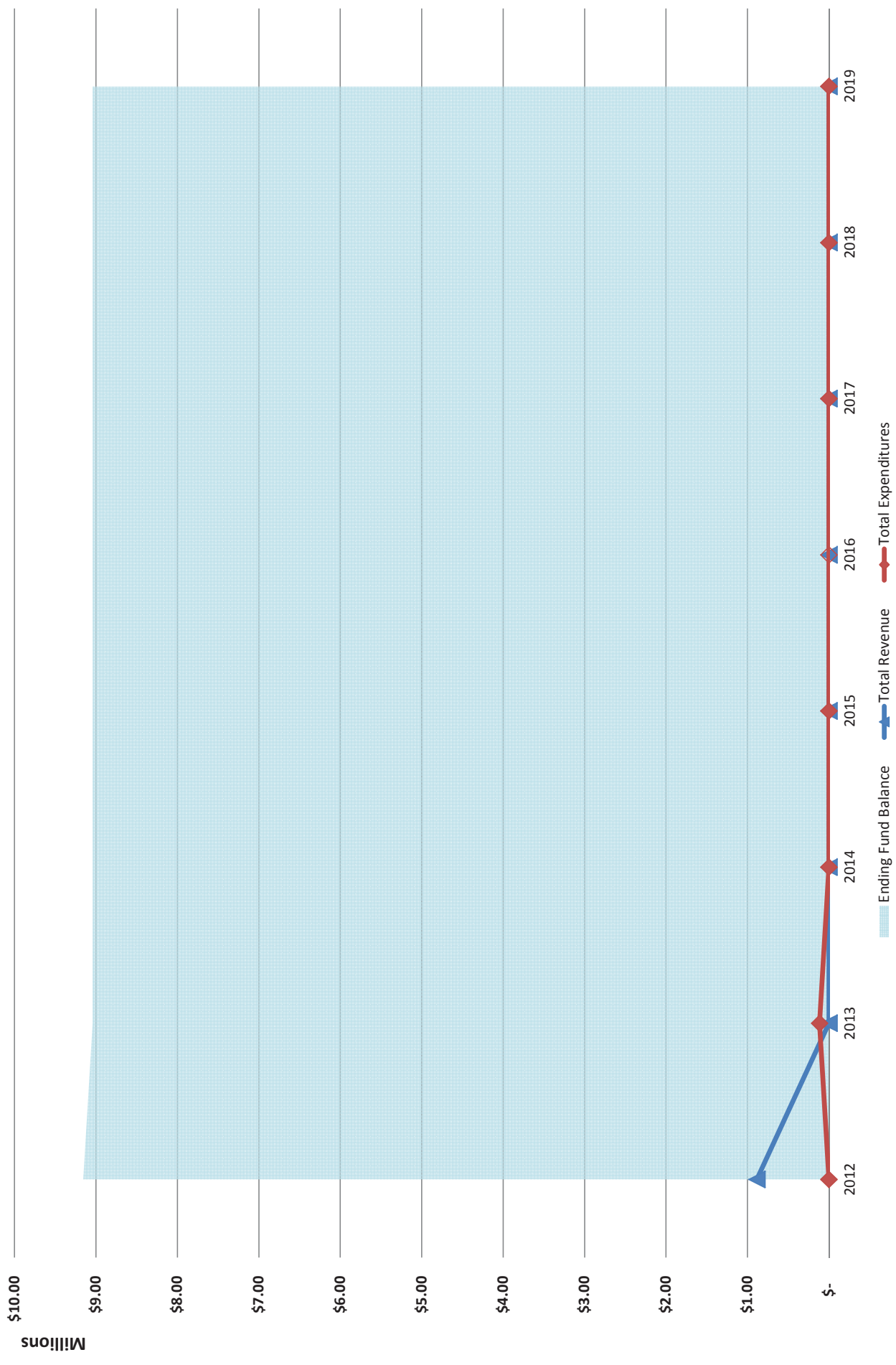
## County of Ottawa 2570 - Stabilization

Revenue Summary	2012 Actuals	2013 Actuals	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected	2019 Projected
Transfers from General Fund	\$ 886,165.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	\$ 886,165.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Expenditures Summary	2012 Actuals	2013 Actuals	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected	2019 Projected
Transfers to General Fund	\$ -	\$ 114,228.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	\$ -	\$ 114,228.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Fund Balance Summary	2012 Actuals	2013 Actuals	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected	2019 Projected
Beginning Fund Balance	\$ 8,269,673.00	\$ 9,155,838.00	\$ 9,041,610.00	\$ 9,041,610.00	\$ 9,041,610.00	\$ 9,041,610.00	\$ 9,041,610.00	\$ 9,041,610.00
Total Revenue	\$ 886,165.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ 114,228.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Over/Under	\$ 886,165.00	\$ (114,228.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Fund Balance</b>	\$ 9,155,838.00	\$ 9,041,610.00	\$ 9,041,610.00	\$ 9,041,610.00	\$ 9,041,610.00	\$ 9,041,610.00	\$ 9,041,610.00	\$ 9,041,610.00

## 2570 - Stabilization



**County of Ottawa  
History of Positions By Fund  
For the Years 2012 - 2015**

Fund #	Sub-Dept #	Dept #	Department Name	2012 Full-Time Equivalents	2013 Full-Time Equivalents	2014 Full-Time Equivalents	2015 Full-Time Equivalents	Change in Full-Time Equivalents 2014 to 2015
<b>GENERAL FUND</b>								
1010	1010		Commissioners	11.00	11.00	11.00	11.00	
1010	1310		Circuit Court	15.75	15.75	15.65	15.65	
1010	1360		District Court	52.78	53.99	53.99	54.04	0.05 3
1010	1362		Community Corrections	0.00	5.25	5.24	5.68	0.44 3,4
1010	1370		Legal Self-Help Center	0.00	1.00	1.00	1.00	
1010	1480		Probate Court	6.00	6.00	6.00	6.00	
1010	1490		Family Court - Juvenile Services	5.81	5.81	5.81	7.80	1.99 3
1010	1720		Administrator	2.84	4.04	4.04	5.04	1.00 2
1010	1910		Fiscal Services	12.80	12.30	12.10	13.09	0.99 1
1010	2150		County Clerk	23.00	22.50	22.50	22.50	
1010	2320		Crime Victims Rights	0.00	0.00	3.00	3.00	
1010	2450		Survey & Remonumentation	0.05	0.10	0.10	0.10	
1010	2530		County Treasurer	7.55	7.55	7.55	7.55	
1010	2570		Equalization	13.50	11.75	11.80	11.49	-0.31 1,3
1010	2571		Grand Haven Assessing	0.00	1.75	1.70	1.73	0.03 1,3
1010	2572		Crockery Township Assessing	0.00	0.00	0.00	0.53	0.53 1,3
1010	2590		Geographic Information System	5.00	5.00	4.00	4.00	
1010	2610		Michigan State University Extension	1.75	1.75	1.75	1.75	
1010	2620		Elections	1.00	1.00	1.00	1.00	
1010	2651		Bldg. & Grnds - Hudsonville	1.18	1.18	1.06	1.17	0.11 3
1010	2652		Bldg. & Grnds - Holland Human Serv.	1.31	1.31	1.23	1.32	0.09 3
1010	2653		Bldg. & Grnds - Fulton Street	0.49	0.49	0.50	0.51	0.01 3
1010	2654		Bldg. & Grnds - Grand Haven	3.66	3.66	3.70	4.22	0.52 3
1010	2655		Bldg. & Grnds - Holland Health Facility	1.33	1.33	1.36	1.32	-0.04 3
1010	2656		Bldg. & Grnds - Holland District Court	1.44	1.24	1.27	1.26	-0.01 3
1010	2658		Bldg. & Grnds - Grand Haven Health	0.57	0.57	0.60	0.00	-0.60 3
1010	2659		Bldg. & Grnds - CMH Facility	1.59	1.59	1.63	1.58	-0.05 3
1010	2660		Corporate Counsel	1.70	1.70	1.70	1.70	
1010	2665		Bldg. & Grnds-Probate/Juvenile Complex	3.35	3.35	3.36	3.35	-0.01 3
1010	2667		Bldg. & Grnds-Administrative Annex	3.80	3.80	3.79	3.81	0.02 3
1010	2668		Bldg. & Grnds-FIA	1.88	1.88	1.90	1.86	-0.04 3
1010	2669		Bldg. & Grnds-City of Holland	0.00	0.20	0.20	0.20	
1010	2670		Prosecuting Attorney	26.10	26.10	26.60	26.60	
1010	2680		Register of Deeds	8.65	8.15	8.15	8.15	
1010	2700		Human Resources	4.33	4.41	5.41	6.39	0.98 2
1010	2750		Drain Commission	7.75	7.75	7.75	7.75	
1010	3020		Sheriff	70.95	70.95	76.95	76.95	
1010	3100		West Michigan Enforcement Team	6.00	6.00	6.00	6.00	
1010	3310		Marine Safety	0.75	0.75	0.75	0.75	
1010	3510		Jail	75.00	75.00	74.00	75.00	1.00 1
1010	4260		Emergency Services	2.10	2.10	2.10	2.10	
1010	4262		Solution Area Planner	0.00	1.00	0.00	0.00	
1010	4263		HAZMAT Response Team	0.40	0.40	0.40	0.40	
1010	4265		Homeland Security	1.00	0.00	1.00	1.00	
1010	4300		Animal Control	3.00	3.00	2.00	2.00	
1010	6480		Medical Examiner	0.20	0.20	0.20	0.20	
1010	7211		Planner/Grants	5.95	5.90	6.40	5.70	-0.70 1
<b>TOTAL GENERAL FUND</b>				<b>393.30</b>	<b>400.54</b>	<b>408.23</b>	<b>414.24</b>	<b>6.01</b>
<b>PARKS &amp; RECREATION</b>								
2081	7510		Parks Department	15.75	17.25	17.25	17.75	0.50 2
<b>FRIEND OF THE COURT</b>								
2160	1410		Friend of the Court	35.13	35.13	36.73	36.73	
2160	1440		FOC Warrant Officer	1.00	1.00	2.00	2.00	
<b>TOTAL FRIEND OF THE COURT</b>				<b>36.13</b>	<b>36.13</b>	<b>38.73</b>	<b>38.73</b>	
<b>OTHER GOVERNMENTAL GRANTS</b>								
2180	1361		Dist. Ct. Sobriety Treatment	0.00	0.00	0.00	2.13	2.13 4
2180	1371		Dist. Ct. SCAO Drug Ct. Grant	1.00	1.15	1.15	1.96	0.81 4
2180	1372		Adult Priority Population	2.00	0.001	0.00	0.00	
2180	1493		SCAO Juvenile Drug Ct. Grant	1.00	1.00	1.00	1.00	
				<b>4.00</b>	<b>2.15</b>	<b>2.15</b>	<b>5.09</b>	<b>2.94</b>
<b>HEALTH FUND</b>								
2210	6010		Agency Support	6.90	6.90	6.90	6.90	
2210	6011		Public Health Preparedness	0.83	0.75	0.75	1.00	0.25 3

**County of Ottawa  
History of Positions By Fund  
For the Years 2012 - 2015**

Fund #	Dept #	Sub-Dept #	Department Name	2012 Full-Time Equivalents	2013 Full-Time Equivalents	2014 Full-Time Equivalents	2015 Full-Time Equivalents	Change in Full-Time Equivalents 2014 to 2015
2210	6012		Accounting/MIS	4.00	4.00	4.00	4.00	
2210	6015		PHP Risk Communication	0.17	0.25	0.25	0.00	-0.25 3
2210	6020		Environmental - Field Services	7.00	7.60	7.60	8.20	0.60 3
2210	6021		Environmental - Food Services	7.50	8.10	8.10	7.60	-0.50 3
2210	6022		Environmental - Beach Grant	0.80	1.00	0.00	0.00	
2210	6031		Hearing/Vision	3.76	3.76	3.76	4.00	0.24 2
2210	6032		Safe Routes to School	0.00	0.07	0.00	0.00	
2210	6033		Building Healthy Communities	0.00	0.03	0.00	0.00	
2210	6034		Tobacco Reduction	0.00	0.20	0.00	0.00	
2210	6041		Clinic Clerical	10.75	10.75	10.75	10.45	-0.30 2
2210	6042		Family Planning	6.85	6.85	6.85	6.65	-0.20 2
2210	6044		Immunization Clinic	5.85	5.85	5.85	5.85	
2210	6045		Healthy Children's Contract	2.93	2.93	2.93	2.93	
2210	6048		Substance Abuse Prevention	0.37	0.80	0.75	0.85	0.10 3
2210	6049		Substance Abuse Prevention	0.50	0.00	0.00	0.00	
2210	6050		Children's Special Health Care Services	4.88	4.48	4.48	4.54	0.06 3
2210	6051		SNAP Education	0.00	0.00	0.25	0.40	0.15 3
2210	6053		Maternal/Infant Support Services	9.05	9.55	9.35	8.75	-0.60 3
2210	6054		Farmers Market Grant	0.00	0.15	0.00	0.00	
2210	6055		AIDS/Sexually Transmitted Diseases (STD)	3.05	3.15	3.15	3.15	
2210	6058		Prenatal Care - Enrollment & Coordination	0.00	0.00	0.00	0.00	
2210	6059		Communicable Disease	4.00	3.70	3.70	3.70	
2210	6310		Health Education	1.59	1.65	1.22	1.22	
2210	6311		Nutrition/Wellness	1.96	2.03	2.41	2.26	-0.15 3
<b>TOTAL HEALTH FUND</b>				<b>82.75</b>	<b>84.55</b>	<b>83.05</b>	<b>82.45</b>	<b>-0.60</b>
<b>MENTAL HEALTH FUND</b>								
2220	6491	1240	D.D. Clinical Support	11.06	14.52	13.07	1.43	-11.64 3
2220	6491	1242	D.D. Clinical Management	1.35	1.63	0.91	0.89	-0.02 1
2220	6491	1243	D.D. Lake Erie	0.00	0.00	0.00	6.67	6.67 3
2220	6491	1244	D.D. Lake Michigan	0.00	0.00	0.00	8.67	8.67 3
2220	6491	1246	D.D. Lake Ontario	0.00	0.00	0.00	8.67	8.67 3
2220	6491	1246	D.D. Lake Huron	0.00	0.00	0.00	6.27	6.27 3
2220	6491	1349	D.D. Supported Employment	18.52	18.58	18.51	14.48	-4.03 1,2,3
2220	6491	1357	D.D. Skill Building	24.52	24.41	23.51	18.69	-4.82 1,2,3
2220	6491	1440	D.D. Community Living Skills	0.00	0.75	0.84	0.85	0.01 3
2220	6491	1443	D.D. Community Living Skills	0.91	0.00	0.00	0.00	
2220	6491	5400	D.D. Training	0.45	0.43	0.43	0.42	-0.01 1
2220	6491	5401	D.D. Group Home Training	1.69	1.67	1.67	1.62	-0.05 1
2220	6491	5510	D.D. Client Services Management	17.10	17.21	18.45	0.00	-18.45 3
2220	6491	5522	D.D. Child Case Management	2.36	2.98	3.95	3.92	-0.03 3
2220	6492	5511	Other Pop. HUD Leasing Assistance Grant III	0.06	0.06	0.00	0.00	
2220	6492	5540	Other Pop. HUD Leasing Assistance Grant II	0.01	0.01	0.00	0.00	
2220	6492	5541	Other Pop. HUD Leasing Assistance Grant	0.15	0.15	0.00	0.00	
2220	6492	5610	Other Pop. HUD Grant Homeless	0.01	0.01	0.00	0.00	
2220	6492	5611	Hud Grants (Combined; leasing assistance & homeless)	0.00	0.00	0.24	0.24	
2220	6493	3240	M.I. Adult Emergency Services	6.14	6.64	6.64	6.66	0.02 3
2220	6493	3241	M.I. Adult Access Center	8.90	8.32	8.00	6.72	-1.28 3
2220	6493	3242	M.I. Adult Medication Clinic	3.53	2.89	1.47	1.44	-0.03 1
2220	6493	3244	M.I. MDT Grand Haven	9.14	8.64	8.64	8.64	
2220	6493	3247	M.I. Vocational Rehabilitation	0.67	0.67	0.67	0.00	-0.67 3
2220	6493	3249	M.I. Adult Assertive Community Treatment	7.14	7.51	7.51	7.14	-0.37 1
2220	6493	3253	M.I. MDT Holland 2	0.00	8.64	8.64	8.64	
2220	6493	3254	M.I. MDT Holland 1	14.74	7.84	7.79	7.59	-0.20 1,3
2220	6493	3256	M.I. MDT MI/DD	6.59	8.59	8.59	8.41	-0.18 1,3
2220	6493	3344	M.I. Adult Lakeshore Clubhouse	3.89	4.64	4.64	5.14	0.50 2,3
2220	6494	4244	M.I. Child Home Based Services	3.04	4.25	4.14	4.16	0.02 3
2220	6494	4245	M.I. Child Home Outpatient	6.00	5.78	5.92	5.66	-0.26 1
2220	6494	4451	M.I. Child Respite	0.29	0.36	0.41	0.41	
2220	6495	5020	Administration - Board	2.37	2.38	2.04	1.82	-0.22 1,3
2220	6495	5022	Administration Quality Improvement	2.20	2.71	2.69	1.92	-0.77 1
2220	6495	5023	Administration Recipient Rights	2.00	2.00	2.00	0.94	-1.06 2
2220	6495	5024	Administration Community Relations & Public Education	1.50	3.00	2.00	0.94	-1.06 2
2220	6495	5026	Administration Finance	7.58	7.61	6.68	5.70	-0.98 3
2220	6495	5029	Administration Managed Care Organization Administration	10.37	10.91	10.36	6.82	-3.54 1,3,5
2220	6495	5030	Administration Medical Records	0.00	0.00	0.00	0.00	
2220	6495	5031	IT	1.00	1.00	1.00	0.50	-0.50 5
2220	6495	5032	Regional Entity	0.00	0.00	0.00	0.50	0.50 3



**County of Ottawa  
History of Positions By Fund  
For the Years 2012 - 2015**

Fund #	Dept #	Sub-Dept #	Department Name	2012 Full-Time Equivalents	2013 Full-Time Equivalents	2014 Full-Time Equivalents	2015 Full-Time Equivalents	Change in Full-Time Equivalents 2014 to 2015
<b>TOTAL MENTAL HEALTH</b>				<u>175.30</u>	<u>186.80</u>	<u>181.40</u>	<u>162.57</u>	<u>-18.82</u>
SUBSTANCE USE DISORDER FUND								
2225	6495	5051	Administration Access Center	0.00	0.00	0.00	1.28	1.28 3
2225	6495	5052	Administration Quality Improvement - Compliance	0.00	0.00	0.00	0.33	0.33 3
2225	6495	5053	Administration Recipient Rights	0.00	0.00	0.00	0.06	0.06 3
2225	6495	5054	Administration Community Relations	0.00	0.00	0.00	0.06	0.06 3
2225	6495	5056	Administration Financial Services	0.00	0.00	0.00	0.74	0.74 3
2225	6495	5059	Administration Provider Network	0.00	0.00	0.00	0.32	0.32 3
2225	6495	5061	Administration IT	0.00	0.00	0.00	0.14	0.14 3
<b>TOTAL SUBSTANCE USE DISORDER</b>				<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2.93</u>	<u>2.93</u>
LANDFILL TIPPING FEES								
2272	5250		Laidlaw Surcharge	3.40	3.80	4.30	4.20	-0.10 1
REGISTER OF DEEDS								
2560	2360		Automation Fund	0.35	0.35	0.35	0.35	
PROSECUTING ATTORNEY GRANTS								
2601	2320		Crime Victim's Rights	3.00	3.00	0.00	0.00	
COPS UNIVERSAL								
2630	3114	C3113	COPS - Holland/West Ottawa	1.00	1.00	1.00	1.00	
2630	3114	C3114	Community Policing-Grand Haven Township	3.00	3.00	3.00	3.00	
2630	3114	C3115	Spring Lake Township	0.00	0.00	1.00	1.00	
2630	3114	C3119	City of Coopersville	5.00	5.00	5.00	5.00	
2630	3114	C3120	City of Hudsonville	6.00	6.00	6.00	6.00	
2630	3114	C3129	City of Ferrysburg/Spring Lake Village	0.00	0.00	0.00	8.00	8.00 1
2630	3114	C3131	Community Policing-Holland Township	4.00	4.00	4.00	4.00	
2630	3114	C3132	Community Policing-Park Township	1.00	1.00	1.00	1.00	
2630	3114	C3133	Community Policing- Zeeland Township	1.00	1.00	1.00	1.00	
2630	3114	C3134	Community Policing- Port Sheldon Twp/West Ottawa	1.00	1.00	1.00	1.00	
2630	3114	C3135	Community Policing- Allendale Twp/Allendale Schools	1.00	1.00	1.00	1.00	
2630	3114	C3136	Community Policing- Grand Haven Twp/Grand Haven Sch.	1.00	1.00	1.00	1.00	
2630	3114	C3137	Community Policing- Georgetown Twp/Jenison Schools	1.00	1.00	1.00	1.00	
2630	3114	C3138	Community Policing- Zeeland Twp/Zeeland Schools	1.00	1.00	1.00	1.00	
2630	3114	C3139	Community Policing- Holland Township/Park Township	10.00	10.00	10.00	10.00	
2630	3114	C3141	Community Policing- Holland/Park	1.00	1.00	1.00	1.00	
2630	3114	C3142	Community Policing- Spring Lake Twp/ Schools	1.00	1.00	1.00	1.00	
2630	3114	C3143	Community Policing- Jamestown Township	1.00	1.00	1.00	1.00	
2630	3114	C3144	Community Policing- Tallmadge/Chester/Wright/Polkton	1.00	1.00	1.00	1.00	
2630	3114	C3146	Community Policing- Georgetown Township	13.00	13.00	13.00	13.00	
2630	3114	C3147	Community Policing- Allendale Twp/MI Police Corp	1.00	1.00	0.00	0.00	
2630	3114	C3148	Community Policing- Allendale	1.00	1.00	2.00	2.00	
2630	3114	C3149	Community Policing-Communities that Care	1.00	1.00	1.00	1.00	
2630	3114	C3170	Blendon/Holland/Robinson/Zeeland	1.00	1.00	1.00	1.00	
<b>TOTAL COPS UNIVERSAL</b>				<u>57.00</u>	<u>57.00</u>	<u>58.00</u>	<u>66.00</u>	<u>8.00</u>
SHERIFF ROAD PATROL								
2630	3150	3000	Sheriff Road Patrol	3.00	3.00	3.00	3.00	
SHERIFF JUVENILE SERVICES								
2630	3150	3001	Juvenile Services/OAISD/Child Care/Sheriff	0.00	0.00	0.00	1.00	1.00 2
WORKFORCE INVESTMENT ACT FUNDS/MICHIGAN WORKS!/COMMUNITY ACTION AGENCY								
2740 - 2749, 2800, 2870 - 2890				22.60	41.56	47.78	36.40	-11.38 1,4
COMMUNITY CORRECTIONS PROGRAM								
2850	1520		Adult Probation	6.60	0.00	0.00	0.00	
CHILD CARE								
2920	6620		Family Court - Detention Services	30.70	30.70	30.70	30.70	
2920	6622		Juvenile Intensive Supervision	3.30	3.30	3.30	3.30	
2920	6623		Juvenile Treatment/Div Services	11.83	11.83	11.83	9.83	-2.00 1
2920	6624		Juvenile In-Home Services	18.19	18.19	18.19	13.19	-5.00 1,3
<b>TOTAL CHILD CARE</b>				<u>64.02</u>	<u>64.02</u>	<u>64.02</u>	<u>57.02</u>	<u>-7.00</u>

