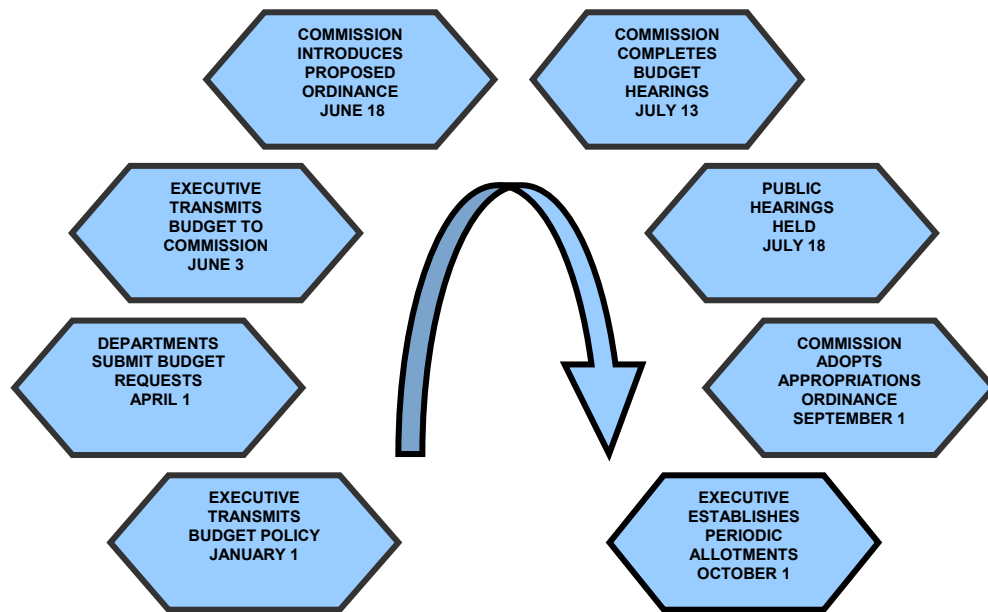


BUDGET OVERVIEW



The Belle Isle Conservatory in Detroit Michigan is one of the more underrated attractions and can truly be a home away from home in the city, especially during the wintertime where sunlight and greenery run sparse. he Belle Isle Conservatory has many sections, each filled with different plants. At the beginning, you will see mostly tropical plants such as ferns, palms, and orchids, many of which are found in South America.

CHARTER COUNTY OF WAYNE BUDGET CYCLE



BUDGET CALENDAR

Article V in the Wayne County Charter establishes dates for budget preparation, transmission, adoption and implementation.

<i>January 1</i>	<i>The County Executive transmits the budget policy statement, including revenue estimates, to all departments and agencies.</i>
<i>April 1</i>	<i>All departments and agencies submit their budget requests and other required information to the County Executive.</i>
<i>June 3</i>	<i>The County Executive transmits the proposed budget to the County Commission.</i>
<i>June 18</i>	<i>The County Commission introduces the proposed Appropriation Ordinance.</i>
<i>July 13</i>	<i>The County Commission completes hearings on the budget.</i>
<i>July 18</i>	<i>The County Commission holds at least two public hearings to receive citizen testimony on the budget.</i>
<i>September 1</i>	<i>The County Commission adopts the appropriations ordinance.</i>
<i>October 1</i>	<i>The County Executive establishes a schedule of periodic allotments for the fiscal year.</i>



Wayne County Government *Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014*

READER'S GUIDE TO WAYNE COUNTY'S BUDGET

The budget document is organized into the following sections: The first pages of the book, before the tabbed sections, provide an introduction to Wayne County Government. It includes a listing of all Elected Officials and Executive Department Heads, a countywide organizational chart and an Executive Branch organization chart. In addition, the County's Mission Statement, the County Executive's Strategic Goals, Core Work Values, Long Range Goals, Budget Message and the County Commission's Changes to the County Executive's Recommended Budget for the fiscal year are included.

The tabbed sections of the book begin with Tab 1, a Budget Overview, including this Reader's Guide, format changes to the budget, the budget calendar, the budget process, a summary of the County's financial policies, County profile, fund and account descriptions, assumptions used and actions taken in the development of the adopted budget. Tab 2 is a Budget Summary of all appropriated funds and Position Summary and Tab 3, a Budget Summary of the General Fund. Tabs 2 and 3 include charts and graphs illustrating the adopted budget's funding and personnel.