**County of Ottawa  
History of Positions By Fund  
For the Years 2012 - 2015**

Fund #	Dept #	Sub-Dept #	Department Name	2012 Full-Time Equivalents	2013 Full-Time Equivalents	2014 Full-Time Equivalents	2015 Full-Time Equivalents	Change in Full-Time Equivalents 2014 to 2015
<b>DELINQUENT TAX REVOLVING FUND</b>								
5160	8950		Taxes	1.40	1.40	1.40	1.40	
<b>INNOVATION AND TECHNOLOGY</b>								
6360	2580		Data Processing (I.T.)	18.90	18.90	20.90	21.90	1.00 2
<b>DUPLICATING</b>								
6450	2890		General Services Administration	0.13	0.13	0.13	0.13	
<b>TELECOMMUNICATIONS</b>								
6550	2890		Telephones	1.18	1.18	1.19	1.18	-0.01 3
<b>EQUIPMENT POOL FUND</b>								
6641	9010		Equipment Pool	0.40	0.40	0.40	0.40	
<b>PROTECTED SELF-FUNDED PROGRAMS</b>								
6770	8690		P.S.F. Liability Insurance	1.13	1.13	1.13	1.13	
6770	8710		P.S.F. Worker's Compensation Insurance	0.46	0.46	0.46	0.46	
6771	8520		P.S.F. Health Insurance	1.65	1.57	1.57	1.57	
6771	8540		P.S.F. Dental Insurance	0.22	0.22	0.22	0.22	0.01 3
6771	8550		P.S.F. Vision Insurance	0.22	0.22	0.22	0.22	0.01 3
6772	8700		P.S.F. Unemployment Insurance	0.28	0.28	0.28	0.28	
6775	8580		P.S.F. Long-Term Disability	0.09	0.09	0.09	0.09	
<b>TOTAL PROTECTED SELF-FUNDED PROGRAMS</b>				<u>4.04</u>	<u>3.96</u>	<u>3.96</u>	<u>3.97</u>	<u>0.01</u>
<b>GRAND TOTAL OF ALL FUNDS</b>				<u>893.23</u>	<u>926.10</u>	<u>936.22</u>	<u>920.71</u>	<u>-15.51</u>

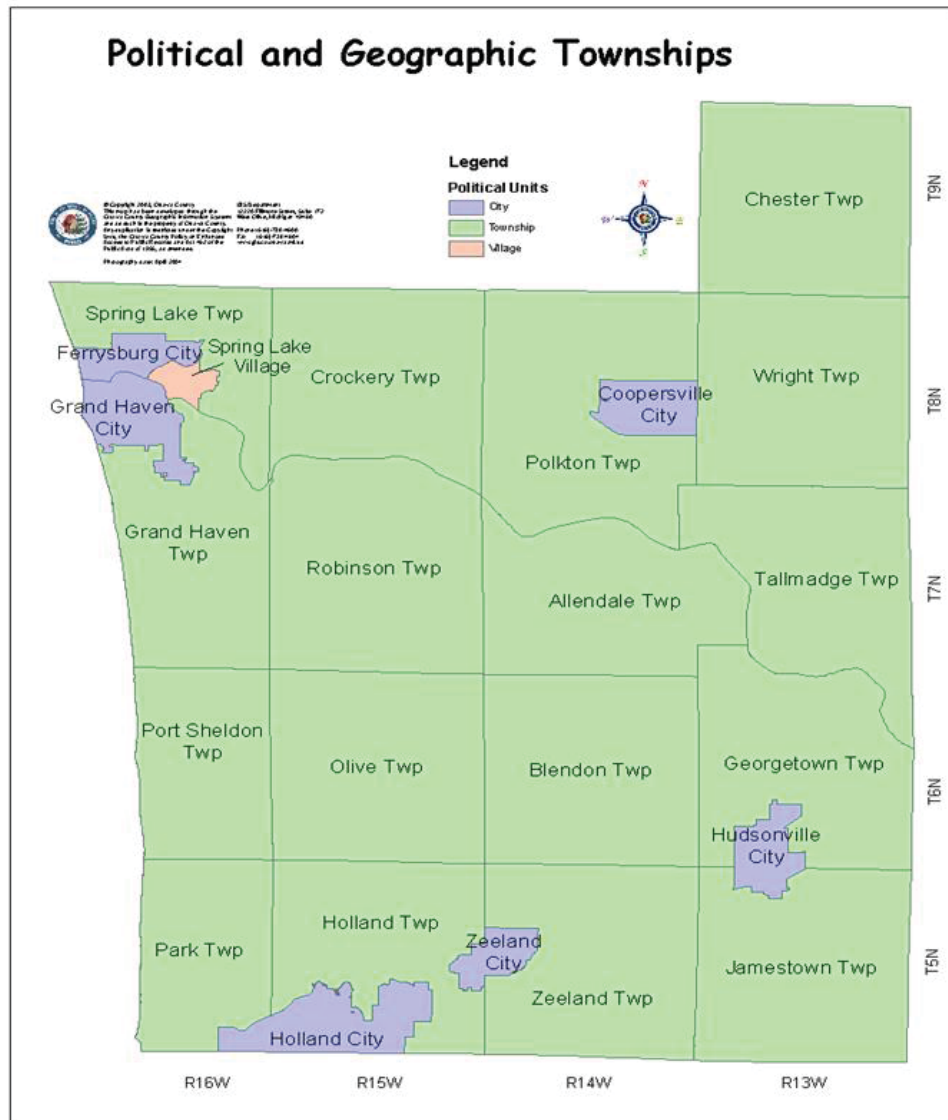
The total change in full time equivalents of 15.51 is comprised of the following:

- 1 Net positions approved/eliminated during 2014
- 2 Position eliminated/added with the 2015 budget
- 3 The net change is due to a change in the salary distribution (salary split) and does not reflect a change in staffing levels
- 4 Position added/eliminated due to grant funding
- 5 Change between permanent and temporary position(s)
- 6 Position held vacant for 2015 budget



# County of Ottawa Community Profile

## Ottawa County State Perspective



# Ottawa County

## Introduction

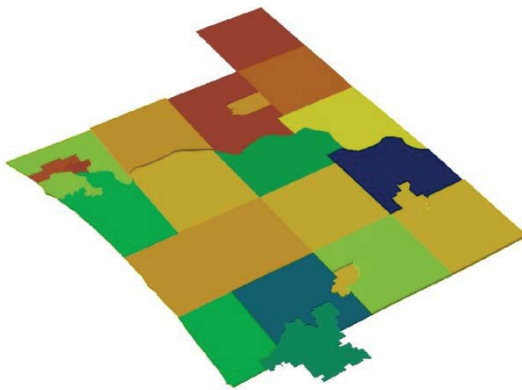
Named for the Ottawa Indians who hunted the area's forests and fished the waters, Ottawa County was established in 1837. The County is located in the southwest part of Michigan's Lower Peninsula, having over 30 miles of Lake Michigan shoreline. The County is bordered by the City of Muskegon on its northwesterly boundary and the City of Grand Rapids on approximately half of its easterly boundary. The topography of the County's 565 square miles is flat to gently rolling, with approximately half of its land area being devoted to agricultural purposes. The County enjoys a healthy mix of tourism, industrial, commercial, and agricultural uses within its confines.

**Form of Government:** The County's legislative body is an eleven-member Board of Commissioners which is elected from single-member districts, determined by population, on a partisan basis for two-year terms. The Board annually elects from within its ranks a Chairman and Vice-Chairman by majority vote.

## Population

The County began full operations in April of 1838. At that time (according to the Census of 1840), there were only 208 residents within all of Ottawa County. The most recently published Census (2010) recorded Ottawa County's total population at 263,801 – a growth of over 25,000 persons. The 2012 Census estimate shows a population of 269,099. Significant population growth has occurred over the years and is expected to continue in the years ahead, though at a slower rate.

## Population Change over Time



### Legend

Raised or lowered values represent percentage change over time  
Population (Actual, Estimated, or Projected)

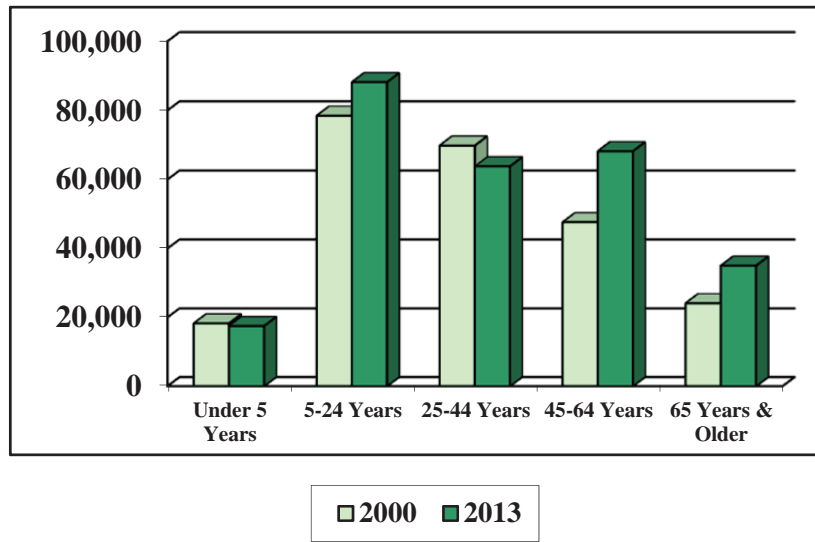
Less than 2,500	12,500 to 14,999
2,500 to 2,999	15,000 to 19,999
3,000 to 3,499	20,000 to 24,999
3,500 to 3,999	25,000 to 29,999
4,000 to 4,999	30,000 to 34,999
5,000 to 7,499	35,000 to 39,999
7,500 to 9,999	40,000 to 44,999
10,000 to 12,499	45,000 or greater

Source: U.S. Census Bureau (1980, 1990, 2000, & 2010 Census and 2012 Population Estimates)

**2012 Population (Census Estimate)**  
(with % change 2010 to 2012)

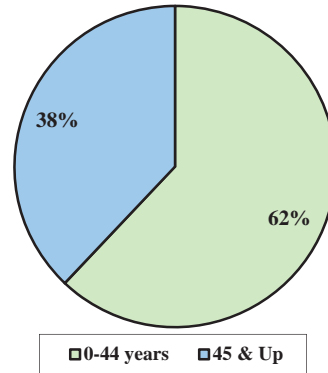
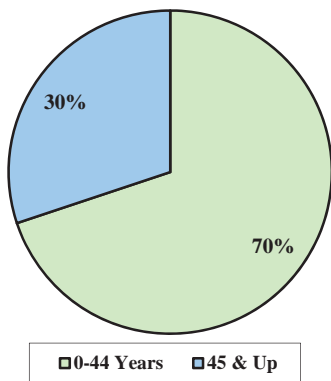
Characteristics – Age

County of Ottawa Population by Age Group – 2000 (census) & 2013 (estimates):



2000 Population Composition by Age

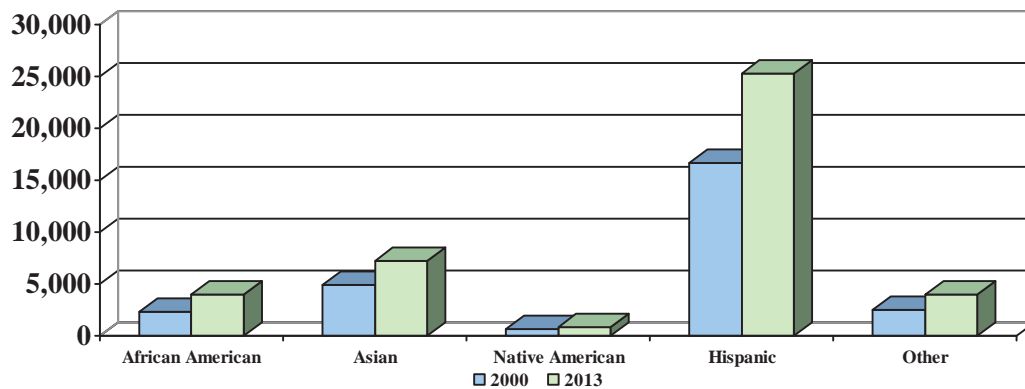
2013 Population Composition by Age



As with many communities in Michigan, the age of the population is rising.

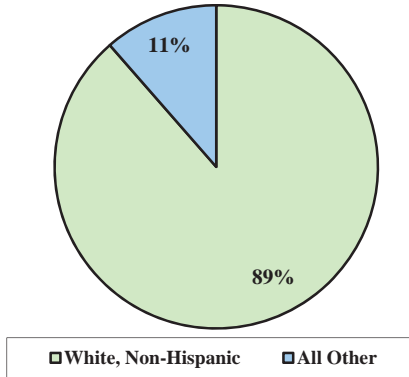
Characteristics - Race

County of Ottawa Non-White Population – 2000 & 2013

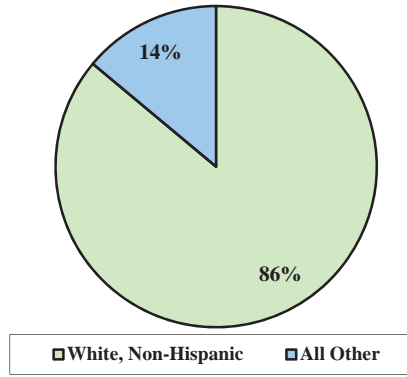




2000 Population Composition by Race



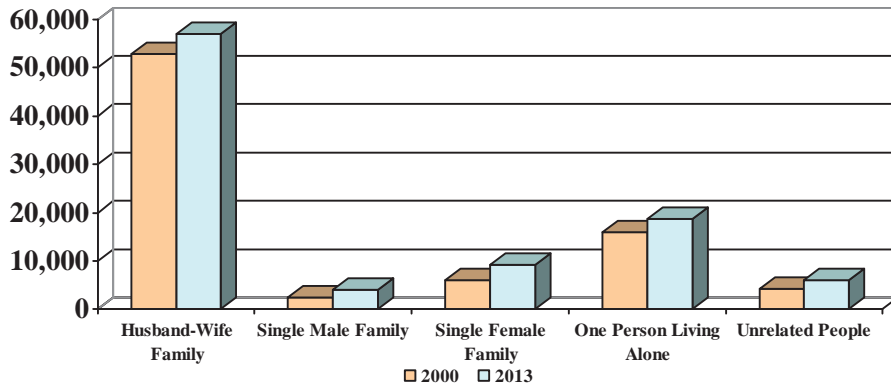
2013 Population Composition by Race



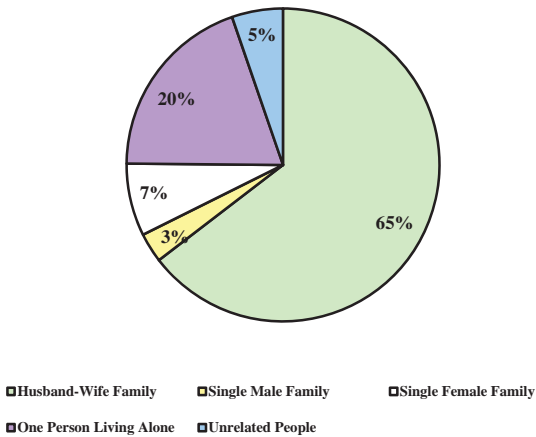
Both categories include Hispanic/Latino Origin. The federal government considers race and Hispanic/Latino origin to be two separate and distinct concepts. Hispanic/Latinos (origin) may be of any race.

Characteristics – Household Composition

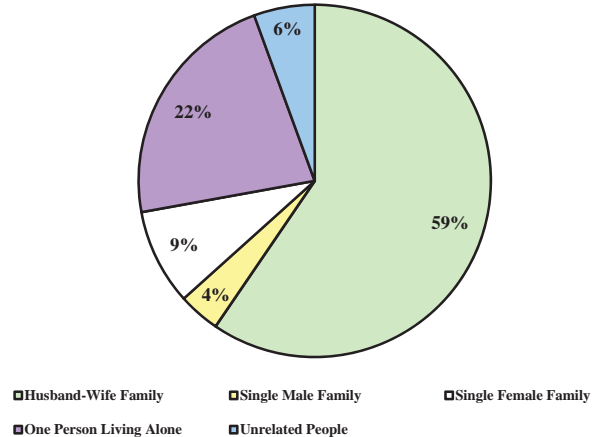
County of Ottawa Household Composition – 2000 & 2013



2000 Population Composition by Household

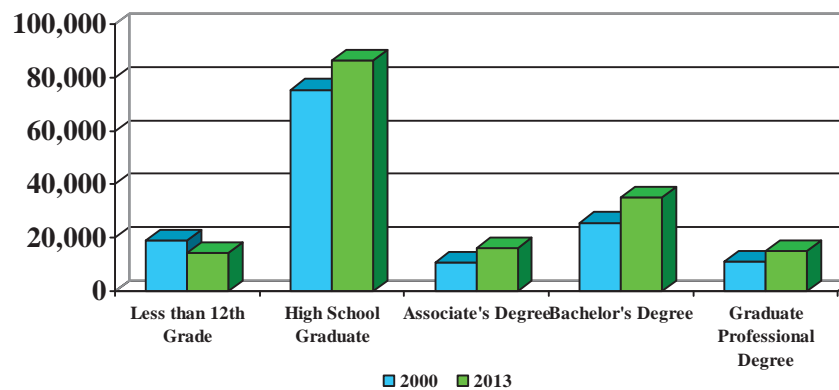


2013 Population Composition by Household

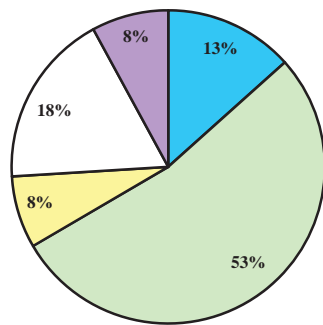


## Characteristics – Education

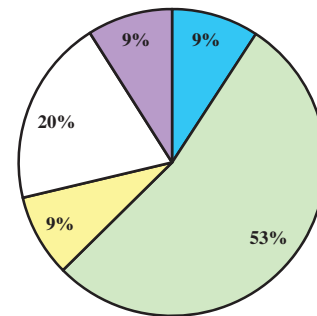
### County of Ottawa Population Education Attainment – 2000 & 2013



2000 Population Composition by Educational Attainment



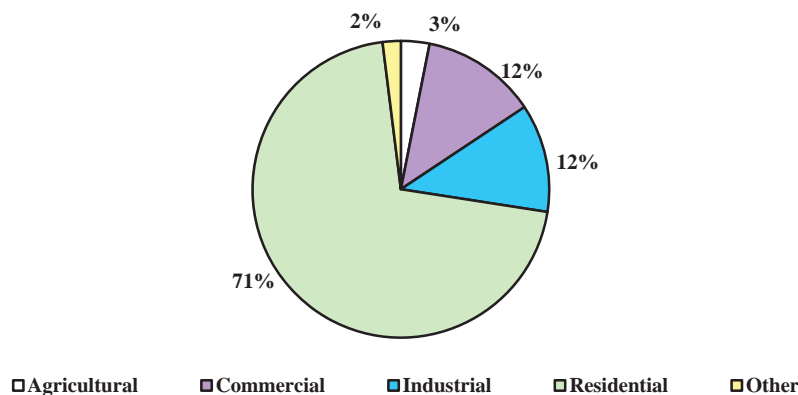
2013 Population Composition by Educational Attainment



Education levels have improved over the last thirteen years. The number of citizens with less than a 12<sup>th</sup> grade education has decreased by 31%. The number of citizens with *bachelor's and graduate degrees* has increased 30.6%

## Tax Base

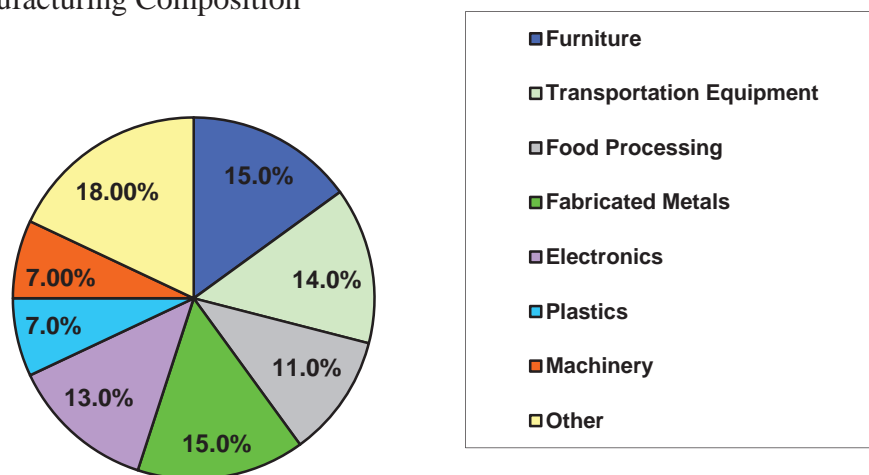
Ottawa County is considered a bedroom community of Kent County which encompasses the City of Grand Rapids. The graph below shows the make up of the County's tax base:



## Industrial

Industrial property valuations account for \$1,149,128,168 or 11.8% of the County's 2014 Taxable Value. Ottawa County has a large and diversified industrial base of nearly 800 manufacturing firms. The size of firms ranges from one & two person shops to nationally known Fortune 500 corporations. The largest concentration of manufacturing firms is found in the southwest portion of the County, although there are over a dozen established industrial parks (many with available sites) located throughout Ottawa County. The major industrial sectors in terms of employment include furniture, fabricated metals, plastics, food products and transportation equipment. Major automotive suppliers include Johnson Controls, Inc., Magna Donnelly, Gentex and Delphi Automotive. Major office furniture manufacturers include Herman Miller, Inc. and Haworth. Prominent food processors include Bil-Mar/Sara Lee, Heinz, Request Foods, Boar's Head and Leprino Foods.

Ottawa County Manufacturing Composition



As a growth area, Ottawa County experiences a number of significant private and public sector development projects each year. In fact, based on P.A. 198 industrial facilities exemption certificates, the County's manufacturing sector continues to expand. In 2013, 61 certificates were issued by the State Tax Commission to manufacturing firms who collectively proposed investments of approximately \$149 million in new buildings & improvements, land improvements and the acquisition of new personal property (machinery, equipment, furniture & fixtures) over a 24-month period. In 2012 Ottawa County ranked fifth out of Michigan's 83 counties in terms of the total amount of private investments or 7.1% of the statewide total. Ottawa County and Kent County were tied statewide for the highest number of exemption certificates (72 each). The chart below shows IFT exemptions per year over the last five years:

<u>Year</u>	<u>Number of Exemptions Issued</u>	<u>Total Exemption Amount</u>	<u>Estimated Job Creation</u>
2009	38	\$178,710,366	656
2010	34	\$82,404,779	357
2011	63	\$227,530,970	1009
2012	72	\$251,486,768	1392
2013	55	\$138,562,525	957

\*n/a - Data unavailable at time of completion of this section

## Recreation

In addition to the 30 miles of Lake Michigan shoreline, Ottawa County has 36 miles of inland lake shorelines and 285 miles of tributaries. Ottawa County is a water wonderland offering boating fishing, swimming and just plain relaxation opportunities on its beaches and piers.



*Sand Sculpture at Grand Haven State Park*



*Holland's "Big Red" Lighthouse*

There are 38 County parks/trails/natural areas and two State parks located in Ottawa County. Both State parks are located along the Lake Michigan shoreline and attract more visitors than any other parks in the State's system. A State recreation

area and part of another State park are also located in the County. Other local attractions include the Grand Haven Musical Fountain, Berlin Raceway in Marne, three fairs (County and two communities), numerous paved bike paths, outstanding golf courses and two nationally known festivals – Tulip Time in Holland and the Coast Guard festival in Grand Haven.



*Grand Haven's Musical Fountain*



*Holland's Tulip Festival 2010 Kinder parade*



*Grand Haven Coast Guard Festival*

## **Agriculture**



*Berries harvested in Ottawa County*

Agriculture is an important sector of Ottawa County's economy. It has a taxable value of \$303,535,280 and amounts to approximately 3.1% of the County's total taxable value in 2014. Notably, Ottawa County ranks second in the State (among 83 counties) in the market value of all agricultural products sold. Leading products include nursery and ornamental shrubs, greenhouse products, poultry and livestock. Crops of importance include blueberries, soybeans, corn, celery, and onions. The County's growing season is 171 days. The average annual precipitation is 34 inches with 75 inches of snowfall.

## **Residential**

Residential valuations comprise \$6,882,942,709 or 70.6% of the 2014 tax base of the County. Housing costs in Ottawa County are comparatively lower than in many other areas of the nation. The southeast (Georgetown Township, Zeeland Township and Jamestown Township) portion of the County has experienced the greatest residential growth.

## **Health Care**

Ottawa County gained national notoriety in 2010 when the Gallup-Healthways Well-Being Index named the Holland-Grand Haven area second in health and well-being in the nation. In an interview with ABC World News Tonight anchor Diane Sawyer, Holland mayor Kurt Dykstra cited the community's long and rich history of religion and emphasis on family for its high ranking on the happiness list, saying Holland exists in "a Norman Rockwell world." The Western Michigan region was also recently named the second most generous region in the country by the Chronicle of Philanthropy. In 2014, Ottawa County was ranked first in the state for healthiest residents by a study performed by the Robert Wood Johnson Foundation and University of Wisconsin Population Health Institute. The study shows overall West Michigan residents have better access to quality programs that promote good health, are less likely to die before age 75, and are more likely to engage in healthy behaviors.

## **Financial Services**

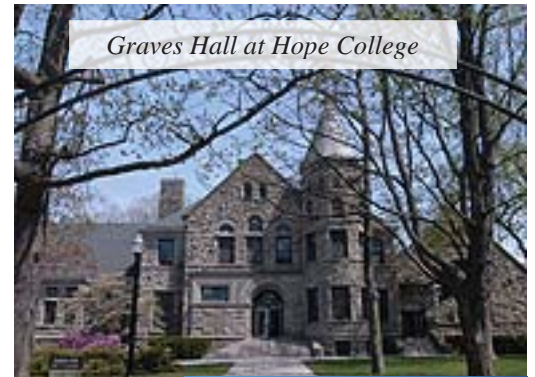
Ottawa County residents are served by many financial institutions. Firms in the County range from branches of major regional institutions like Fifth Third, Huntington Bank and National City to smaller community banks like West Michigan Community Bank, Macatawa Bank and Grand Haven bank. Branches of these banks and about a dozen other financial institutions, including credit unions are located throughout Ottawa County.

## **Education**

Ottawa County has 9 public school districts that collectively comprise the Ottawa Area Intermediate School District. In addition there are several non-public schools and charter schools in the County. Most of the non-public schools are Christian schools. Enrollments have steadily increased following the growth in the County's population.



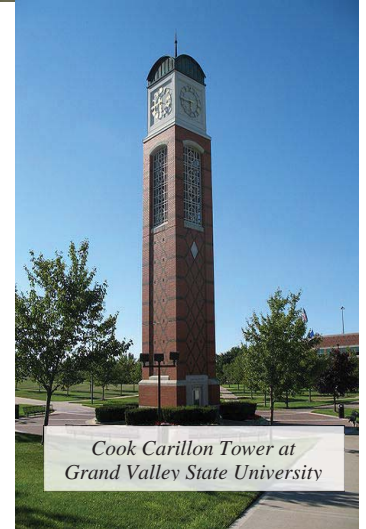
Institutions of higher education are also located in Ottawa County. Grand Valley State University (GVSU) has campuses in Allendale and Holland and has an undergraduate enrollment of 24,477. GVSU is the fourth largest employer in the County. Hope College, located in the City of Holland, is a four-year liberal arts college with an enrollment of 3,388 that has been recognized as one of the nation's best small private colleges. Two Grand Rapids based colleges also have a presence in Ottawa County: Davenport University and Grand Rapids Community College.



The Ottawa Area Intermediate School District and Grand Rapids Community College have jointly established (with State financial support) an M-TEC Center along U.S. 31 in Olive Township to assist in the training and retraining of the area's adult workforce. This facility is located next to the Careerline Tech Center which is a vocational education center serving students through the Ottawa Area Intermediate School District.

### **Transportation**

Ottawa County is accessed by several Interstate and State Highways, including I-96, I-196, US-31, M-45, M-6, and M-104. US-31, which parallels the Lake Michigan shoreline, is a heavily traveled route especially by tourist during the summer months.



Prior transit studies have indicated the need for additional roadways in the Holland and Grand Haven areas. Specifically, The section of US-31 between Grand Haven and M-104

(Savidge Street) has daily traffic volumes in excess of 60,000 vehicles (both directions). This section of US-31 is a full access roadway (not grade separated and without limited on and off ramps) with 4 to 6 travel lanes in both directions. This area was noted as one of the most challenging roadways by regional stakeholders, not only because of the traffic volumes, but also because of drawbridge delays and the fact this roadway is the only river crossing west of 66th Avenue, which bisects Allendale Township.

After several years of delay (most recently due to funding), work on the M-231 bypass, part of a larger transportation project, has begun. Specifically, the first phase will construct a bridge over the Grand River just west of 120th Avenue, then work their way north with roads to I-96. The entire project will run from I-96 south across that new bridge over the river, all the way down to M-45, also known as Lake Michigan Drive. The goal of the bypass is to alleviate traffic along US-31 in Grand Haven by providing a fourth Grand River crossing in Ottawa County. The entire Michigan Department of Transportation project is expected to cost \$220 million and future phases will improve congestion in the Holland area on US-31. Completion is anticipated in 2016. Photos of the progress made through 2014 are on the following page.

**M231 BYPASS PHOTO UPDATE**



**Grand River Bridge**  
March 18, 2014



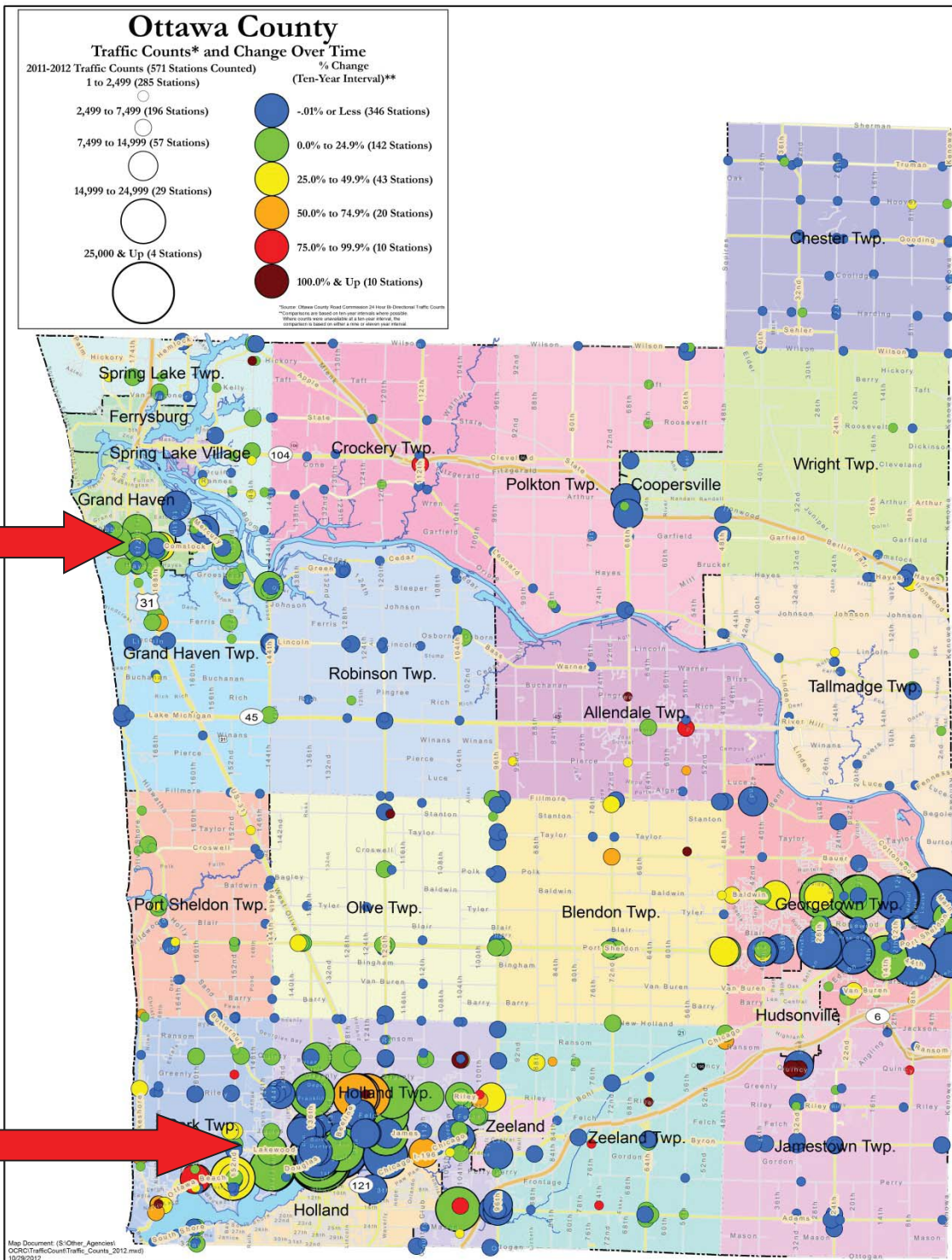
**Rich St.**  
March 18, 2014



**Grand River Bridge**  
March 18, 2014







Public transportation in Ottawa County includes the Macatawa Area Express (MAX) serving the Holland/Zeeland area and provides fixed-route bus and demand-response transit service to the City of Holland and Holland Charter Township under a transit millage and to neighboring City of Zeeland under contractual agreement. Service runs from Monday through Saturday. No service is provided on Sunday. Harbor Transit serves the City of Grand Haven, the Village of Spring Lake, and the City of Ferrysburg. Services provided by Harbor Transit include demand-response public bus transit, contractual services, and trolley transportation. There are also two

non profit carriers, Pioneer Resources and Georgetown Seniors which provide services primarily to disabled citizens and the elderly.

In addition, there are two principal rail lines in the County, both owned by CSX Transportation. Amtrak uses the line between Grand Rapids and Holland. Ottawa County has two deep water ports connecting to Lake Michigan – the Grand River in Northwest Ottawa County and Lake Macatawa in the Holland area. Air transportation facilities for the County include three general aviation airports – West Michigan Regional Airport in Holland (Allegan County), Grand Haven’s Memorial Airport and Riverview in Jenison. The nearest commercial airports are the Gerald R. Ford International in Kent County and Muskegon County International.

[For more information on the County, please visit the Ottawa County Tourbook on our website at http://www.elocallink.tv/clients3/mi/ottawacounty2013/tourplay.php?movie=ottami13\\_wel\\_iwd&spon=welcome](http://www.elocallink.tv/clients3/mi/ottawacounty2013/tourplay.php?movie=ottami13_wel_iwd&spon=welcome)

**COUNTY OF OTTAWA  
PRINCIPAL EMPLOYERS  
December 31, 2013**

Employer	Type of Business	2013		Percentage of Total County Employment
		Employees (1)	Rank	
Gentex Corporation	Automotive Mirrors	3,981	1	3.2%
Herman Miller	Office Furniture	3,890	2	3.2%
Grand Valley State University	Higher Education	2,451	3	2.0%
Holland Hospital	Health Care	2,118	4	1.7%
Haworth, Inc. (2)	Office Furniture	1,948	5	1.6%
Shape Corporation	Metal Roll Forming	1,841	6	1.5%
Johnson Controls (2)	Automotive Mirrors	1,650	7	1.3%
Magna Mirrors (2)	Automotive Mirrors	1,614	8	1.3%
Meijer	Retailer	1,458	9	1.2%
County of Ottawa	Government	1,238	10	1.0%
Holland Public Schools	Education			
		22,189		18.0%

Source: Ottawa County Economic Development Office, Inc. and State of Michigan Total employment in 2013 was 123,377.

(1) Excludes temporary employment agencies

(2) Facilities located within Ottawa County and/or the City of Holland portion of Allegan County

(3) Non-student employees; also includes Grand Rapids & Muskegon

**County of Ottawa  
Demographic and Economic Statistics  
Last Ten Calendar Years**

Fiscal Year	Population (1)	Personal Income	Per Capita	Median	School	Unemployment
		(thousands of dollars) (1)	Income (1)	Age (2)	Enrollment (3)	Rate (4)
2004	253,048	\$7,569,044	\$29,911	33.1	55,696	5.5%
2005	255,261	7,962,613	31,194	33.5	55,575	5.1%
2006	258,003	8,411,071	32,601	33.8	55,412	5.3%
2007	260,037	8,568,204	32,950	34.1	55,032	5.6%
2008	261,906	8,839,900	33,752	34.2	54,662	6.9%
2009	262,879	8,505,525	32,355	34.6	55,068	12.1%
2010	263,801	8,777,502	33,273	34.5	55,233	11.2%
2011	266,122	9,537,798	35,840	34.9	55,595	8.3%
2012	269,329	9,865,865	36,663	35.4	55,283	6.8%
2013	272,701	n/a	n/a	n/a	n/a	6.7%

n/a: Information is unavailable.

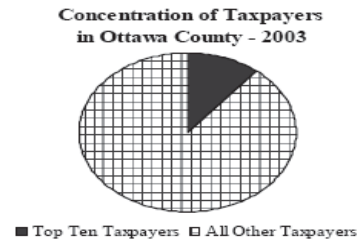
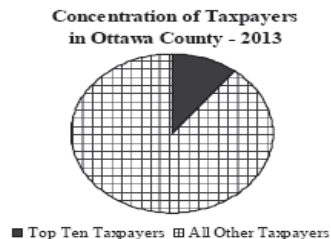
Sources:

- (1) U.S. Department of Commerce, Bureau of Economic Analysis, updated with most recent census figures
- (2) U.S. Census Bureau, updated with most recent census figures
- (3) Audited Membership Count, Ottawa Area Intermediate School District
- (4) U.S. Department of Labor, Bureau of Labor Statistics, updated with most recent census figures

**COUNTY OF OTTAWA  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Type of Business	2013			2004		
		Taxable Assessed Valuation (1)	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Valuation (1)	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	Utility	\$636,242,179	1	6.73%	\$315,234,516	1	3.93%
Gentex Corporation	Automotive Components	138,559,106	2	1.47%	52,958,528	3	0.66%
Mead Johnson and Co.	Food Products	59,210,072	3	0.63%			
Fair Oaks Farm Brands	Food Products	38,105,400	4	0.40%			
Leprino Foods Inc.	Cheese Production	30,651,025	5	0.32%			
Herman Miller Inc.	Office Furniture	26,001,246	6	0.28%	74,263,268	2	0.93%
Request Foods	Food Products	21,928,500	7	0.23%			
DTE Gas Company	Utility	20,448,798	8	0.22%			
Michigan Electric Transmission	Utility	19,805,500	9	0.21%			
CS Facilities/Continental Dairy	Cheese Production	18,671,300	10	0.20%			
Pfizer	Pharmaceutical				51,857,228	4	0.65%
Johnson Controls Interiors	Automotive Components				39,229,301	5	0.49%
Magna Donnelly Corp.	Automotive Components				38,025,470	6	0.47%
Delphi Automotive	Automotive Components				34,478,512	7	0.43%
Shape Corp.	Metal Extrusion				32,880,589	8	0.41%
Sara Lee	Food Products				30,457,308	9	0.38%
Meijer	Retail Store				22,173,733	10	0.28%
Donnelly Corp.	Automotive Components				41,377,293	5	0.52%
		<u>\$1,009,623,126</u>		<u>10.69%</u>	<u>\$732,935,746</u>		<u>9.15%</u>

Source: Ottawa County Equalization Department. The 2013 and 2004 total Taxable Values were \$9,450,229,465 and \$8,017,866,823.



## *County of Ottawa Financial Policies*

Accounting, Auditing, and Financial Reporting	385
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# County of Ottawa

## **ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICY**

### **I. POLICY**

As stewards of funds, the County must provide accountability for their use. The accounting, auditing and financial reporting functions address accountability and provide critical information to the County Board, administrative staff, and department managers that helps them assess their programs and aid in decision-making.

The intent of this policy is to establish guidelines and standards for the County's accounting, auditing and financial reporting process.