The next twenty one individual tabs include all of the Elected Officials and Executive Departments representing the Executive, Legislative and Judicial functions of Wayne County government. Wayne County continues to transition to a performance budgeting philosophy as a result of the Managing for Results (MFR) Initiative (explained below). Accordingly, the County Budget document has been revised and updated. At the department level, all departments continue to present the budget in the original format to provide historical information more consistently. For those departments that have implemented MFR, the budget document includes information at the end of the department section in the MFR format. The FY 2012-13 Adopted Budget is the fifth year that MFR is being presented in the budget document.

The conversion to MFR performance based budgeting is a process that continues to evolve over time. While all nine departments under the direct authority of the Wayne County Executive have gone through the MFR process, those functions under the control of other County elected officials have not; however, they do plan to do so in the future.

Similar to previous years, the Department sections are arranged in alphabetical order separated by a divider. The back of each divider includes a pie chart depicting the department's major expenditure categories as well as a five-year expenditure trend bar chart. Included behind

each department tab is: a summary of the Department's overall operations including the Mission Statement, Budget Summary showing the department's total expenditures, sources of revenues and an Organizational Chart in the traditional view. This is followed by the Departmental Narrative Section comprised of Major Activity Descriptions, Goals, Objectives, Performance Measurements, Accomplishments and Highlights, New Initiatives and an Impact Statement which explains how this year's budget will effect each department's operations. Following the Department Narrative Section, is the Financial Section which includes a three-year fiscal presentation of the budgeted revenues, expenditures and positions. This more detailed presentation is organized by fund and function. Also included in this section is a schedule highlighting and explaining the changes to the Department's budget from the prior year.

For those departments participating in the MFR Initiative, an additional section includes information on the new organizational structure and an explanation of each department's strategic goals and performance measures as they relate to the County Executive's Priorities. The section is identified by the MFR logo in the upper right hand corner of the header.

The final section of the Budget document contains tabs related to the County's Non-Departmental allocations, Debt Service and Capital and concludes with an Appendix that includes the Adopted Appropriations Ordinance for the fiscal year, detailed financial policies, demographics, glossary and list of acronyms.



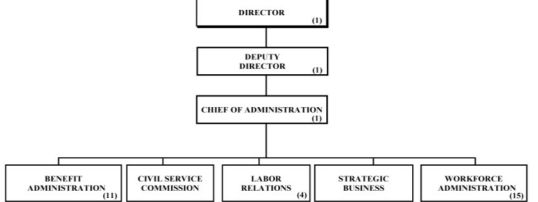
Wayne County Government Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014

SAMPLE OF THE DEPARTMENTAL BUDGET SECTIONS

The Budget Summary is the first page of every department section allowing for a quick view of the overall budget for the current fiscal year as well as two years of budget history. The department's mission statement, positions and organizational charts are also included. All departments are organized in the same format and order. This information has been historically provided in the budget document.

Departments that are part of the MFR Performance Budget will have additional schedules explaining the department's budget from the Managing for Results programmatic view which will be discussed later in this section.

The first page of every department section of the Budget Document will be presented in the format diagrammed below. It is meant to provide the reader with a snapshot of the operating budget for the department.

 Wayne County Government <i>Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014</i>				
DEPARTMENT OF PERSONNEL AND HUMAN RESOURCES				
MISSION				
The Mission of the Personnel and Human Resources Department is to acquire and retain the right talent through the development of effective 21st Century Human Resource solutions focused on engaging, educating and empowering internal and external stakeholders.				
BUDGET SUMMARY - ALL FUNDS				
	FY 2010-2011 Budget	FY 2011-2012 Budget	FY 2012-2013 Budget	FY 2013-2014 Projected Budget
Total Departmental Expenditures	\$6,252,102	\$5,657,962	\$6,066,645	\$6,046,500
Departmental Revenue				
Charges, Fees, and Fines	6,252,102	5,657,962	6,066,645	6,046,500
Total Revenues	\$6,252,102	\$5,657,962	\$6,066,645	\$6,046,500
General Fund General Purpose	\$0	\$0	\$0	\$0
Total Budgeted Positions	41	37	33	33
Contact: Tish King, Director 500 Griswold St., 9th Floor • Detroit, MI 48226 • Phone: (313) 224-5907				
				

This section displays the
Department Mission Statement

This section displays the
Department's Revenues, Total
Expenditures, Full Time
Equivalents (FTE's) and Contact
information

This section displays
the Departmental
Organizational Chart

MAJOR ACTIVITIES AND DESCRIPTIONS

The next section will begin on page two and display the descriptions of Major Activities, Highlights and Accomplishments of the department that occurred during the past fiscal year, New Initiatives and the Impact Statement. Although updated from prior years, the information provided in this section is similar to the information provided in the prior year's budget document.