### **II. STATUTORY REFERENCES**

Public Act 2 of 1968, Uniform Budgeting and Accounting Act  
Public Act 71 of 1919, Uniform System of Accounting MCL 141.921(1)  
Public Act 34 of 2001, the Revised Municipal Finance Act  
SEC Rule 15c2-12

### **III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES**

Board of Commissioners Policy Adoption Date and Resolution Number: May 27, 2008; 08-123

Board of Commissioners Review Date and Resolution Number: May 13, 2008; 08-110

Name and Date of Last Committee Review: Planning and Policy Committee, May 8, 2008

Last Review by Internal Policy Review Team: April 16, 2013



# County of Ottawa

## IV. PROCEDURE

- A. The County will comply with generally accepted accounting principles as contained in the following publications:
1. *Codification of Governmental Accounting and Financial Reporting Standards* issued by the Governmental Accounting Standards Board (GASB) including all statements, interpretations, technical bulletins, and implementation guides.
  2. *Pronouncements of the Financial Accounting Standards Board (FASB)*
  3. *Governmental Accounting, Auditing and Financial Reporting (GAAFR)* issued by the Government Finance Officers Association (GFOA) of the United States and Canada
  4. *Audits of State and Local Government Units*, an industry guide published by the American Institute of Certified Public Accountants (AICPA) including statements of position and practice bulletins.
  5. *Government Auditing Standards* issued by the Controller General of the United States
  6. *Uniform Budgeting and Accounting Act*, State of Michigan Public Act 2 of 1968
  7. *Uniform System of Accounting Act*, State of Michigan Public Act 71 of 1919
  8. *Municipal Finance Act*
- B. The County will issue all required financial reports by their established deadlines:
1. A comprehensive financial audit including an audit of federal grants according to the United States Office of Management and Budget Circular A-133 will be performed annually by an independent public accounting firm. The firm will express an opinion on the County's financial statements.
  2. The Comprehensive Annual Financial Report will be issued within six months of the County's fiscal year end.
  3. The Comprehensive Annual Financial Report will be in compliance with the standards and guidelines established by the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting program.
  4. The Schedule of expenditures of Federal awards (Single Audit) will be issued within nine months of the County's fiscal year end.





# County of Ottawa

5. The County will submit a qualifying statement to the State of Michigan in compliance with Public Act 34 of 2001, the Revised Municipal Finance Act.
  6. The County will meet all continuing disclosure filings required by the Securities and Exchange Commission (SEC) including the guidelines established by SEC Rule 15c2-12.
  7. The local unit annual fiscal report (F-65).
- C. The County will provide accurate and timely financial reports to departments and the Board of Commissioners to aid them in assessing the financial condition of the County and individual departments:
1. A system of internal accounting controls will be maintained to adequately safeguard assets and provide reasonable assurances of proper recording of the County's financial transactions.
  2. The internal control practices of individual departments will be reviewed annually in connection with the annual audit.
  3. Monthly financial reports including a budget to actual comparison, transaction listing and budget exception report will be provided to departments or departments will have access to such information.
  4. Fiscal Services Department will provide the Finance and Administration Committee of the Board with budget to actual comparisons for the General Fund, Mental Health Fund and Health Fund on a quarterly basis or as requested.

## V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.



# County of Ottawa

## CAPITAL ASSET POLICY

### I. POLICY

In order to provide services to the public, the County must procure certain capital assets. Capital assets provide convenient access to County services to the public and enhance the efficiency and effectiveness of Ottawa County employees.

The intent of this policy is to define capital assets, identify the capital project selection process, identify the capital asset financing, and assign responsibility for property planning, control, budgeting and recording.

### II. STATUTORY REFERENCES

MCL 141.421 et seq

Governmental Accounting Standards Board Statement # 51, Accounting and Financial Reporting for Intangible Assets (6/2007)

Governmental Accounting Standards Board Statement # 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries (11/2003)

### III. COUNTY LEGISLATION OR HISTORICAL REFERENCES

The original Board policy on this subject matter was adopted 9/23/97 per BC 97-340. A revised policy was adopted 1/25/2000 per BC 00-041.

Board of Commissioners Policy Adoption Date and Resolution Number: May 27, 2008; 08-123

Board of Commissioners Review Date and Resolution Number: May 13, 2008; 08-110

Name and Date of Last Committee Review: Planning and Policy Committee April 12, 2012

Last Review by Internal Policy Review Team: March 22, 2012





# County of Ottawa

## IV. PROCEDURE

### A. Capital Assets Defined:

#### 1. Capital assets fall in three categories:

- a. Capital Outlays which includes furniture and equipment purchases with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years.
- b. Intangible assets which possess three characteristics: lack of physical substance, an initial useful life in excess of one year, and nonfinancial in nature (not in monetary form like cash or investment securities). Examples of intangible assets include software (both purchased and internally developed), easements, or land use rights. The County will capitalize intangible assets with values in excess of \$50,000.
- c. Capital Projects which generally refer to building construction. Infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are the responsibility of the County's component units (the Ottawa County Road Commission, Ottawa County Public Utilities, and the Ottawa County Office of the Drain Commissioner). Accordingly, the County Board is not directly involved in the development, analysis and funding requirements for infrastructure assets (see separate policy on infrastructure). All capital assets are recorded in the County's financial statements in accordance with generally accepted accounting principles.

#### 2. Capital Outlays:

- a. Capital outlays are usually budgeted out of the Equipment Pool fund (an Internal Service Fund) and rented back to departments over a period of three to five years. The Equipment Pool is used to fund these purchases in order to minimize the impact of these expenditures on the County's budget. Most capital outlay projects are approved in conjunction with the County's annual budget process. Requests for new and replacement equipment (including equipment costing less than \$5,000) are reviewed with the budgets and are included in the budget proposal approved by the Board of Commissioners. Equipment purchases costing less than \$5,000 are expensed wholly in the department budgets.
- b. Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exists. Donated capital assets are valued at their estimated fair market value on the date received. The amount reported for infrastructure includes assets acquired or constructed since 1980. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not



# County of Ottawa

capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

- c. Depreciation on the capital assets is computed using the straight-line method over the following initial useful lives:

	<u>Years</u>
Land improvements	25
Office furniture and equipment	5 – 20
Vehicles	3 – 10

The Fiscal Services Department is responsible for maintaining the records, affixing tag numbers, and periodic physical inventories of County capital assets. Periodically, the remaining useful lives of assets will be re-evaluated and adjusted accordingly.

3. Intangible assets are usually budgeted out of the Equipment Pool fund (or other applicable internal service fund) and charged back to departments over the estimated life of the asset. Generally, most intangible capital outlay projects are approved in conjunction with the County's annual budget process. In accordance with GAAP, only software costs (both internally and externally developed) incurred during the application development stage should be capitalized. Examples of costs during the application development stage include: the design of the chosen path (i.e. software configuration, software interfaces), coding, installation to hardware, and testing. Data conversion activities could be included in this phase if those activities are deemed necessary to make the software operational.

Depreciation on intangible assets is computed using the straight-line method based on the estimated useful life of the type of asset. Software is generally depreciated over 10 years.

#### 4. Capital Projects:

- a. Capital projects are non-recurring costs related to the acquisition, expansion or major rehabilitation of a physical County structure. Capital projects exceed \$50,000 and have an estimated useful life of at least ten years, or, if part of an existing structure, an estimated useful life of at least the remaining life of the original structure. The Board of Commissioners must grant approval to all capital projects. To assist the Board in the capital improvement decision making, County administrative staff will:

- 1). Develop and maintain a capital improvement plan
- 2). Identify estimated costs and potential funding sources for all capital improvement projects



# County of Ottawa

- 3). Identify additional operational costs (including debt service) that will result from the project
  - 4). Ensure that all County projects will be constructed and expenditures incurred for the purpose approved by the Board of Commissioners
  - 5). Depreciation on the capital assets is computed using the straight-line method over 25-30 years.
5. Financial Planning and Budgeting for Capital Assets:
- a. The nature and amount of capital projects as well as the County's financial resources and market conditions determine the financing method for capital projects. Specifically, care must be exercised to ensure that the payment stream for the project does not exceed the expected life of the project. Although the County has paid for several projects with cash, each project must be analyzed separately to determine if it is in the County's financial interest to pay cash, borrow or bond. The County's cash balances and the ability of the operating budget to absorb debt service payments will also influence the financing method selection process.
  - b. Because the County has experienced exceptional growth over the last 20 years, previous Boards have established funding mechanisms to help meet the County's capital needs. Capital Outlay needs are met through the Duplicating, Telecommunications, and Equipment Pool funds (Internal Service Funds) and provide a dependable and on-going funding source for routine capital outlay.
  - c. To assist with capital projects, the Board established the Public Improvement Fund in 1981 to account for funds set aside for public improvements. In addition, the Board may authorize a fund balance designation in the General Fund to help finance future building projects.
  - d. Once the Board of Commissioners has approved a capital project, the Fiscal Services department will incorporate the approved sources and uses of funds applicable to the County's fiscal year into the annual operating budget. This may be a part of the annual budget process or a separate budget adjustment during the year. The Fiscal Services Department is also responsible for monitoring the projects for conformance with approved spending levels.
6. Impairment:
- a. If changes in factors and conditions result in an unexpected and significant decline in the service utility of a capital asset which is not considered temporary, the reportable value of the asset will be adjusted accordingly. Assets impaired that will no longer be used by the County will be adjusted to the lower of carrying value or fair value. For assets that will continue to be used by the County, reportable values will be adjusted to reflect the



# County of Ottawa

impairment based on the most appropriate method (e.g., restoration cost, service units, etc.).

## **V. REVIEW PERIOD**

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.



# County of Ottawa

## DEBT MANAGEMENT POLICY

### I. POLICY

Debt financing is an important tool for municipalities in meeting their service obligations to the public. However, used inappropriately, debt financing can cause serious, long-term problems that significantly affect on-going operations. It is important for municipalities to have appropriate guidelines in place to avoid the potential pitfalls of debt financing.

The intent of this policy is to establish parameters and guidance for the issuance, management, monitoring, assessment and evaluation of all debt obligations of the County.

### II. STATUTORY REFERENCES

State of Michigan Constitution of 1963, Article VII, Section 11  
Public Act 34 of 2001, the Revised Municipal Finance Act  
Public Act 470 of 2002, the Agency Reporting Act

### III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES

Board of Commissioners Policy Adoption Date and Resolution Number: May 27, 2008; 08-123

Board of Commissioners Review Date and Resolution Number: May 13, 2008; 08-110

Name and Date of Last Committee Review: Planning and Policy Committee, May 8, 2008

Last Review by Internal Policy Review Team: April 16, 2013



# County of Ottawa

## IV. PROCEDURE

### A. Conditions for Debt Issuance

1. In order to maintain a high credit rating and provide accountability to the taxpayers, debt issuance is subject to current conditions. Specifically, debt issuance is limited to the following conditions:
  - a. Debt financing may be used to finance the construction or acquisition of infrastructure and other capital assets for the purpose of meeting its service obligations to the public.
  - b. Debt (short-term or long-term) will not be issued to finance current, on-going operations of the County except in the case of an extreme financial emergency which is beyond its control or reasonable ability to forecast.
  - c. The County may issue debt to refund outstanding debt when indicated by market conditions or to remove a restrictive covenant imposed by the bonds to be refinanced.
  - d. The County may guarantee debt issued by the County's component units for the construction or acquisition of infrastructure and other capital assets for the purpose of meeting its service obligations to the public.
  - e. Every proposed bond issue to be financed by County funds will be accompanied by an analysis to ensure that the new issue combined with current debt does not negatively impact the County's debt capacity and conformance with County debt policies.
  - f. An internal feasibility analysis will be prepared for each debt proposal to be financed by County funds which analyzes the impact on current and future budgets to ensure that the County's operating budget can absorb the additional costs.

### B. Limitations on Debt Issuance

1. The County faces both legal restrictions on debt issuance as well as self-imposed limitations.
  - a. The County will comply with the State of Michigan Constitution of 1963, Article VII, Section 11, which states "No County shall incur indebtedness which shall increase its total debt beyond 10% of its assessed valuation."
  - b. The County will comply with the provisions of the State of Michigan Public Act 34 of 2001, the Revised Municipal Finance Act.



# County of Ottawa

- c. The County will manage debt in a manner than ensures the long-term financial integrity of the County.
- d. The maximum maturity of the issue will not exceed the expected useful life of the project.
- e. Exclusive of the debt service payments for the Ottawa County Central Dispatch Authority (which has a separate funding source), direct debt will not be issued if it will cause the total annual debt service payments to exceed 10% of the revenue sources that cover them. These revenue sources include the general operating levy, the interest, penalties, and collection fees earned by the Delinquent Tax Revolving Fund, and other identified sources.
- f. Additional debt will not be issued or guaranteed if doing so may jeopardize the County's current bond rating.

## C. Debt Issuance Process and Maintenance

1. The County will issue debt in the manner providing the best financial benefit and maintain its obligation to the purchasers in an efficient and responsible manner.
  - a. The County may sell bonds with a competitive bid process or as a negotiated sale. Certain issue specific conditions or market conditions may exist that necessitate a negotiated sale.
  - b. Credit enhancements (e.g., insurance) may be considered if the projected benefits equal or exceed the additional cost.
  - c. The County will comply with all disclosure requirements of the Securities Exchange Commission.
  - d. The County will comply with State of Michigan Public Act 470 of 2002, the Agency Reporting Act.
  - e. The County will make every effort to maintain or improve its bond rating.
  - f. Debt Service payments will be made for all issues on or before the due date.
  - g. Debt Service payments will be made via electronic funds transfer in order to enhance the security and timeliness of payments and to maximize the investment return on County funds.

## V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.



# County of Ottawa

## FINANCIAL GOALS POLICY

### I. POLICY

The Ottawa County Board of Commissioners is the governing body and the primary policy and budgetary approval center for county government. It is the policy of the Board of Commissioners to plan for the future financial needs of the County by establishing prudent financial goals and procedures, so that the ongoing and emerging needs of the public are met, future needs are adequately planned for, and the fiscal integrity and reputation of Ottawa County government are preserved.

### II. STATUTORY REFERENCES

The Board of Commissioners may establish such rules and regulations regarding the business concerns of the County as the Board considers necessary and proper. See: MCL 46.11(m); Act 156 of 1851, as amended.

### III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES

Board of Commissioners Policy Adoption Date and Resolution Number: May 27, 2008; 08-123

Board of Commissioners Review Date and Resolution Number: May 13, 2008; 08-110

Name and Date of Last Committee Review: Planning and Policy Committee, May 8, 2008

Last Review by Internal Policy Review Team: April 16, 2013





# County of Ottawa

## IV. PROCEDURE

1. Maintain an adequate financial base to sustain a prescribed level of services as determined by the State of Michigan and the County Board of Commissioners.
2. Adhere to the highest accounting and management practices as set by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, the Government Finance Officers' Association standards for financial reporting and budgeting, and other applicable professional standards.
3. Assure the public that the County government is well managed by using prudent financial management practices and maintaining a sound fiscal condition.
4. Establish priorities and funding mechanisms which allow the County to respond to local and regional economic conditions, changes in service requirements, changes in State and Federal priorities and funding, as they affect the County's residents.
5. Preserve, maintain and plan for replacement of physical assets.
6. Promote fiscal conservation and strive to obtain the highest credit rating in the financial community, by ensuring that the County:
  - a. pays current bills in a timely fashion;
  - b. balances the budget;
  - c. provides for future costs, services and facilities;
  - d. maintains needed and desired services.

## V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.



# County of Ottawa

## **GENERAL FUND BUDGET SURPLUS POLICY**

### **I. POLICY**

The Ottawa County Board of Commissioners does not assume that the County will finish each fiscal year with a budget surplus in the General Fund. If such a surplus does exist, the Board will use such surplus funds to meet the identified long-term fiscal goals of Ottawa County. Generally, such funds should not be used toward payment of ongoing operational costs. Ottawa County defines a surplus as the amount of unassigned fund balance that exceeds the lesser of (a) three months of the most recently adopted budget, or (b) 10% to 15% of the General Fund's expenditures from the most recently completed audit.

### **II. STATUTORY REFERENCES**

The Board of Commissioners may establish such rules and regulations regarding the business concerns of the County as the Board considers necessary and proper. See: MCL 46.11(m); Act 156 of 1851, as amended.

### **III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES**

Board of Commissioners Policy Adoption Date and Resolution Number: May 27, 2008; 08-123

Board of Commissioners Review Date and Resolution Number: May 13, 2008; 08-110

Name and Date of Last Committee Review: Planning and Policy Committee, May 8, 2008

Last Review by Internal Policy Review Team: April 16, 2013



# County of Ottawa

## IV. PROCEDURE

1. Board will use surplus funds left over at the close of the fiscal year in the following order of priority:
  - a. Such funds may be added to the Committed or Assigned Fund Balance of the General Fund for a specified purpose;
  - b. The Board may use the funds to fund the county financing tools;
  - c. Such funds may be used to address emergency needs, concerns, or one time projects as designated by the Board;
  - d. After funding the county financing tools, any remaining fund balance may be used toward a millage reduction factor to be applied to the next levied millage;
2. The Board will designate surplus funds projected during the budgetary process for use in the following order of priority:
  - a. The Board may use such funds to grant additional equipment requests which were not originally approved in the proposed budget;
  - b. The Board may use such funds to add to the Committed or Assigned Fund Balance of the General Fund for a specified purpose;
  - c. The Board may use such funds to fund the county financing tools;
  - d. The Board may use the funds in the form of a millage reduction factor;
3. In making its decisions about the use and allocation of such funds on new, unbudgeted projects, the Board will use the following criteria:
  - a. Any request for funding must be designed to meet a significant public need. The request must be supportable and defensible;
  - b. Any proposal for funding must be cost effective, affordable, and contain a realistic proposal for available, ongoing funding, if necessary to successfully complete the project or provide the service;
  - c. Any proposal for funding must be consistent with the Board's Strategic Plan;
  - d. Any proposal for funding must be specific, attainable, have measurable results, be realistic, and timely;



# County of Ottawa

- e. Any proposal for funding must identify long-term benefits for the general public which would benefit in an identifiable way the “majority” of citizens’
- f. In making decisions about the use of such funds, the Board will consider whether the program or goal can be performed better by a person or entity other than the County.

## V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.



# County of Ottawa

## **GRANTS AND THIRD-PARTY CONTRACT REVENUE POLICY**

### **I. POLICY**

State and Federal grant-funded programs, and third-party contract revenue should not be replaced by county or other locally generated revenues at the close of the grant-funding period, upon the expiration of a grant, or upon the expiration of a non-renewed third-party contract. In the ordinary case, the County will not continue funding of such programs unless the Ottawa county Board of Commissioners is convinced that doing so is both fiscally prudent and in the best interests of the health, safety and welfare of the residents of Ottawa County.

### **II. STATUTORY REFERENCE**

The Board of Commissioners may establish such rules and regulations regarding the business concerns of the County as the Board considers necessary and proper. See: MCL 46.11(m); Act 156 of 1851, as amended.

### **III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCE**

Board of Commissioners Policy Adoption Date and Resolution Number: May 27, 2008; 08-123

Board of Commissioners Review Date and Resolution Number: May 13, 2008; 08-110

Name and Date of Last Committee Review: Planning and Policy Committee, May 9, 2013

Last Review by Internal Policy Review Team: April 16, 2013



# County of Ottawa

## IV. PROCEDURE

1. A minimum of locally generated revenue will be used to replace funding for activities, including grant-funded activities, which are or have been previously funded by the State and Federal governments, or by third-party contract revenue.
2. Grant applications to fund new services and programs with State or Federal funds shall be reviewed by the County Fiscal Services Department, with significant consideration given to whether locally generated funds will be required to support these services and programs when original funding is no longer available.
3. As deemed necessary, the county will utilize the procedures of the Performance Measurement Policy in evaluating the effectiveness of grant-funded programs.
4. Grant-funded positions will be automatically sun-setted upon the expiration of grant funding, absent a two-thirds (2/3) affirmative vote by the Board to continue such positions.

## V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.



# County of Ottawa

## **INFRASTRUCTURE PROGRAM FUND POLICY**

### **I. POLICY**

The Ottawa County Infrastructure Program Fund is established by the Ottawa County Board of Commissioners. The Infrastructure Program Fund will be used for the following purposes: (1) as a Revolving Loan Fund for local units of government that are implementing water or sewer construction projects; (2) for projects authorized for County funding by Act 246 of the Public Acts of 1931, as amended; and (3) for County Board Initiatives that are selected for funding by the Ottawa County Board of Commissioners. The approval and administration of projects will be governed by the terms of this policy.

### **II. STATUTORY REFERENCES**

The Board of Commissioners may establish such rules and regulations regarding the business concerns of the County as the Board considers necessary and proper. See: MCL 46.11(m); Act 156 of the Public Acts of 1851, as amended.

### **III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES**

Board of Commissioners Policy Adoption Date and Resolution Number: May 27, 2008; 08-123

Board of Commissioners Review Date and Resolution Number: May 13, 2008; 08-110

Name and Date of Last Committee Review: Planning and Policy Committee, May 8, 2008

Last Review by Internal Policy Review Team: April 16, 2013



# County of Ottawa

## IV. PROCEDURE

### A. Revolving Loans:

1. The purpose of this Infrastructure Program Fund component is to provide low-interest loans to local units of government within Ottawa County for municipal water or sanitary sewer system construction projects, or for authorized Act 246 projects.

### B. Eligible Projects:

1. Water System Construction
2. Sanitary Sewer System Construction
3. Projects authorized for County funding by Act 246 of the Public Acts of 1931, as amended.