This section displays the
Major Activities
of the Department

This section displays the
Departments Accomplishments
and other Highlights of the
previous year

 Wayne County Government <i>Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014</i>	
DEPARTMENT OF PERSONNEL AND HUMAN RESOURCES	
MAJOR ACTIVITIES AND DESCRIPTIONS:	
DIVISION OF BENEFIT ADMINISTRATION: Manage all functions related to the administration of employee and retiree health, employee disability and occupational safety including: health and life insurance plan administration including COBRA, flexible spending accounts and health savings accounts, voluntary benefit plans and employee assistance programs (EAP); employee wellness programs; tuition reimbursement request processing; leave of absence request processing including those made under the Family Medical Leave Act (FMLA); work-related (worker's compensation) and non-work-related disability claims administration including return-to-work programs; job accommodation request evaluations under the American Disabilities Act (ADA); work-site safety inspections training and reporting.	DIVISION OF STRATEGIC BUSINESS: Develop, implement and assess organizational development and effectiveness initiatives that align resources with operating objectives and optimization of services (OE/OD).
DIVISION OF CIVIL SERVICE COMMISSION: Hear employee appeals of examinations, reclassifications, disciplinary matters and complaints of discrimination.	DIVISION OF WORKFORCE ADMINISTRATION: Process all displacements and layoffs. Maintain and publish the Executive and Non-Executive employee Benefit Plan. Evaluate requests for salary increases, maintain and publish pay plans. Ensure adherence to all County Policies and State and Federal laws.
DIVISION OF LABOR RELATIONS: Conduct contract negotiations, assist departments in the administration and interpretation of labor agreements, hear grievances and represent the County in arbitrations and before the Michigan Employment Relations Commission (MERC). Monitor compliance with the County's policy against sexual harassment or other discrimination in the workplace. Investigate and respond to complaints of employment discrimination filed with internal, state and federal agencies. Process all unemployment claims.	EXAMINATION: Recruit applicants, conduct examinations and fill vacancies. Review and approve requests for temporary assignment pay.
	CERTIFICATION: Maintain eligibility lists and certify names from appropriate lists to fill vacancies in accordance with collective bargaining agreements and Civil Service Rules.
	CLASSIFICATION: Create new classes and maintain the classification plan. Audit reclassification requests and determine pay grade for new classes. Allocate vacant positions.
	PERSONNEL INFORMATION: Maintain PeopleSoft Human Resource Information System and employee records. Assist other departments with personnel transactions and process employment verification requests. Respond to FOIA requests.
FISCAL YEAR 2011-2012 ACCOMPLISHMENTS AND HIGHLIGHTS	
Settled six collective bargaining agreements and implemented all contract changes	Completed several shared service projects such as project search and selection testing
Implemented MS Office training for employees on eLearning	Launched workplace safety self-inspections program
Redesigned the reclassification process	Completed several electronic workflow projects: personnel files, request time off and separation of an employee
Developed the framework for results oriented position descriptions	Completed efficiency studies for Management and Budget Timekeepers and Medical Examiners Investigators
Redesigned mission statement and commitment statement to align with the goals of the department	Developed framework and procedures for electronic personnel files
Conducted a satisfaction survey and analyzed the results	



Wayne County Government Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014

PERFORMANCE REPORT

Wayne County Government Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014					
COUNTY CLERK					
PERFORMANCE MEASUREMENTS					
OBJECTIVES	PERFORMANCE MEASURES	2010-11 ACTUAL	2011-12 BUDGET	2012-13 BUDGET	2013-14 PROJECTED BUDGET
Election Division To increase voter participation	Voter turn-out	Non-Election Year	1,581,954	Non-Election Year	1,629,413
General Services Division A) Vital Records Reduce average customer waiting time	Average customer waiting time ¹	12 minutes	12 minutes	12 minutes	12 minutes
B) Archival/Imaging To provide more efficient means of storing and accessing County records	Number of documents scanned into new imaging system ²	N/A	N/A	N/A	N/A
Court Services Division Process, bind over and assign all civil and felony cases efficiently and timely	1) New Civil Cases Initiated 2) New Criminal Cases Initiated 3) New Juvenile Cases Initiated	31,673 14,000 11,677	32,623 14,420 12,027	32,623 14,420 12,027	32,623 14,420 12,027
Fiscal Division To provide financial oversight and reporting of Clerk's economic transactions in a timely	% financial reports submitted on or before deadline ¹	99%	90%	90%	90%
					DG5
					DG1
					DG3
					DG3
					DG3
					DG4

¹ Increase in customer wait time and time for submission of financial reports are due to layoffs, furloughs and other staff turnover effects

² The new scanning system is still in the process of implementation

The Department Performance Report describes performance results for one year of actuals, two years of budget and one projected budget and follows the Description of Major Activities section. The last column references the Strategic Priority (SP) code found on page 1-21 of this document) that this measure is aligned. This shows the departments progression toward the County's shared goals.