### C. Eligible Applicants:

1. Townships
2. Cities
3. Villages

### D. Eligibility Requirements:

1. Engineering and design plans and project budgets must be completed.
2. Projects must be consistent with the goals of the Ottawa County Development Plan.
3. A revolving loan application in a form developed by the Planning and Grants Department must be completed.
4. The total amount of funds that are loaned in any single calendar year shall not exceed \$1,000,000. Each loan and interest must be repaid in-full within ten (10) years.
5. If the total amount of eligible loan requests exceeds available funds in a single calendar year, the Ottawa County Board of Commissioners will select among the eligible projects.





# County of Ottawa

6. The interest rate on loans shall be based upon the General Obligation AAA rate report in the weekly "Current Municipal Bond Rates" Report published by Wachovia, or any other similar publication approved by the Ottawa County Administrator. The interest rate shall be up to two percentage points less than that rate; but at no time shall the interest rate on loan be less than 3%.
7. Approved project funding must be drawn down to reimburse project costs in full by the local unit of government within one (1) calendar year of approval of the project by the Board of Commissioners. If the funding is not fully drawn down, the approval shall lapse as to any undrawn funds.

## E. Other Provisions:

1. The application process will consist of submitting a formal application. Applications will be accepted at any time. Applicant(s) will be notified of funding status after a determination has been made by the County Board of Commissioners. The County reserves the right to reject any and all applications that are submitted.
2. Local units of government will be required to pledge their full faith and credit on the loan.
3. Formal contractual and/or loan documents agreements must be signed by the County and the loan recipient prior to any project costs being incurred.
4. If approved for funding, the project applicant must provide the County with quarterly update reports regarding the project.
5. Any cost overruns associated with an approved loan project will not be eligible for additional County funding.
6. At the County's discretion, an arbitrage calculation will be performed on the loan at the end of the construction period. The local unit of government (lender) shall reimburse the County for the costs of the arbitrage calculation and any rebatable arbitrage.
7. The County will not be responsible for any operational or maintenance costs after the project is completed.
8. The establishment and maintenance of the Infrastructure Program fund does not and shall not be construed to commit Ottawa County and the Ottawa County Board of Commissioners to fund any projects whatsoever. Funds may be transferred into and out of the Infrastructure Program Fund by the Ottawa County Board of Commissioners at any time and at its absolute discretion, consistent with the requirements of law and the Policies of the Ottawa County Board of Commissioners. The decisions to commit or not to



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commit money from the Infrastructure Program Fund to any project, and the decisions to transfer money into and out of that Fund, are legislative in nature. These decisions are absolutely discretionary with the Ottawa County Board of Commissioners and are not subject to appeal.

9. Any statement made by an employee of Ottawa County regarding specific funding requests or specific projects will not be binding upon the County.

F. Applications must be submitted to:

County Administrator  
12220 Fillmore Street, Room 310  
West Olive, Michigan 49460

The County Administrator will advise the Board of Commissioners of the applications received.

G. Questions or comments regarding this program should be directed to:

Planning and Performance Improvement Department  
12220 Fillmore Street, Room 170  
West Olive, Michigan 49460  
Phone: (616) 738-4852

H. County Board Initiatives

1. The Infrastructure Fund may also be used to fund capital improvement projects initiated by the Board of Commissioners which, in the opinion of the Board, provide maximum social and economic benefit to the citizens of Ottawa County.

## V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.



# County of Ottawa

## OPERATING BUDGET POLICY

### I. POLICY

The Ottawa County Board of Commissioners supports principles of budgeting, management, and accounting which promote the fiscal integrity of the County, clearly enhance the County's reputation for good stewardship, and which explain the status of County operations to the citizens and tax payers of Ottawa County. Systems and procedures will be implemented by Ottawa County to implement this policy, in accordance with the Ottawa County Strategic Plan.

### II. STATUTORY REFERENCES

The Board of Commissioners may establish such rules and regulations regarding the business concerns of the County as the Board considers necessary and proper. See: MCL 46.11(m); 46.71, Act 156 of 1851, as amended. See also the specific statutory requirements of the Uniform Budgeting and Accounting Act, MCL 141.421a et seq.

### III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES

Board of Commissioners Policy Adoption Date and Resolution Number: May 27, 2008; 08-123

Board of Commissioners Review Date and Resolution Number: May 13, 2008; 08-110

Name and Date of Last Committee Review: Planning and Policy Committee, May 9, 2013

Last Review by Internal Policy Review Team: April 16, 2013



# County of Ottawa

## IV. PROCEDURE

### A. County Budget Philosophy

1. **Alignment with Strategic Plan:** The County Board regularly reviews and updates the County's strategic plan which serves as a guide for County operations. Since the budget is the main tool for implementation of the Strategic Plan, the budget, to the extent possible, will be consistent with the goals and objectives of the strategic plan.
2. **Prudence:** As stewards of taxpayer dollars and to promote stability, the budget will be prepared using conservative, but realistic estimates. The County will also avoid budgetary procedures such as accruing future years' revenues or rolling over short-term debt to balance the current budget at the expense of future budgets.

The County will include a contingency amount in the budget for unforeseen and emergency type expenditures. The amount will be based on the unassigned fund balance in the General Fund for the most recently completed audit. If the unassigned fund balance for the most recently completed audit (e.g., 2006 audit used for the 2008 budget) is at least 10% of audited expenditures, contingency will be budgeted at not less than .5% and not more than 2% of the General Fund's actual expenditures for the most recently completed audit. If the unassigned fund balance is less than 10% of expenditures, contingency will be budgeted at not less than 1% and not more than 2% of the General Fund's actual expenditures for the most recently completed audit (e.g., 2006 audit used for the 2008 budget). All appropriations from contingency must have Board approval.

3. **Balancing the Budget:** In accordance with Public Act 621, no fund will be budgeted with a deficit (expenditures exceeding revenues and fund balance). Prudence requires that the ongoing operating budget be matched with ongoing, stable revenue sources in order to avoid disruption of services. The County will make every effort to avoid the use of one-time dollars and fund balance to balance the budget. Instead, cash balances and one-time revenues should only be used for one-time expenditures such as capital improvements.

### B. Budget Formulation

1. **Responsibility:** The Administrator will assume final responsibility for the preparation, presentation and control of the budget, and shall prepare an annual budget calendar and budget resolution packet for each fiscal year.
2. **Budget Basis:** The budget will be prepared on the same basis as the County's financial statements. The governmental funds will be based on modified accrual



# County of Ottawa

and the proprietary funds (budgeted in total only) will be based on full accrual. The County's legal level of control is generally by expenditure category within a department (e.g. supplies, other services, etc.). However, the following accounts have a line item level of control:

807000: Legal  
 861000: Conferences and Travel  
 831000 Administrative Expense  
 831002: IT Charges  
 863000: Board Travel  
 868000 Auto Insurance  
 910000: Insurance (Liability)  
 920000: Utilities  
 940000: Equipment Rental  
 939000: Building Rental  
 971000 – 981000: All capital accounts  
 990100 – 990600 All Debt Service Accounts  
 991010 – 998510: All Operating Transfers Out

3. Schedule: The annual budget process will be conducted in accordance with the following budget calendar:

## County of Ottawa Budget Calendar

Mid March	Equipment and Personnel Request Forms sent to department heads.
March 31	Department requests for equipment and personnel submitted to Fiscal Services Department.
April 1	Performance Measures sent to department heads for updating.
April 30	Performance Measures returned to Fiscal Services Department.
First Tuesday in May	

Finance Committee approves the Resolutions of Intent to Increase Millage Rates, Distribution of the Convention Facility Tax and Distribution of the Cigarette Tax. *The County operating levy under consideration is for the current budget year. The 911 and Parks levies under consideration are for the next budget year.*

Board reviews Truth-in-Taxation Calculation, the Resolutions of Intent to Increase Millage Rates and sets the date for public hearing.

Third Monday in May



# County of Ottawa

Budget packets distributed to departments.

Third Tuesday in May

Finance Committee approves the Resolutions to Approve the Millage Rates and forwards them to the Board.

Fourth Tuesday in May

Board holds a public hearing and approves the millage rates.

Third Monday in May-

Mid June Departments develop individual budgets. The Fiscal Services Department available to provide any needed assistance in completing budget documents.

Mid June Departments submit completed budget requests and narratives to the Fiscal Services Department.

Mid June - July 31 Fiscal Services Department summarizes budgets and prepares documents for Administrative review.

Mid July - Administration and Fiscal Services Director meet with Department Heads  
Mid August in preparation of a proposed budget.

First Tuesday in September

Finance Committee presented with preliminary review of the General Fund budget

Third Tuesday in September

Finance Committee preliminary review of the budget; approval of the Salary and Fringe Benefits Adjustments.

Fourth Tuesday in September

Board sets the date for the public hearing on the County Budget for second Tuesday in October, receives preliminary overview of budget and approves the Salary and Fringe Benefit Adjustments.

Six Days Prior to Public Hearing



# County of Ottawa

Deadline for the publication of the public hearing notice on the budget.

Second Tuesday in October

Board holds the public hearing on the budget and receives the formal Budget Presentation.

Third Tuesday in October

Finance Committee reviews Resolution to Approve the County Budget, Insurance Authority Budget and the Apportionment Report.

Fourth Tuesday in October

Board adopts the County Budget, the Insurance Authority Budget and the Apportionment Report.

4. Required Budget Data: Department heads and other administrative officers of budgetary centers will provide necessary information to the Administrator for budget preparation. Specifically, departments will be asked to provide equipment and personnel requests with explanatory data, goals, objectives and performance data, substantiating information for each account, and performance measures, both historical and projected.
5. Budget Document: The County will prepare the final budget document in accordance with the guidelines established the Government Finance Officers Association Distinguished Budget Award Program and on a basis consistent with principles established by the Governmental Accounting Standards Board.

## C. Amendments to the Budget

1. Budgets for the current year are continually reviewed for any required revisions of original estimates. Proposed increases or reductions in appropriations in excess of \$50,000, involving multiple funds, or any amendment resulting in a net change to revenues or expenditures are presented to the Board for action. Transfers that are \$50,000 or less, within a single fund, and do not result in a net change to revenues or expenditures may be approved by the County Administrator and Fiscal Services Director. Budget adjustments will not be made after a fund's fiscal year end except where permitted by grant agreements. All budget appropriations lapse at the end of each fiscal year unless specific Board action is taken.
2. All unencumbered appropriations lapse at year-end. However, the appropriation authority for major capital projects, capital assets and previously authorized projects (i.e., the encumbered portions) carries forward automatically to the subsequent year. All other encumbered appropriations lapse at year-end.





# County of Ottawa

## D. Long-term Financial Planning

1. As part of the annual budget process, five year revenue and expenditure estimates will be provided for the General Fund. The estimates will assess the long-term impacts of budget policies, tax levies, program changes, capital improvements and other initiatives. This information may then be used to develop strategies to maintain the County's financial standing. If a structural deficit (operating revenues do not cover operating expenditures) is identified, or projected, the Administrator will develop and bring before the Board a deficit elimination plan to address the problem.
2. In addition, the County will support efforts that control future operating costs. The County will strive to fully fund the County's financing tools to benefit all current and future residents of Ottawa County. The following funds have been identified as financing tools of the County:
  - a. *2271 Solid Waste Clean-up Fund:* This fund was established from monies received by Ottawa County from the settlement of litigation over the Southwest Ottawa Landfill. These monies are to be used for the clean-up of the landfill. The fund's goal is to use the interest generated from the principal to cover ongoing annual costs of the landfill clean-up.
  - b. *2444 Infrastructure Fund:* This fund was established to provide financial assistance to local units of government for water, sewer, road, and bridge projects that are especially unique, non-routine, and out-of-the ordinary. Money is loaned to municipalities for qualifying projects at attractive interest rates.
  - c. *2450 Public Improvement Fund:* This fund is used to account for monies set aside for public improvements. The fund's goal is to provide sufficient dollars to fund the County's major capital projects.
  - d. *2570 Stabilization Fund:* This fund was established pursuant to Act No. 30 of the Public Acts of 1978 to assure the continued solid financial condition of the County. Use of funds are restricted for but not limited to:
    - 1). cover a general fund deficit, when the County's annual audit reveals such a deficit.
    - 2). prevent a reduction in the level of public services or in the number of employees at any time in a fiscal year when the County's budgeted revenue is not being collected in an amount sufficient to cover budgeted expenditures.
    - 3). prevent a reduction in the level of public services or in the number of employees when in preparing the budget for the next fiscal year the





# County of Ottawa

County's estimated revenue does not appear sufficient to cover estimated expenses.

- 4). cover expenses arising because of natural disaster, including a flood, fire, or tornado.
- e. *2970 DB/DC Conversion Fund* This fund was established by the County Board to set aside funds needed for start up costs associated with moving new hires to a defined contribution retirement system
- f. *2980 Employee Sick Pay Bank:* The purpose of the Employee Sick Pay Bank Fund is to pay for the County's accrued liability which was a result of discontinuing the accumulation and payoff of employee sick days.
- g. *5160 Delinquent Tax Revolving Fund:* The Delinquent Tax Revolving Fund is used to pay each local government unit, including the County, the respective amount of taxes not collected as of March 1 of each year. After many years of waiting for this fund to mature, the treasurer now avoids costly issuances of Delinquent Tax Anticipation Notes (now referred to as General Obligation Limited Tax Notes) and pays schools, local units and the County in a timely fashion. An annual evaluation is made to determine if it is beneficial for the County to issue general obligation limited tax notes versus using cash on hand. As a financing tool, the fund also covers the principal and interest payments on four bond issues.
- h. *6450 Duplicating Fund*
- i. *6550 Telecommunications Fund*
- j. *6641 Equipment Pool Fund:* These funds are used to provide ongoing funding for equipment replacement. They help stabilize the operating budget by avoiding the peaks and valleys that can occur with equipment purchases.

## V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.



# County of Ottawa

## PERFORMANCE VERIFICATION POLICY

### I. POLICY

In accordance with the County Board of Commissioner's goal of continually improving the County's organization and services, as well as maximizing financial resources, this policy establishes a system to verify performance and the effective use of taxpayer and other public funds.

The system utilizes a combination of strategic planning, evaluation reports, and performance-based budgeting techniques to assist the Board with making prudent and informed decisions about the allocation of financial resources based on, but not limited to, workload, efficiency, outcomes, and cost.

### II. STATUTORY REFERENCES

The Board of Commissioners may establish such rules and regulations regarding the business concerns of the County as the Board considers necessary and proper. See: MCL 46.11(m); 46.71, Act 156 of 1851, as amended.

### III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES

Board of Commissioners Policy Adoption Date and Resolution Number: July 10, 2012 B/C 12-123

Board of Commissioners Review Date and Resolution Number: June 26, 2012 B/C 12-114

Name and Date of Last Committee Review: Planning and Policy Committee June 14, 2012

Last Review by Internal Policy Review Team: April 16, 2013



# County of Ottawa

## IV. PROCEDURE

- A. To facilitate the performance verification system, the Board of Commissioners supports the completion of the following items:
1. County Strategic Plan and Business Plan The Board will develop and maintain a Strategic Plan and an Annual Business Plan for the County which will provide strategic direction to departments/divisions as they develop their department performance plans and program evaluation plans.
  2. Development of department performance plans in order to assist the Board of Commissioners with their decision making during the annual budget allocation process, each department of County government (as defined in Board of Commissioner Rule IV, Section 4.6) are required to develop and maintain a Performance Plan that lists the goals, objectives, target population(s), programs, services, and performance measures of their respective office. The Board of Commissioners requests performance plans from the Circuit, District, and Probate Courts and related departments serving Ottawa County. Each of these Plans will be incorporated into the County's annual performance-based budgeting process.
    - a. All performance plans must be reviewed by the Planning and Performance Improvement (PPI) Department and Fiscal Services Department prior to final approval by the County Administrator.
    - b. Annual performance measurement data (e.g. workload, efficiency, outcomes, and customer service) will be incorporated into Performance Plan(s) by May 1 of each year.
    - c. The PPI Department will obtain benchmark data from other comparable counties, whenever feasible, to compare the performance and cost of departments of County government and courts.
    - d. The PPI Department will audit the annual performance measurement data to check for completeness, correctness, and consistency. The PPI Department will also calculate all cost data (e.g. department cost per capita, department cost per FTE) for inclusion in the performance plans. Further, the PPI Department will prepare a benchmark analysis report for each department of County government and the courts by utilizing comparable benchmark data.
    - e. The PPI Department will forward all completed performance plans and benchmark analysis reports to the Fiscal Services Department by June 15 of each year.



# County of Ottawa

- f. The completed performance plans and benchmark analysis reports will be utilized by the County Board, County Administration, and the Fiscal Services Department to analyze personnel requests, staffing levels technology initiatives, funding requests, and other budgetary decisions.
3. Development of Program Evaluation Plans: All programs/services which the County Board and/or County Administrator designate for evaluation must have an evaluation plan completed by the PPI Department. Each plan will include a program outline that defines the goals, objectives, target population(s), and performance measures that will be used to evaluate the program/service, as well as any other materials deemed necessary (e.g. program and data flow analysis, organization and work flow analysis, and data collection tools) to conduct the evaluation.
    - a. All evaluation plans must be approved by the PPI Department and County Administrator.
    - b. Departments of County government and the courts will provide any and all data that is required for the PPI Department to complete the evaluation of their respective program/service.
    - c. Completed evaluations, and any recommendations contained therein, will be used by the County Board and County Administration in the resource allocation process for future funding (e.g. continuation, modification, consolidation, privatization, discontinuation, other).
  4. Annual Reports: The Board will require annual reports from all departments of County government (as defined in Board of Commissioner Rule IV, Section 4.6) and request an annual report from the courts.-These annual reports will include the performance measurement data that are contained in the annual performance plans.

## V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.



# County of Ottawa

## REVENUE AND EXPENDITURE POLICY

### I. POLICY

All entities face economic constraints. As a result, the County must pay attention both to inflows and outflows to provide consistent services to the public and promote stability. The intent of this policy is to define the County philosophy on revenue collection and expenditure recognition, allocation, and review.

### II. STATUTORY REFERENCES

Constitutional Amendment of 1978 – Headlee Amendment  
Constitutional Amendment of 1994 – Proposal A  
Public Act 123 of 1999

### III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES

Board of Commissioners Policy Adoption Date and Resolution Number: May 27, 2008; 08-123

Board of Commissioners Review Date and Resolution Number: May 13, 2008; 08-110

Name and Date of Last Committee Review: Planning and Policy Committee, May 9, 2013

Last Review by Internal Policy Review Team: April 16, 2013



# County of Ottawa

## IV. PROCEDURE

### A. Revenues:

1. The more dependent the County is on any one revenue source the less able it is to weather changes in that revenue resulting from economic conditions. Consequently, the County will strive to develop a diversified revenue mix in order to avoid disruption to County services.
2. Taxes represent the most significant revenue source for the General Fund. However, there has been legislation that limits the County's ability to tax.
  - a. It is important that the County find ways to develop flexibility within its taxing authority. To do this, the County will strive to levy less than its legal maximum levy each year. This provides the County with a "cushion" to fall back on should conditions develop that would otherwise result in an immediate reduction of services. This "cushion" provides the County with time to find other funding sources and/or identify more cost effective ways to deliver services.

In addition, flexibility within the levy is also important to bond rating agencies. The agencies look very favorably on entities that have the flexibility to adjust tax revenues. The higher the County's bond rating is, the lower the cost to borrow. This affects not just the County but the public overall, since assessments will be lower.

- b. Levying less than the maximum legal amount provides the County with flexibility; it also lessens the burden on citizens and businesses within the County. The County Board will strive to balance the need for taxes to fund public services with the impact the taxes have on citizens and businesses.
  - c. The County may purchase the real delinquencies of other municipalities and school districts within the County. At that point, the money is no longer owed to the municipality but is now owed to the County. The County will adhere to the requirements provided under Public Act 123 of 1999, which require due notice to the property owner prior to foreclosure.
3. User fees are important in the development of a diversified revenue mix. However, the other benefit of user fees is equity. Instituting user fees allow the beneficiary of the service to be the one paying for it (or a portion of it). User fees, when allowable under the law, will be charged at the discretion of the Board of Commissioners.
  - a. The County Board will determine the extent that user fees cover the cost of the services. Cost includes both the direct costs as well as indirect costs



# County of Ottawa

(e.g., administrative overhead). It is not always feasible or desirable to cover the full cost of a service. Exceptions to full cost recovery include:

- 1). The fee is a barrier to a segment of the County in receiving the services.
- 2). The cost of collecting the fees exceeds the revenue collected.
- 3). Some services provide benefits not only to the direct user, but also to other public. Consequently, it is important to set the fee at a rate that will encourage the use of the service.
- 4). The fee is set by statute.

- b. It is also important for the fees established to stay relevant. The Board of Commissioners will have a study performed every three to five years or as needed to determine the appropriateness of fees and to keep them relevant to the cost associated with the service. Such fee changes will be formally adopted at a Board meeting open to the public.

4. One time revenues are non-recurring, often unexpected resources that the County receives. Because they are non-recurring, they should not be used to cover ongoing expenditures. Instead, they should only be used for their intended purpose (if identified) or to fund non-operational expenditures (e.g., capital projects).

## B. Expenditures:

1. The County will fund expenditures at a level sufficient to ensure the ongoing health, safety, and welfare of the public. If not statutorily specified, the level of services provided will be determined the Board of Commissioners through strategic planning and program ranking and evaluation.

### 2. Indirect Cost:

- a. The expenditures of departments in governmental funds that provide services to other County departments will allocated to all departments through an annual indirect cost allocation study performed by an outside consultant. The allocation of these costs has different bases depending on the function. These bases include (but are not limited to) transaction counts, number of employees and square footage of space occupied.
- b. All departments receiving these services are included in the study, but not all departments are charged. Specifically, the County will charge a department if doing so will provide additional revenue through grants or will help identify the full costs of certain services.





# County of Ottawa

3. The full cost of an employee's compensation is not limited to the cash outlays for salaries and fringe benefits. Most employees are also earning benefits that will not be actually paid for several years. Specifically, in addition to the wages and benefits paid and received during the year, most employees are also earning future compensation in the form of pension and retiree health care. Because these future cash outlays are actually being *earned* now, the County should contribute to them now. This allows us to identify the full cost of the services being provided and avoid passing on costs incurred now to future generations.
  - a. The County will strive to fully fund its long-term liabilities. Each year, the County receives actuary studies that calculate the annual required contribution (ARC) for the County's pension and other post employment benefits (primarily retiree health care). The County will make every effort to budget and pay the ARC each year. The County will also analyze ways to reduce these (and other) costs to benefit the taxpayer yet still provide adequate compensation for employees.
4. To provide proper stewardship of taxpayer dollars, the County has an obligation to review the services it provides for effectiveness and efficiency. In some instances, economies of scale and specialized knowledge allow private agencies to do tasks more efficiently and effectively. Consequently, the County will encourage the use of outside agencies and contractors when analysis shows they are able to provide equivalent or better services more cost effectively than County employees.
5. The County provides a variety of services to the public. As departments adjust programs to meet the perceived needs of their clients, a duplication of services can result, both with other County programs and with other government and private agencies. Regular program review can help identify duplications. Where identified, the County will eliminate services duplicated internally or externally in order to use resources more efficiently.
6. Technology can often provide efficiencies for County departments. Such efficiencies may result in improved service to customers, streamlined processes both within the department and with related agencies, and lower personnel demands. It is important for County departments to continually explore technology alternatives and the costs and benefits they may bring. Depending on funding availability and a project's compatibility with long-term planning, new technology initiatives will be considered when the estimated benefits exceed the estimated costs.

## V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.





# County of Ottawa

## FUND BALANCE POLICY

### **I. POLICY**

To define the components of fund balance in accordance with Governmental Accounting Standards Board Statement #54 – Fund Balance Reporting and Governmental Fund Type Definitions and any subsequent applicable Standards, direct officials and staff in the process followed to commit and assign fund balance and to define the balances first utilized when applicable expenditures are incurred.

### **II. STATUTORY REFERENCES**

### **III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES**

Board of Commissioners Resolution Number and Policy Adoption Date: May 28, 2013 B/C 13-106

Board of Commissioner Review Date and Resolution Number: May 14, 2013 B/C 13-098

Name and Date of Last Committee Review: Planning and Policy Committee May 9, 2013

Last Review by Internal Policy Review Team: April 16, 2013



# County of Ottawa

## IV. PROCEDURE

- A. Fund balance is only reported in governmental funds and is created from revenues in excess of expenditures. It is the balance of assets in excess of liabilities, unless otherwise restricted, available for spending. Following are the five components of fund balance:
1. Nonspendable Fund Balance - This portion of fund balance is *nonspendable* because of the related asset's form. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Examples of nonspendable fund balance include inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
  2. Restricted Fund Balance - This portion of fund balance is *restricted* due to limitations placed on the use of the related assets. Restrictions have been placed on the use of the related assets either (a) externally by creditors (debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) internally through enabling legislation or constitutional provisions. The limitations on the use of the related assets in this component of fund balance are legally enforceable.
  3. Committed Fund Balance - This portion of fund balance is *committed* due to limitations placed on the use of related assets by formal action of the County Board (legislation, resolution, ordinance). The limitations remain binding until the governing body takes formal action to remove applicable limitations. This balance also incorporates contractual obligations to the extent that existing assets have been specifically committed for use in satisfying contractual requirements.

*Budget Stabilization* – the County will commit fund balance in the General Fund in an amount not to exceed the lesser of 1) 15% of the most recently adopted General Fund budget or 2) 15% of the average of the most recent five years of General Fund budgets, as amended. Uses of these funds include:

- a. cover a general fund deficit, when the County's annual audit reveals such a deficit.
- b. prevent a reduction in the level of public services or in the number of employees at any time in a fiscal year when the County's budgeted revenue is not being collected in an amount sufficient to cover budgeted expenditures.
- c. prevent a reduction in the level of public services or in the number of employees when in preparing the budget for the next fiscal year the County's estimated revenue does not appear sufficient to cover estimated expenses.
- d. cover expenses arising because of natural disaster, including a flood, fire, or tornado



# County of Ottawa

4. Assigned Fund Balance - This portion of fund balance is *assigned* to reflect the intended use of the related assets. Such assignments cannot exceed the available (spendable, unrestricted, or uncommitted) fund balance in any particular fund. Less formality is needed to impose, remove, or modify a constraint reflected in *assigned fund balance*. The County Board delegates authority to assign fund balances to the (County Administrator). No governmental funds other than the General Fund may have unassigned fund balance, therefore any amounts remaining in excess of non-spendable, restricted, or committed fund balance in a governmental fund other than the General Fund will automatically be reported as *assigned fund balance*. If any portion of existing fund balance will be used to eliminate a projected deficit in the subsequent year's budget, this amount will also be categorized as *assigned fund balance*.
5. Unassigned Fund Balance - The General Fund, and no other governmental fund, may have resources that cannot be classified in one of the four categories described above. Only the General Fund can report an *unassigned fund balance*.

## B. Order of Spending Fund Balance

1. When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the County of Ottawa to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the County of Ottawa that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

## C. Minimum Fund Balance

1. It is the County of Ottawa's policy to maintain a fund balance in the General Fund of not less than 10% and not more than 15% of the most recently audited General Fund expenditures and transfers out for cash flow and flexibility purposes.

Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

## V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.



# County of Ottawa

## INVESTMENT POLICY

### I. POLICY

It is the policy of the County of Ottawa to manage public funds in a manner which will provide the highest investment return with maximum security, while meeting the daily cash flow demands of the County and conforming to all State statutes and local resolutions governing the investment of public funds.

The intent of the Investment Policy of the County of Ottawa is to define the parameters within which the County's funds are to be managed. The County recognizes its responsibilities with respect to the use and custody of public funds.

As a result of changes in the market or State statute, current holdings could exceed the guidelines of this policy. Whenever that occurs, notice will immediately be provided by the Ottawa County Treasurer to the Administration and Finance Committee and appropriate action taken.

The comprehensive policy will define the following:

- Scope of policy
- Investment objectives
- Prudence
- Authority
- Ethics and conflicts of interest
- Authorized financial dealers and institutions
- Authorized and suitable investments
- Maturities and diversification
- Safekeeping of investments
- Cash management
- Accounting
- Internal controls
- Investment performance and reporting
- Investment Policy adoption

Questions regarding this policy should be directed to

County of Ottawa  
Office of the County Treasurer  
(616) 846-8230

### II. STATUTORY REFERENCES

Act 20 of the Public Acts of 1943, as amended, MCL 129.91 et seq.



# County of Ottawa

### III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES:

Board of Commissioners Policy Adoption Date and Resolution Number: November 23, 2010; B/C 10-274

Board of Commissioners Review Date and Resolution Number: October 26, 2010; B/C 10-245

Name and Date of Last Committee Review: Planning and Policy Committee, May 9, 2013

Last Review by Internal Policy Review Team: April 16, 2013



# County of Ottawa

## Ottawa County Michigan INVESTMENT POLICY

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### EXHIBIT

- A Glossary of Terms

### RESOLUTIONS ON FILE

- Resolution to Authorize Investment of County Funds
- Resolution to Authorize the Deposit and Investment of County Road Commission Funds
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# County of Ottawa

## INTRODUCTION

The intent of the Investment Policy of the County of Ottawa is to define the parameters within which the County's funds are to be managed. The County recognizes its responsibilities with respect to the use and custody of public funds. It is the policy of the County to manage public funds in a manner which will provide the highest investment return with maximum security while meeting the daily cash flow demands of the County and conforming to all State statutes and local resolutions governing the investment of public funds. As a result of changes in the market or State statute, current holdings could exceed the guidelines of this policy. Whenever that occurs, notice will immediately be provided by the County Treasurer to the Finance Committee and appropriate action taken. This Policy is approved by the Ottawa County Board of Commissioners.

The comprehensive policy will define the following

- Scope of policy
- Investment objectives
- Prudence
- Authority
- Ethics and conflicts of interest
- Authorized financial dealers and institutions
- Authorized and suitable investments
- Maturities and diversification
- Safekeeping of investments
- Cash management
- Accounting
- Internal controls
- Investment performance and reporting
- Investment Policy adoption

Questions regarding this policy should be directed to

County of Ottawa  
Office of the County Treasurer  
Bradley Slagh, County Treasurer  
Cheryl Clark, Chief Deputy Treasurer  
(616) 994-4501



# County of Ottawa

## SECTION I. SCOPE

The Investment Policy applies to all County funds held by the County other than pension funds; deferred compensation funds; the Ottawa County Michigan Insurance Authority; the Ottawa County Building Authority; the Ottawa County Central Dispatch Authority; and certain funds of the District Court, Friend of the Court, Mental Health, and Social Services; and Other Post Employee Benefits trust. These assets are accounted for in the County's annual financial report and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds
- Enterprise Funds
- Internal Service Funds
- Trust and Agency Funds

## SECTION II. INVESTMENT OBJECTIVES

The following investment objectives, in priority order, will be applied in the management of the County's funds:

**Safety.** The primary objective of the County's investment activities is the preservation of capital in the overall portfolio and the protection of investment principal. The County Treasurer will establish investment procedures and strategies to control risks and diversify investments regarding specific security types and individual financial institutions.

**Liquidity.** The investment portfolio will remain sufficiently liquid to enable the County to meet future operating, capital expenditure, and debt needs which might be reasonably anticipated, and to meet unanticipated needs.

**Management of Risk.** To control risks regarding specific security types, or individual financial institutions, or specific maturity, the county will diversify its investments.

**Return on Investment.** It is the intent of the County to maximize its return on surplus funds by actively investing all available and prudent balances within the guidelines established by State statutes and this Policy. The County recognizes that interest earnings are an important revenue source; however, the priority is safety, liquidity to meet County obligations and then interest earnings.

**Competitive Environment.** An objective of the Investment Policy is to provide for a competitive environment while providing flexibility to the County Treasurer. Competitive concepts include taking bids on investments placed and bank services purchased.





# County of Ottawa

## SECTION III. PRUDENCE

The standard of prudence to be applied by the investment officials shall be the "prudent person rule" and shall be applied in the context of managing an overall portfolio. Under the "prudent person rule", investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, but for investment, considering the probable safety of their capital as well as the probable revenue to be derived.

## SECTION IV. AUTHORITY

The County Treasurer is the custodian of all County funds. By resolution, and in accordance with Act No. 40, Public Acts of Michigan, 1932, as amended, the County Board of Commissioners designates a depository or depositories for County funds.

By resolution of the Board of Commissioners, the County Treasurer is authorized to invest surplus County funds in the various forms of investments that are permitted by State statutes and that follow the guidelines of this Policy.

Additional resolutions of the Board of Commissioners authorize depositing and investing funds for the County Road Commission and the County Drain Commissioner. Copies of the resolutions are on file with the County Clerk.

The County Treasurer shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of the staff of the Treasurer's Office.

## SECTION V. ETHICS AND CONFLICTS OF INTEREST

The Treasurer and employees of the Treasurer's Office, involved in investment activities, shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair (or create the appearance of an impairment on) their ability to make impartial investment decisions. These persons shall disclose to the County Board of Commissioners any material financial interests in financial institutions that conduct business with Ottawa County, and they shall further disclose any large personal financial investment positions that could be related to the performance of the County's portfolio. The Treasurer and the above mentioned employees shall subordinate their personal financial transactions to those of the County, particularly with regard to the time of purchases and sales.

## SECTION VI. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

Depositories. Deposits made by the County with financial institutions consist of checking accounts, savings accounts, and certificates of deposit. It is understood by the County that for FDIC deposit insurance purposes, all funds in deposit form with one financial institution are added together and insured up to a maximum of \$250,000 in demand deposits and \$250,000 in time deposits regardless of the number of accounts involved. It is the policy of the County to manage the risk by establishing procedures to evaluate the creditworthiness of the



# County of Ottawa

financial institutions and to diversify by setting concentration limits for each financial institution where funds are placed in deposit form. The County does not expect to manage this risk by limiting deposits with each financial institution to \$250,000.

Depositories shall be selected through the County's banking services procurement process, which shall include a two (2) year solicitation and review of current vendor pricing and market comparisons, and issued every four (4) years a formal request for proposals. The banking services procurement process shall be managed by the County Treasurer in a manner consistent with the County's Purchasing Policy and the requirements of Michigan law. The County Treasurer will recommend financial institutions to provide depository services to the County Commission for approval. In selecting depositories, the creditworthiness of institutions shall be considered. The evaluation of the financial institution will be based upon information provided by a service such as the Sheshunoff Information Services Inc.

The evaluation will include the following recommended financial ratios and other relevant data (financial institutions that do not meet all of the criteria will still be considered on an individual basis for some Certificate of Deposit investments):

Net income ratio/Net income to earning assets	minimum	0.6%
Net loan charge off to average loans	maximum	1.0%
Cash and Treasuries to total deposits	minimum	10.0%
Net purchased money to earning assets	maximum	110.0%
Capital to total assets	minimum	5.0%
Net loans to deposits	maximum	80.0%
Municipal time deposits to total deposits	maximum	20.0%

In addition to a ratio analysis, the institution will have been profitable for the past five years. However, if a loss is reported in no more than one year of the past five years, and if the institution remains profitable in the aggregate, the County Treasurer may review the circumstances and approve the institution for the bid list if appropriate.

Broker/Dealers. The County Treasurer will maintain a list of approved security broker/dealers selected by creditworthiness, who maintain an office in the State of Michigan or who are "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the County Treasurer with the following: audited financial statements for the most recent fiscal year and then annually, within 6 months of the year end; certification of having read the County's Investment Policy and the pertinent State statutes; proof of National Association of Security Dealers certification; and proof of State registration, where applicable.



# County of Ottawa

## SECTION VII. AUTHORIZED AND SUITABLE INVESTMENTS

The County is empowered by Public Act 20 of 1943 (as amended through June 30, 1997) to invest public funds. In its Investment Policy, the County Board of Commissioners limits the investment authority to the following:

- A. Bonds, securities or other obligations of the United States or an agency or instrumentality of the United States.
- B. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution. The financial institution must be:
  - a. a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank or credit union
  - b. whose deposits are insured by an agency of the United States government, and
  - c. that maintains a principal office located in the State of Michigan under the laws of this State or the United States
- C. Commercial paper rated at the time of purchase within the highest classification by at least two rating services and that mature not more than 270 days after the date of purchase. Not more than 20% of any fund may be invested in commercial paper at any time.
- D. Repurchase agreements consisting of bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- E. Banker's acceptances of United States banks.
- F. Obligations of this state or any of its political subdivisions that at the time of purchase are rated at an A or M-1/SP-1 or better by not less than 1 standard rating service.
- G. Mutual funds registered under the Federal Investment Company Act of 1940, composed of the investment vehicles described above. The policy includes securities whose net asset value per share may fluctuate on a periodic basis.
- H. Obligations described above if purchased through an inter-local agreement under the Urban Cooperation Act of 1967 (for example, the MBIA program).
- I. Investment pools organized under the Surplus Funds Investment Pool Act (Public Act 367 of 1982), e.g. bank pools.

## SECTION VIII. MATURITIES AND DIVERSIFICATION

Liquidity shall be assured through practices ensuring that disbursement, payroll, and bond payable dates are covered through maturing investments or marketable US Treasury issues.

It is the policy of the County to diversify its investment portfolio. Assets held in the pooled funds and other investment funds shall be diversified to eliminate the risk of loss resulting from the over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In establishing diversification strategies, and within the statutory restrictions, the following guidelines and constraints shall apply:



# County of Ottawa

<u>Instrument</u>	<u>Percent of Portfolio</u>		<u>Maturity/Duration</u> Maximum
	<u>Portfolio</u> <u>Min/Max</u>	<u>Issuer</u> <u>Maximum</u>	
US Treasuries	15% min	N/A	10 years
US Agencies	50% max.	20%	7 years
Certificates of Deposit	50% max.	5% net worth \$10 million	1 year 10% to 2 years
Commercial Paper	20% max.	5% net worth	A-1 270 days
Repurchase Agreements	50% max.	10%	60 days
Bankers Acceptances	50% max.	10%	184 days
Mutual Funds	25% max.	10%	N/A
Money Market Mutual Funds	50% max.	N/A	N/A
State and Local Bonds	25% max	N/A	5 years

Portfolio Maturity and Limitation Percentages. The average maturity of the portfolio as a whole may not exceed three years. This calculation excludes the maturities of the underlying securities of a repurchase agreement. Limitation percentages of the portfolio are measured from the date the securities are acquired.

Government Securities (Treasuries). The County Treasurer may invest in negotiable direct obligations of the US Government. Such securities will include, but not limited to the following: Treasury cash management bills, notes, bonds, and zero strips. At least 15% of the portfolio must be in direct government securities or repurchase agreements. The maximum length to maturity of any direct investment in government obligations is ten years, except for the underlying securities of the repurchase agreements (see Repurchase Agreements).

Federal Agencies (Agencies). The County Treasurer may invest in Federal Agencies. Such securities may include but not limited to the Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), and Federal Farm Credit Bank (FFCB). No more than 50% of the portfolio may be in Federal Agency securities or repurchase agreements involving Federal Agency securities. There shall be a maximum of 20% of the portfolio in any one agency security. The maximum stated maturity for an investment in Federal Agency securities is seven years from the date of purchase.

Certificates of Deposit. Certificates of deposit (CD) may be purchased only from financial institutions which qualify under Michigan law and are consistent with Opinion No. 6168, Opinions of the Attorney General (1982). Purchases of certificates of deposit are further restricted to financial institutions which have been evaluated for creditworthiness and meet the ratios stated in Section VI of this Policy. As a general guideline, certificates of deposit in any one financial institution are to be combined with all funds in deposit form with the financial institution to meet a maximum test of 5% of net worth with an overall maximum of \$10 million in any one financial institution. A maximum of 10% of the portfolio may be invested in negotiable certificates of deposit with a maturity date range of 366 to 730 days and with interest paid semiannually. All other CD investments must not exceed a maximum maturity of 365 days.

Commercial Paper. Investments in commercial paper are restricted to those which have, at the time of purchase, the top investment rating (A-1/P-1) by either Standard and Poor's and/or Moody's or like ratings established by not less than two standard rating services.



# County of Ottawa

Commercial paper held in the portfolio which subsequently receives a reduced rating shall be closely monitored and sold immediately if the principal invested may otherwise be jeopardized. No more than 20% of the portfolio or 20% of any one fund may be in commercial paper. The maximum per issuer is 5% of the net worth of the issuer. The maximum maturity for A-1/P-1 paper is 270 days.

Repurchase Agreements. The County Treasurer may invest in repurchase agreements comprised only of those investment instruments as authorized with Sections VII and VIII of this Policy. All firms with whom the County enters into repurchase agreements will have in place and executed a Master Repurchase Agreement with the County (to include guidelines for safety). No more than 50% of the portfolio may be in repurchase agreements with a maximum of 10% per issuer. The maximum length to maturity is 60 days from the date of the agreement.

Bankers Acceptances. The County Treasurer may invest in bankers acceptances (BA's) or United States banks which are eligible as defined by the Federal Reserve; from institutions whose long-term debt is rated at least A or equivalent by Moody's or Standard and Poor's. A maximum of 50% of the portfolio may be directly invested in BA's. A maximum of 10% of the portfolio may be invested with any one issuer. The maximum length to maturity of any BA's investment is 180 days.

Mutual Funds. The County Treasurer may invest in fixed income mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan and are consistent with Opinion No. 6776, Opinions of the Attorney General (1993) and are within the limitations of this Policy. The securities underlying the mutual fund must be rated at least A or better by either Moody's or Standard and Poor's or be from institutions whose long-term debt rating is AAA or better. A maximum of 25% of the portfolio may be invested in fixed-income mutual funds. A maximum of 10% of the portfolio may be invested with any one fund.

Money Market Mutual Funds. Permitted investments include money market mutual funds or pooled funds organized under State statute such as the Surplus Funds Investment Pool Act and the Intergovernmental Corporation Act which are composed of investment vehicles which are legal for direct investment by local governments in Michigan. A maximum of 50% of the portfolio may be invested in money market mutual funds.

State and Local Bonds. The County Treasurer may invest in investment rated obligations of the State of Michigan and its political subdivisions, provided the government unit is rated an A or M-1/SP-1 or better by at least one (1) rating service at the date of purchase. A maximum of 25% of the portfolio may be invested in state or local unit obligations.. The maximum stated maturity for an investment in a state or local unit obligation is five years from the date of purchase.

## SECTION IX. SAFEKEEPING OF INVESTMENTS

Investment securities purchased by the County shall be held in third-party safekeeping by an institution designated as primary agent. The County Treasurer, with the approval of the





# County of Ottawa

Board of Commissioners, will execute a third-party safekeeping agreement with the primary agent. Such agreement will include details as to responsibilities of each party; provision for delivery vs. payment; notification of transactions; safekeeping and transactions costs; and procedures in case of wire failure or other unforeseen mishaps including liability of each party. Safekeeping procedures and agreements should follow the Governmental Accounting Standards Board (GASB) guidelines for risk categories I or II.

Investment securities not included in the third-party safekeeping procedure include certificates of deposit, mutual funds, direct purchases of commercial paper, and banker's acceptances.

## SECTION X. CASH MANAGEMENT

The County's policy regarding cash management is based upon the realization that there is a time-value to money. Temporarily idle cash should be invested in accordance with the County's Investment Policy. Accordingly, the County's financial team consisting of the County Administrator, County Treasurer, Finance Director, and Accounting Director shall cause to be prepared written cash management procedures which shall include, but not limited to, the following:

Receipts. All moneys due the County shall be collected as promptly as possible. Moneys that are received shall be deposited in an approved financial institution no later than the next business day after receipt by County departments or as may be deposited by written policy. Amounts that remain uncollected after a reasonable length of time shall be subject to any available legal means of collection.

Disbursements. Any disbursements to suppliers of goods or services or to employees for salaries and wages shall be contingent upon an available budget appropriation and the required prior approvals as stated in the County's general policies. The payment of County funds should be through controlled disbursements to maximize investment opportunities, however, payment should be made timely.

Cash forecast. At least annually, cash forecast shall be prepared using expected revenue sources and items of expenditure to project cash requirements over the fiscal year. The forecast shall be updated from time to time to identify the probable inevitable balances that will be available.

Pooling of cash. Except for cash in certain restricted and special accounts, the County Treasurer shall pool cash of various funds to maximize investment earnings.

Distribution of interest. Investment interest shall follow principal. Interest on the pooled funds shall be distributed based upon the average monthly balance of the specific General Ledger fund and the average interest yield of the pool. Certain General Ledger funds that receive funding from the General Fund are exempt from the interest distribution and the interest is given to the General Fund.



# County of Ottawa

## SECTION XI. ACCOUNTING

The County maintains its records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the County in accordance with generally accepted accounting principles as promulgated in Statement No. 31 of the Government Accounting Standards Board (GASB). Accounting treatment will include:

- Investments will be carried at fair value in the balance sheet or other statements of financial position.
- Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties.
- The method used to determine fair value will be quoted market prices.
- The calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments.
- Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year are included as a change in the fair value of investments reported in the prior year(s) and the current year.
- All investment income, including changes in the fair value of investments shall be recognized as revenue in the operating statement.

## SECTION XII. INTERNAL CONTROLS

The County Treasurer shall abide by a system of established internal controls, documented in writing, which is designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by investment officers of the County. Internal control procedures are subject to review with regard to appropriateness and compliance during the annual independent audit process.

## SECTION XIII. INVESTMENT PERFORMANCE AND REPORTING

The County Treasurer shall submit to the Board of Commissioners through the Finance Committee of the Board by March 15 of each year, an annual report which summarizes the County's investment of surplus funds for the preceding year, describes the County's existing investment holdings, examines the County's future fiscal needs, and proposes investment strategy for the coming year. The annual report should also examine the performance of the portfolio for the previous year. Also, a performance report will be given to the Finance Committee quarterly, showing the current status of the County's holdings and an evaluation of the activities during the quarter.

## SECTION XIV. INVESTMENT POLICY ADOPTION

The County's Investment Policy is a comprehensive policy covering the statutory responsibilities of the County Treasurer and the County Board of Commissioners. The Policy shall be adopted by the County Board of Commissioners. The Policy shall be reviewed on an





# County of Ottawa

annual basis by the Finance Committee of the Board. Modifications made at that time or when necessitated by State statutory revision must be approved by the County Board of Commissioners.

## **IV. REVIEW PERIOD**

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.

## GLOSSARY OF ACRONYMS

**4C:** Strategic Initiative involving Communication, Customer service, Continuous improvement, Cultural competency

**ACA:** American Corrections Association

**ACT:** Assertive Community Treatment

**ADA:** Americans with Disabilities Act

**ADR:** Alternative Dispute Resolution

**AED:** Automatic Electronic Defibrillator

**AHA:** American Heart Association

**AICP:** American Institute of Certified Planners

**AICPA:** American Institute of Certified Public Accountants

**APA:** American Payroll Association

**APA:** American Planning Association

**ARC:** Annual Required Contribution.

**ARM:** Alcohol Risk Management (See Health Department, Special Revenue fund 2210)

**ASTD:** American Society for Training and Development

**BBP:** Blood Borne Pathogen

**BMI:** Body Mass Index Screening; widely used diagnostic tool to identify weigh problems within a population. The screening uses body weight and height to determine the measure.

**BOC:** Board of Commissioners

**BPITWM:** Business Process Improvement Team of West Michigan

**BRFS:** Behavioral Risk Factors Survey; survey performed periodically by the Health Department to assist in program evaluation and development

**BS&A:** The Software company that handles tax, property and utility look-up system

**CAA:** Community Action Agency

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## GLOSSARY OF ACRONYMS

**CARF:** Commission on Rehabilitation Facilities

**CASA:** Court Appointed Special Advocate

**CAT:** Curriculum Adaptation & Training Grant

**CATS:** Child Abuse Training Services (Prosecutor)

**CBS:** Community Based Services (Mental Health)

**CCF:** Child Care Fund (Special Revenue fund 2920)

**CCW:** Carrying Concealed Weapons

**CD:** Communicable Disease (see Health Department, Special Revenue fund 2210)

**CDBG:** Community Development Block Grant; predominately federal funding for a variety of public assistance programs

**CERC:** Crisis Emergency Risk Communication Plan; Crisis and emergency risk communication is the attempt by science or public health professionals to provide information that allows an individual, stakeholders, or an entire community to make the best possible decisions for their well being during a crisis

**CEU:** Continuing Education Units

**CFSP:** Commodity Supplemental Food Program

**CHOOSE:** Communities Helping Ottawa Obtain a Safe Environment

**CHP:** Community Health Plan (See Health Department, Special Revenue fund 2210)

**CIP:** Capital Improvement Program; a program which identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan.

**CIG:** Court Incentive Group (Juvenile)

**CIL:** Center for Independent Living

**CMH:** Community Mental Health

**CMHOC:** Community Mental Health of Ottawa County

**CMP:** Court Management Program

**COAM:** Command Officers Association of Michigan

## GLOSSARY OF ACRONYMS

**COBRA:** Consolidated Omnibus Budget Reconciliation Act (Continued Health Insurance)

**COOP:** Continuity of Operations Plan; a plan that ensures the entity is prepared to respond to emergencies, recover from them, and mitigate against their impacts and is prepared to provide critical services in an environment that is threatened, diminished, or incapacitated

**COPS:** Community Oriented Policing Services; Collaborative partnerships between the law enforcement agency and the individuals and organizations they serve to develop solutions to problems and increase trust in police.

**COI:** Continuous Quality Improvement

**CSFP:** Commodity Supplemental Food Program

**CSHCS:** Children's Special Health Care Services; CSHCS helps persons with chronic health problems by providing: coverage and referral for specialty services based on the person's health problems; family centered services to support the primary caretaker of the child; community based services to help care for the child at home and maintain normal routines; culturally competent services which demonstrate awareness of cultural differences, and coordinated services to pull together the services of many different providers who work within different agencies. (See Health Department, Special Revenue fund 2210)

**CWT:** Center for Women in Transition

**CYFC:** Children, Youth, Families and Community

**DB/DC:** Defined Benefit/Defined Contribution

**DBA:** Doing Business As

**DD:** Developmentally Disabled

**DHS:** Department of Human Services

**DLEG:** Department of Labor and Economic Development

**DOL:** Department of Labor

**DTC:** Drug Treatment Center

**DTRF:** Delinquent Tax Revolving Fund

**EAC:** Employee Assistance Center

**EDP:** Employee Development Plan

## GLOSSARY OF ACRONYMS

**EH:** Environmental Health

**EM:** Emergency Management

**EOC:** Emergency Operations Center (See General Fund, department 4260)

**EPSDT:** Early and Periodic Screening and Diagnostic Testing; Medicaid program that provides comprehensive health and developmental assessments and vision, dental and hearing services to children and youth up to age 21 in order to identify conditions that can impede children's natural growth and development (avoiding the health and financial costs of long-term disability). (See Health Department, Special Revenue fund 2210)

**ERP:** Emergency Response Plan; a basic guide for providing a response system to major crises or emergencies occurring in the County.

**ESRI:** Environmental Systems Research Institute (GIS Computer company)

**ESWT:** Employee Survey Work Team

**FCE:** Family and Community Education

**FEMA:** Federal Emergency Management Association

**FHLB:** Federal Home Loan Bank.

**FHLMC:** Federal Home Loan Mortgage Company (Freddie Mac).

**FIA:** Family Independent Agency (old name of DHS)

**FLSA:** Fair Labor Standards Act

**FMLA:** Family and Medical Leave Act

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**FNP:** Family Nutrition Program

**FOC:** Friend of the Court

**FSS:** Family Self-Sufficiency

**FTE:** Full time equivalent – Number of hours worked per year divided by 2,080.

**GAAP:** Generally Accepted Accounting Principals - Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures

## GLOSSARY OF ACRONYMS

necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GASB.

**GAAS:** Generally Accepted Auditing Standards established by the AICPA for the conduct and reporting of financial audits. There are 10 basic GAAS, classed into three broad categories: general standards, standards of fieldwork, and standards of reporting. The Auditing Standards Board of the AICPA publishes SAS to comment and expand upon these basic standards. These SAS, together with the 10 basic standards, constitute GAAS. These GAAS set forth the objectives of the audit and establish measures that can be applied to judge the quality of its performance.

**GAGAS:** Generally Accepted Government Auditing Standards established by the GAO in its publication Standards for Audit of Governmental Organizations, Programs, Activities and Functions ("yellow book") for the conduct and reporting of both financial and performance audits. GAGAS set forth general standards applicable to both types of audits and separate standards of fieldwork and reporting for financial and performance audits. The GAGAS standards of fieldwork and reporting for financial audits incorporate and build upon GAAS.

**GAO:** General Accounting Office; is an independent, nonpartisan agency that works for Congress. Often called the "congressional watchdog," GAO investigates how the federal government spends taxpayer dollars.

**GASB:** Governmental Accounting Standards Board is the authoritative accounting and financial reporting standard-setting body for government entities.

**GFOA:** Government Finance Officers Association

**GIS:** Geographic Information Systems

**GOLD:** Growth Opportunities in Learning and Development (Employee Training)

**HARP:** Homeless Assistance and Recovery Program

**HD:** Health Department

**HDHP:** High Deductible Health Plan

**HDI:** Help Desk Institute

**HHW:** Household Hazardous Waste; The County offers a HHW program to protect the public and the environment from the improper disposal of household hazardous materials.

**HIPAA:** Health Insurance Portability and Accountability Act

## GLOSSARY OF ACRONYMS

**HOG:** Habitual Offenders Group

**HPR:** Home Purchase with Rehab

**HSA:** Health Savings Account

**IAAO:** International Association of Assessing Officers

**ICLE:** Institute for Continuing Legal Education

**ICM:** Institute for Court Management

**ICMA:** International City/County Management Association

**IDA:** Individual Development Accounts

**IEP:** Individual Education Plan

**IHP:** Infant Health Program (See MIHP)

**ISP:** Intensive Supervision Program

**IT:** Information Technology

**JADE:** Juvenile Alternative to Detention Experience

**JAN:** Job Accommodation Network

**JAWS:** Jail Alternative Work System

**JCEA:** Juvenile Court Employees Association

**JCJ:** Juvenile Community Justice

**JET:** Jobs, Education and Training

**JJI:** Juvenile Justice Institute

**LCC:** Lakeshore Coordinating Council

**LED:** light emitting diode

**LEDA:** Lakeshore Ethnic Diversity Alliance

**LEIN:** Law Enforcement Information Network



## GLOSSARY OF ACRONYMS

**LEPC:** Local Emergency Planning Commission; committee established by the County to ensure that appropriate plans are in place help prevent chemical accidents from happening and to develop community plans for responding to chemical emergencies.

**LHRG:** Lakeshore Human Resources Group

**LMCC:** Labor Management Cooperation Committee

**MAA:** Michigan Assessors Association

**MAC:** Michigan Association of Counties

**MADCP:** Michigan Association of Drug Court Professionals

**MCOLES:** Michigan Commission on Law Enforcement Standards

**MCSES:** Michigan Child Support Enforcement System

**MDCDRS:** Michigan Department of Career Development and Rehabilitation Services

**MDCH:** Michigan Department of Community Health

**MDCPOA:** Michigan District Court Probation Officers Association

**MDEQ:** Michigan Department of Environmental Quality

**MDRC:** Michigan Disability Rights Coalition

**MDOT:** Michigan Department of Transportation

**MDSS:** Michigan Disease Surveillance System; A web based communicable disease reporting system developed for the State of Michigan

**MEDC:** Michigan Economic Development Corporation (Michigan Advantage)

**MERS:** Michigan Employees Retirement System

**MESC:** Michigan Employment Security Commission (former name)

**MGFOA:** Michigan Government Finance Officers Association

**MGMIS:** Michigan Governmental Managers of Information Systems Groups

**MI:** Mentally Impaired

## GLOSSARY OF ACRONYMS

**MI Child:** State of Michigan health and dental insurance program for children under the age of 19 who do not have insurance and whose families qualify based on income. The program charges \$10 month for the coverage.

**MICA:** Many Integrated Court Applications

**MIHP:** Maternal and Infant Health Program; a program for all Michigan women with Medicaid health insurance who are pregnant and all infants with Medicaid. MIHP provides support to promote healthy pregnancies, good birth outcomes, and healthy infants.

**MHP:** Maternal Health Program (See MIHP)

**MIS:** Management Information Systems (former name of IT)

**MiSDU:** Michigan State Disbursement Unit; centralized collection of child support payments for families in the State of Michigan

**MJC:** Michigan Jobs Commission (former name)

**MJI:** Michigan Judicial Institute

**MNA:** Michigan Nurses Association

**MNRTE:** Michigan National Resource Trust Fund

**MOKA:** Michigan Ottawa Kent Allegan

**MOS:** Miles of Smiles program; The Miles of Smiles mobile unit provides on-site dental services for qualifying low-income, uninsured; Medicaid insured; and MI Child participating children at schools, Head Start Centers, Health Department clinics, migrant camps and sites for dentally underserved children

**MPRI:** Michigan Prisoner Re-entry Initiative (CAA)

**MRPA:** Michigan Recreation and Parks Association

**MRS:** Michigan Rehabilitation Services

**MSA:** Michigan Sheriffs Association

**MSC:** Michigan Supreme Court

**MSCA:** Michigan State Court Administration

**MSHDA:** Michigan State Housing Development Authority; a State agency which provides funding for various housing programs

## GLOSSARY OF ACRONYMS

**MSP:** Michigan State Police

**MSUE:** Michigan State University Extension

**MTA:** Michigan Townships Association

**NACM:** National Association for Court Management

**NAPPI:** Non-abusive psychological and physical intervention

**NAPSACC:** Nutrition and Physical Activity Self Assessment for Child Care; tool used by the Health department for program evaluation and development

**NCSC:** National Center for State Courts

**NIST:** National Institute of Standards and Technology

**NJDA:** National Juvenile Detention Association

**NMSN:** National Medical Support Notices; the standardized form to notify an employer to withhold premiums from an employee's income when a parent is ordered to provide health care coverage for his or her child(ren).

**NOCCOA:** North Ottawa County Council on Aging

**NPDES:** National Pollutant Discharge Elimination System

**NRPA:** National Recreation and Parks Association

**NWLB:** No Worker Left Behind

**OAISD:** Ottawa Area Intermediate School District

**OCBOC:** Ottawa County Board of Commissioners

**OCCDA:** Ottawa County Central Dispatch Authority

**OCHSCC:** Ottawa County Human Services Coordinating Council

**OCMC:** Ottawa County Mentoring Collaborative

**OCRC:** Ottawa County Road Commission

**OCYSHC:** Ottawa County Youth Sexual Health Coalition; Collaboration of several community groups to reduce the consequences of youth sexual activity by promoting healthy sexuality.

## GLOSSARY OF ACRONYMS

**OCWC:** Ottawa County Wellness Coalition; coalition that seeks to implement policy and environmental changes in the areas of physical activity, healthy eating, and tobacco-free living in Ottawa County.

**OPEB:** Other Post-Employment Benefits: Post-employment benefits that an employee will begin to receive at the start of retirement. This does not include pension benefits paid to the retired employee. Primarily, OPEB benefits include reductions in the amount an employee has to pay for continued health insurance upon retirement.

**OPHP:** Office of Public Health Preparedness (See Health Department, Special Revenue fund 2210)

**OSHA:** Occupational Safety and Health Administration

**OUIL:** Operating Under the Influence of Liquor.

**OWI:** Operating While Intoxicated

**PACC:** Prosecuting Attorneys Coordinating Council

**PAAM:** Prosecuting Attorneys Association of Michigan

**PDM:** Property Description and Mapping

**PERT:** Public Employees Retirement Trust

**PH:** Public Health

**PHP:** Public Health Preparedness (See Health Department, Special Revenue fund 2210)

**PIP:** Property Improvement Program

**PNC:** Pre-natal care

**POAM:** Police Officers Association of Michigan

**POLC:** Police Officers Labor Council

**PPI:** Planning and Performance Improvement

**PPO:** Personal Protection Order

**PPT:** Personal Property Tax

**PRE:** Principal Residence Exemption - exempts a residence from the tax levied by a local school district for school operating purposes up to 18 mills.

## GLOSSARY OF ACRONYMS

**RAM:** Referees Association of Michigan

**RBC:** Robert Brown Center

**RFP:** Request for Proposal

**RMS:** Records Management System

**ROD:** Register of Deeds

**RR:** Recipient Rights

**RRSC:** Resource Recovery Service Center (See Landfill Tipping Fees, Special Revenue fund 2272)

**RTC:** Residential Treatment Centers

**SAVE:** Substance Abuse and Violence Education

**SCAO:** State Court Administrative Office

**S.E.V.:** In Michigan means "State Equalized Value" which is approximately one half the value of the property.

**SHRM:** Society for Human Resources Management

**SJI:** State Justice Institute

**SNS:** Strategic National Stockpile Plan (mass prophylaxis)

**SPF:** Senior Project Fresh

**SPOT:** Strategic Planning Oversight Team

**STD:** Sexually Transmitted Disease or Short Term Disability

**STI:** Sexually Transmitted Infection

**STOPPED:** Sheriff's Telling Our Parents and Promoting Educated Drivers

**SWAP:** Sentence Work Abatement Program

**SWOT:** Strengths, Weaknesses, Opportunities, Threats analysis

**TAA:** Trade Adjustment Assistance

## GLOSSARY OF ACRONYMS

**TANF:** Temporary Assistance for Needy Families

**TEFAP:** The Emergency Food Assistance Program

**THAW:** The Heat and Warmth Fund

**TRA:** Trade Readjustment Assistance

**TQI:** Total Quality Improvement

**TSTP:** Traffic Safety Training Program

**TV:** Taxable Value

**UAAL:** Unfunded Actuarial Accrued Liability

**VAWA:** Violence Against Women Act

**VFC:** Vaccines for Children program (See Health Department, Special Revenue fund 2210)

**VR:** Victim's Rights

**VSP:** The County's Vision Insurance Service Provider

**WDB:** Workforce Development Board

**WEMET:** West Michigan Enforcement Team; a joint venture with participants from Ottawa, Muskegon, and Allegan Counties and the Michigan Department of State Police. This legally separate entity was formed in 2002 under the Urban Cooperation Act of 1967 and is governed by a board made up of member-designated representatives. The purpose of the WEMET is to establish a cooperative law enforcement force assembled for the purpose of enforcing narcotics and other controlled substances laws.

**WIC:** Women and Infant Children

**WIA:** Workforce Investment Act (Special Revenue Funds)

**WMSA:** West Michigan Strategic Alliance

**WMTUG:** West Michigan Telecommunications Users Group

**WMUG:** West Michigan AS 400 Users Group

**WMCJTC:** West Michigan Criminal Justice Training Consortium

## **GLOSSARY OF ACRONYMS**

**WRAP:** Wellness Recovery Action Planning

**YAS:** Youth Assessment Survey; survey performed periodically by the Health Department to assist in program evaluation and development.



## GLOSSARY OF BUDGET AND FINANCE TERMS

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, a glossary has been included in the document.

**Accounting System:** The total set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

**Accrual Basis:** A basis of accounting in which debits and credits are recorded at the time they are incurred as opposed to when cash is actually received or spent. For example, in accrual accounting, revenue which was earned between October 1 and December 31, but for which payment was not received until January 10, is recorded as being received on December 31 rather than on January 10.

**Activity:** A specific unit of work or service performed.

**Ad Valorem Tax:** A tax based on value. Property taxes.

**Advance Refunding Bonds:** Bonds issued to refinance an outstanding bond issue before the date the outstanding bonds become due or callable. Proceeds of the advance refunding bonds are deposited in escrow with a fiduciary, invested in U.S. Treasury Bonds, or other authorized securities and used to redeem the underlying bonds at their maturity or call date, to pay interest on the bonds being refunded, or to pay interest on the advance refunding bonds.

**Amortization:** The reduction of the value of an asset by prorating its cost over a period of years.

**Annual Required Contribution (ARC):** The ARC is the employer's periodic required contribution to a defined benefit Pension or other post-employment benefit plan (OPEB). The ARC is the sum of two parts: (1) the normal cost, which is the cost for Pension/OPEB benefits attributable to the current year of service, and (2) an amortization payment, which is a catch-up payment for past service costs to fund the Unfunded Actuarial Accrued Liability (UAAL) over the next 30 years.

**Appropriation:** A legal authorization granted by the County Board of Commissioners which permits the County to incur obligations and to make expenditures of resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

**Appropriation Ordinance:** The official enactment by the County Board of Commissioners to establish legal authority for County officials to obligate and expend resources.

**Arbitration:** The hearing and determination of a dispute by an impartial referee agreed to by both parties (often used to settle disputes between labor and management)

**Assessed Valuation:** A value that is established for real or personal property for use as a basis for levying property taxes. (Note: Property values are established by the local townships and city assessors).

## GLOSSARY OF BUDGET AND FINANCE TERMS

**Assets:** Property owned by a government which has a monetary value.

**Assignment of Mortgage:** To record the sale of the mortgage in the secondary market.

**Audit:** A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- ascertain whether financial statements fairly present financial positions and results of operations;
- test whether transactions have been legally performed;
- identify areas for possible improvements in accounting practices and procedures;
- ascertain whether transactions have been recorded accurately and consistently; and
- ascertain the stewardship of officials responsible for governmental resources.

**Balanced Budget:** A budget in which estimated revenues and fund balance equals or exceeds estimated expenditures.

**Balance Sheet:** A financial statement that discloses the assets, liabilities, reserves, and balances of a specific governmental fund as of a specific date.

**Bond:** A written promise to pay (debt) a specified sum of money (called principal or face value) on a specific future date (called the maturity date(s)). The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, and water and sewage systems.

**Budget:** A financial plan for a specified period of time (fiscal year) that matches all planned revenues and expenditures with various municipal services.

**Budget Adjustment:** A legal procedure utilized by the County staff and County Board to revise a budget appropriation. The County of Ottawa requires the Finance Committee of the Board of Commissioners to approve through the adoption of a supplemental appropriation ordinance (which specifies both the source of revenue and/or the appropriate expenditure account) for any appropriation between funds or any appropriation over \$50,000. The County Administrator and Fiscal Services Director can approve adjustments for \$50,000 or less within a fund.

**Budget Calendar:** The schedule of key dates or milestones which the County departments follow in the preparation, adoption, and administration of the budget.

**Budget Document:** The instrument used by the budget-making authority to present a comprehensive financial program to the County Board of Commissioners.

## GLOSSARY OF BUDGET AND FINANCE TERMS

**Budgeted Funds:** Funds that are planned for certain uses that have been formally or legally appropriated by the legislative body. The budget document that is submitted for the County Board of Commissioners approval included all the required information. Public Act 621 of 1978, known as the Uniform Budgeting and Accounting Act, requires a formal budget be adopted for all governmental fund types. Informational summary of projected revenues and expenditures is required for proprietary fund types and capital construction projects.

**Budget Message:** The opening section of the budget which provides the County Board of Commissioners and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and recommendations of the County Administrator and Fiscal Services Director.

**Budgetary Control:** The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

**Capital Construction Projects:** A plan of approved capital expenditures and the means of financing them. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility. The capital budget is enacted as part of the County's consolidated budget which includes both operating and capital outlays. The capital budget normally is based on a capital improvement program (CIP).

**Capital Improvement Program (CIP):** A plan for capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years.

**Capital Expenditures/Outlays:** Expenditures greater than \$5,000 for the acquisition of capital assets. The assets are of significant value and have a useful life of more than one year. Capital assets are also called fixed assets.

**Capital Projects Fund:** A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**Capitalization Policy:** The criteria used by a government to determine which outlays should be reported as fixed assets.

**Cash Accounting:** A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

**Cash Management:** The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

## GLOSSARY OF BUDGET AND FINANCE TERMS

**Certificate of Deposit:** A negotiable or non-negotiable receipt for monies deposited in a bank or financial institution for a specified period for a specified rate of interest.

**Commercial Paper:** A very short-term unsecured promissory note, supported by a bank line or letter of credit, which has a maturity from one to 270 days.

**Commodities:** Items of expenditure (in the operating budget) which, after use, are consumed or show a material change in their physical condition, and which are generally of limited value and are characterized by rapid depreciation. Office supplies and gas and oil are examples of commodities.

**Component Unit:** A separate government unit, agency, or non-profit corporation that is combined with other component units to constitute the reporting entity in conformity with GAAP. The elected officials of the primary government are financially accountable for the component unit.

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

**Contractual Services:** Services rendered to County departments and agencies by private firms, individuals, or other government agencies. Examples include utilities, insurance, and professional services.

**Debt Service Fund:** A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Debt Services:** The County's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

**Deficit:** (1) The excess of an entity's liabilities over its assets (See Fund Balance).  
(2) The excess of expenditures or expenses over revenues during a single accounting period.

**Delinquent Taxes:** Taxes that remains unpaid on and after the date on which a penalty for non-payment is attached.

**Department:** A major administrative division of the County which indicates overall management responsibility for an operation or a group of related operations within a functional area.

**Department Function Statement:** The primary reason for the existence of a specific department is explained through the department function statement.

**Depreciation:** The decrease in value of physical assets due to use and the passage of time.

## GLOSSARY OF BUDGET AND FINANCE TERMS

**Designated:** An account used to indicate a portion of a fund's balance to reflect tentative plans for future spending related to specific projects or purposes. These amounts are formally designated by the Board of Commissioners. Although these amounts are not legally restricted, they represent current intentions of the Board.

**Disbursement:** Payment for goods and services in cash or by check.

**Discharge of Mortgage:** To record the payoff of the mortgage.

**Encumbrance:** The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for future expenditures. Funds cease to be encumbered when paid or when an actual liability is set up.

**Enterprise Fund:** A proprietary fund type in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to insure that revenues are adequate to meet all necessary expenditures.

**Equalized Value:** Locally assessed value multiplied by County and/or state factors to provide a uniform tax base. Equalized values are multiplied by tax rates to yield a tax amount in dollars.

**Estimated Revenue:** The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by County Board of Commissioners.

**Expenditure:** This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all governmental funds and expendable trust funds. (Note: An encumbrance is not an expenditure. An encumbrance reserves funds to be expended.)

**Expenses:** Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest, and other charges. This term applies to proprietary funds and non-expendable trust funds.

**Family Court:** A newly created division of the Circuit Court that administers domestic relations and juvenile neglect and abuse cases.

**Finance Committee:** A five-member committee made up of Board of Commissioners who have original jurisdiction over matters of County business in the areas of purchasing, financial control, insurance, audit of claims, auditing, equalization and apportionment bonding, human resources, and other related matters. The committee members are appointed by the Chairperson of the Board and serve for a one-year term.

**Fiduciary Fund:** Funds used to account for assets held in trust by the government for the benefit of individuals or other entities

## GLOSSARY OF BUDGET AND FINANCE TERMS

**Financing Tools:** Financial mechanisms established by the Board of Commissioners to address long-term financial needs of the County. (See Users Guide for more detail.)

**Fiscal Year:** A twelve-month period designated as the operating year for an entity. The County of Ottawa has specified January 1 to December 31 as its fiscal year. However, certain grant funds carry fiscal year-ends to coincide with the grants reporting period.

**Fixed Assets:** Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

**Full Faith and Credit:** A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

**Function:** A major class or grouping of tasks directed toward a common goal, such as improvements to the public safety, improvement of the physical environment, etc. For the purposes utilized in budgetary analysis, the categories of functions have been established by the State of Michigan and financial reports must be grouped according to those established functions.

**Fund:** An accounting entity with a set of self-balancing accounts that records all financial transactions for the purpose of carrying on specific activities or government functions. Seven commonly used fund types in governmental accounting are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

**Fund Balance:** Fund balance is the excess of assets over liabilities and is therefore also known as surplus funds. This term applies to governmental funds. A negative fund balance is sometimes called a deficit.

**Fund Balance, Assigned:** The portion of fund balance that is constrained by the government's intent to be used for a specific purpose, but for which no formal action has been taken by the Board. Fund balance assignments can also be made by the official to whom the governing body has delegated the authority to assign amounts to be used for specific purposes. For Ottawa County, the County Administrator has been granted that authority by the Board.

**Fund Balance, Committed:** The portion of fund balance that can only be used for specific purposes due to constraints imposed by formal action of the government's highest level of decision making authority (e.g., resolution by the Board of Commissioners). The commitment stands unless the government the same type of action to eliminate or alter it (resolution).

**Fund Balance, Nonspendable:** The portion of fund balance that is not available for appropriation. Generally, these funds are either not in spendable form (i.e., inventory) or legally or contractually required to be maintained intact.



## GLOSSARY OF BUDGET AND FINANCE TERMS

**Fund Balance, Restricted:** The portion of fund balance which has constraints placed on it either externally (by grantors, laws or regulations of other governments, or creditors) or internally imposed through constitutional provisions or enabling legislation.

**Fund Balance, Unassigned:** The portion of fund balance available for appropriation.

**Fund Equity:** Fund Equity is the excess of assets over liabilities and is also known as surplus funds. This term applies to proprietary fund types.

**General Fund:** The General Fund accounts for all current financial resources not required by law or administrative action to be accounted for in another fund and serves as the primary reporting vehicle for current government operations.

**General Ledger:** A set of records which records all transactions necessary to reflect the financial position of the government.

**General Obligation Bonds:** When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (GO) bonds. Sometimes the term is also used to refer to bonds which are to be repaid from taxes and other general revenues.

**Generally Accepted Accounting Principals (GAAP):** Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GASB.

**Generally Accepted Auditing Standards (GAAS):** Standards established by the AICPA for the conduct and reporting of financial audits. There are 10 basic GAAS, classed into three broad categories: general standards, standards of fieldwork, and standards of reporting. The Auditing Standards Board of the AICPA publishes SAS to comment and expand upon these basic standards. These SAS, together with the 10 basic standards, constitute GAAS. These GAAS set forth the objectives of the audit and establish measures that can be applied to judge the quality of its performance.

**Generally Accepted Government Auditing Standards (GAGAS):** Standards established by the GAO in its publication Standards for Audit of Governmental Organizations, Programs, Activities and Functions ("yellow book") for the conduct and reporting of both financial and performance audits. GAGAS set forth general standards applicable to both types of audits and separate standards of fieldwork and reporting for financial and performance audits. The GAGAS standards of fieldwork and reporting for financial audits incorporate and build upon GAAS.

**Goal:** The long range plans necessary to meet the visions of the strategic plan.



## GLOSSARY OF BUDGET AND FINANCE TERMS

**Governmental Accounting:** The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.

**Governmental Accounting Standards Board (GASB):** The authoritative accounting and financial reporting standard-setting body for government entities.

**Governmental Fund Types:** Funds used to account for the acquisition, use, and balances of expendable financial resources and the related current liabilities - except those accounted for in proprietary funds and fiduciary funds. In essence, these funds are accounting segregations of financial resources. Expendable assets are assigned to a particular governmental fund type according to the purposes for which they may or must be used. Current liabilities are assigned to the fund type from which they are to be paid. The difference between the assets and liabilities of governmental fund types is referred to as fund balance. The measurement focus in these fund types is on the determination of financial position changes and changes in financial position (sources, uses, and balances of financial resources), rather than on net income determination. The statement of revenues, expenditures, and changes in fund balance is the primary governmental fund type operating statement. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers, and other changes in fund balance. Under current GAAP, there are four governmental fund types: general, special revenue, debt service, and capital projects.

**Grant:** A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

**Headlee Rollback (also called Tax Limitation Amendment):** (Article IX, Sec. 31 of the Michigan Constitution). If the total value of existing taxable property in a local taxing unit increases faster than the U.S. Consumer Price Index (CPI) from one year to the next, the maximum authorized tax rate in that jurisdiction must be "rolled back" (reduced). The rollback may be reversed by a vote of the electors.

**Indirect Costs:** Costs associated with, but not directly attributable to, the providing of a product or services. These costs are usually incurred by other departments in the support of operating departments.

**Interfund Expenditures:** Services rendered to County departments and agencies by other County departments. Examples include data processing services, telecommunications, duplicating, insurance services, etc.

**Interfund Transfer:** Payment from one fund to another fund primarily for work or services provided.

**Intergovernmental Revenue:** A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

## GLOSSARY OF BUDGET AND FINANCE TERMS

**Internal Control Structure:** Policies and procedures established to provide reasonable assurance that specific government objectives will be achieved.

**Internal Service Fund:** A fund used to account for the financing of goods or services provided by one department to other departments on a reimbursement basis.

**Inventory:** A detailed listing of property currently held by the government.

**Investment:** Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals, or base payments.

**Invoice:** A bill requesting payment for goods or services by a vendor or other governmental unit.

**Legal Investment:** Investments that governments are permitted to make by law.

**Levy:** To impose taxes, special assessments, or service charges for the support of County activities.

**Liability:** Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. (Note: The term does not include encumbrances.)

**Line-item Budget:** A budget that lists each revenue and expenditure category (taxes, charges for services, salary, telephone, mileage, etc.) separately, along with the dollar amount budgeted for each specified category.

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

### **Major Fund:**

1. An individual fund that reports at least 10 percent of any of the following:
  - a. total governmental fund assets, or
  - b. total governmental fund liabilities, or
  - c. total governmental fund revenues, or
  - d. total governmental fund expenditures
2. **And** at least 5 percent of any of the following:
  - a. total assets for governmental and enterprise funds, or
  - b. total liabilities for governmental and enterprise funds, or
  - c. total revenues for governmental and enterprise funds, or
  - d. total expenditures/expenses for governmental and enterprise funds

**Mandate:** Any responsibility, action or procedure that is imposed by one sphere of government on another through constitutional, legislative, administrative, executive, or judicial action as a direct order or that is required as a condition of aid.

## GLOSSARY OF BUDGET AND FINANCE TERMS

**Maturities:** The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

**Mill:** One one-thousandth of a dollar of assessed value.

**Millage:** Rate used in calculating taxes based upon the value of property, expressed in mills per dollar of property, expressed in mills per dollar of property value.

**Modified Accrual Basis:** Used in governmental fund types. Revenues should be recognized in the accounting period in which they become available and measurable (similar to cash basis). Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**Non Violent Crimes:** Non violent crimes are non-index crimes including Assault, Forgery, Fraud, Embezzlement, Stolen Property, Vandalism, Weapons (carry/possession), Sex Offenses, Drug/Narcotic Violations, Family Offenses, OUIL, Liquor Laws, Disorderly Conduct, Vagrancy, and Runaways (non inclusive).

**Object of Expenditure:** Expenditure classifications based upon the types or categories of goods and services purchased. Typical objects of expenditures include:

- personnel services (salaries and fringes);
- supplies;
- other services and charges (utilities, maintenance contracts, travel); and,
- capital outlays.

**Objective:** The means to achieve the established goals; an implementation plan.

**Operating Budget:** A annual plan of financial operation embodying an estimate of proposed expenditures for the calendar year and the proposed means of financing them (revenue estimates). The plan specifies the type and level of municipal services to be provided, while limiting, through the appropriation process, the amount of money which can be spent.

**Operating Transfer:** Routine and/or recurring transfers of assets between funds.

**Other Financing Sources:** Governmental fund general long-term debt proceeds, amounts equal to the present value of minimum lease payments arising from capital leases, proceeds from the sale of general fixed assets, and operating transfers in. Such amounts are classified separately from revenues on the governmental operating statement.

**Other Financing Uses:** Governmental fund operating transfers out and the amount of refunding bond proceeds deposited with the escrow agent. Such amounts are classified separately from expenditures on the governmental operating statement.

**P.A. 621:** See Uniform Budget and Accounting Act.

## GLOSSARY OF BUDGET AND FINANCE TERMS

**Permanent Fund:** Funds used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs-that is, for the benefit of the government or its citizenry.

**Performance Measures:** Specific quantitative and qualitative measures of work performed as an objective of the department.

**Personnel Services:** Items of expenditures in the operating budget for salaries and wages paid for services performed by County employees, as well as the incidental fringe benefit costs associated with County employment.

**Primary Government:** Any state government or general-purpose local government (Municipality or County) which meets the following criteria: 1) has a separately elected governing body, 2) is legally separate, and 3) is fiscally independent of other state and local governments.

**Proprietary Fund Types:** 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.

**Property Tax:** Property taxes are levied on both real and personal property according to the property's valuation and the tax rate. Also known as "ad valorem taxes".

**Purchase Order:** A document authorizing the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

**Rating:** In the context of bonds, normally an evaluation of credit worthiness performed by an independent rating service.

**Requisition:** A written request from a department to the purchasing office for specific goods or services. This action precedes the authorization of a purchase order.

**Reserve:** An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

**Residual Equity Transfer:** Non-recurring or non-routine transfers of assets between funds.

**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.

## GLOSSARY OF BUDGET AND FINANCE TERMS

**Resources:** Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

**Retained Earnings:** An equity account reflecting the accumulated earnings of the County's Enterprise and Internal Service Funds.

**Revenue:** Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, and interest income.

**Revenue Bonds:** Bonds usually sold for construction of a project that will produce revenue for the government. The revenue is used to pay the principal and interest of the bond.

**Revenue Estimate:** A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

**Risk Management:** An organized attempt to protect a government's assets against accidental loss in the most economical method.

**Rollback Legislation:** See Headlee Rollback.

**Self-Insurance:** A term often used to describe the retention by an entity of a risk of loss arising out of ownership.

**Source of Revenue:** Revenues are classified according to their source or point of origin (i.e.: taxes, charges for services, interest on investments).

**Special Assessment:** A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

**Special Assessment Roll:** The official list showing the amount of special assessments levied against each property presumed to be benefited by an improvement or service.

**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 require the use of special revenue funds when legally mandated.

**State Equalized Value:** In Michigan means "State Equalized Value" which is approximately one half the value of the property.

## GLOSSARY OF BUDGET AND FINANCE TERMS

**Strategic National Stockpile:** Federal initiative to maintain an inventory of antibiotics, antivirals, chemical antidotes, antitoxins, life support pharmaceuticals, vaccines, and other medical supplies for use in the event of an incident anywhere in the United States using a weapon of mass destruction (chemical, biological, radiological or explosive) or a major natural or technological disaster.

**Strategic Plan:** Plan developed by the Board of Commissioners to establish County objectives, goals, and action plans.

**Surplus:** Revenue over expenditures for any given year. The cumulative revenue over expenditures is called fund balance.

**Tax-Exempt Bonds:** State and local government securities whose interest is exempt from taxation by the federal government or within the jurisdiction issued.

**Tax Levy:** The total amount to be raised by general property taxes for the purposes stated in the resolution approved by the County Board of Commissioners.

**Tax Rate:** The amount of taxes (mills) levied for each \$1,000 of assessed valuation.

**Tax Rate Limit:** The maximum legal property tax rate at which a County may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes. The County's legal limit is 4.44 mills voted on by County residents in 1988 for 6 years. This millage will expire in 1994 at which time the Tax Allocation Committee will meet.

**Tax Roll:** The certification of assessed/taxable values prepared by the assessor of each local governmental unit presented to the taxing authority in October of each year.

**Tax Year:** The calendar year in which ad valorem property taxes are levied to finance the ensuing calendar year budget. For example, taxes levied in 1993 will finance the 1994 budget.

**Taxable Value:** The dollar figure for each parcel of property against which tax rates are levied. This may or may not be an arbitrary calculation depending upon the market value, how that value has changed over time, whether it has been subject to statutory caps" and when it was last "uncapped" because of "transfer of ownership".

**Taxes:** Compulsory charges levied by a government for the purpose of financing 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 benefits, such as special assessments.

## GLOSSARY OF BUDGET AND FINANCE TERMS

**Truth in Taxation (Act No. 5, PA of 1982):** Any increase in the total value of existing taxable property in a local taxing unit must be offset by a corresponding decrease in the tax rate actually levied so that the yield does not increase from one year to the next. The rollback may be reversed by a special vote of the legislative body of the local unit provided that the action is preceded by a public advertisement and hearing.

**Unfunded Actuarial Accrued Liability:** The difference between the actuarial accrued liability and the actuarial value of assets accumulated to finance that obligation.

**Unencumbered Balance:** The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purchases.

**Uniform Budget and Accounting Act (P.A. 621):** This act was passed by the Michigan Legislature in 1978 to provide for a system of uniform procedures for the preparation and execution of budgets in local government. The Act addresses responsible parties in the budget process, required information in the budget document, and policies regarding deficits and budget amendments.

**Unqualified Opinion:** An auditor's opinion stating that the financial statements present fairly the financial position, results of operations and (when applicable) changes in financial position in conformity with GAAP (which include adequate disclosure). This conclusion may be expressed only when the auditor has formed such an opinion on the basis of an examination made in accordance with GAAS or GAGAS.

**User Charges (also known as User Fees):** The payment of a fee for direct receipt of a public service by the party benefiting from the service.

**Violent Crimes:** Violent crimes are index crimes including Murder/Manslaughter, Negligent Homicide, Kidnapping, Criminal Sexual Conduct, Robbery, Aggravated Assault, Burglary, Motor Vehicle Theft, Arson, and Larceny.

**Yield:** The rate earned on an investment based on the price paid for the investment.



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