Results, Output, Demands and Efficiencies are listed here along with the Strategic Priority code.

FINANCIAL REPORT

Following the Performance Report is the departments Financial Report. This report displays the detailed revenue and expenditure budget information for the previous two years, the current year and the next years projected budget for the department. This report is organized by fund and function. Also included in this section is the summary of positions which displays the list of positions that were adopted as part of the budget.

This is the Fund Number and Name

Summary of Budgeted Positions follows on the next page of the report

Wayne County Government Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014				
DEPARTMENT OF PERSONNEL AND HUMAN RESOURCES				
Financial Report				
	FY 2010-2011 Budget	FY 2011-2012 Budget	FY 2012-2013 Budget	FY 2013-2014 Projected Budget
00101 General Fund				
226 Personnel				
Revenues				
Charges, Fees, and Fines	6,252,102	5,657,962	6,066,645	6,046,500
Total Revenues	\$6,252,102	\$5,657,962	\$6,066,645	\$6,046,500
Expenditures				
Personnel	2,570,364	2,210,254	2,127,335	2,112,335
Fringe Benefits	884,947	722,175	934,678	1,037,212
Pension	549,240	643,448	612,292	646,152
Materials and Supplies	43,968	26,165	42,109	43,945
Services and Contractual Serv	917,712	981,589	1,470,148	1,412,691
Travel	15,000	14,500	15,300	15,300
Operating Expenses	737,485	642,025	428,019	428,440
Rentals	0	334,065	259,214	258,889
Other Charges	3,000	0	86,600	82,436
Depreciation	2,100	2,100	0	0
Non Capital Assets	0	0	9,100	9,100
Operating Transfers Out	528,286	81,641	81,750	0
Total Expenditures	\$6,252,102	\$5,657,962	\$6,066,645	\$6,046,500
TOTAL DEPARTMENTAL REVENUES	\$6,252,102	\$5,657,962	\$6,066,645	\$6,046,500
TOTAL DEPARTMENTAL EXPENDITURES	\$6,252,102	\$5,657,962	\$6,066,645	\$6,046,500

Summary of Positions				
	FY 2010-2011 Budget	FY 2011-2012 Budget	FY 2012-2013 Budget	FY 2013-2014 Projected Budget
101 GENERAL FUND				
226 HUMAN RESOURCES/PERSONNEL				
ELECTED AND EXECUTIVE	7	8	6	6
SUPERVISORY AND PROFESSIONAL	19	15	15	15
SUPPORT STAFF	15	14	12	12
TOTAL POSITIONS	41	37	33	33
TOTAL DEPARTMENTAL POSITIONS	41	37	33	33



Wayne County Government Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014

BUDGET CHANGES AND HIGHLIGHTS

Wayne County Government Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014 DEPARTMENT OF PERSONNEL AND HUMAN RESOURCES BUDGET CHANGE AND HIGHLIGHTS FY 2012-2013		
	Increase / (Decrease) from 2011-2012 Adopted Budget	Description of Change
REVENUES		
Charges, Fees, and Fines	408,683	Increase in revenue from chargebacks to other County departments.
TOTAL REVENUES	\$408,683	
EXPENDITURES		
Personnel	(82,919)	Reduction of 4 FTE's-duties absorbed by remaining staff.
Fringe Benefits	212,503	Fringe benefit cost associated with reduced workforce.
Pension	(31,056)	decrease due to calculation method of retirement costs.
Materials and Supplies	15,944	Required reduction in general fund/general purpose supported programs.
Services and Contractual Services	488,559	Increase in chargebacks from other County departments.
Travel	800	Increase to local travel expense.
Operating Expenses	(214,006)	Decrease in Equipment Maint. & Repair.
Rentals	(74,851)	Reclass of building rental expenses.
Other Charges	86,000	Increase in Miscellaneous Operating expenses.
Depreciation	(2,100)	
Non Capital Assets	9,100	Increase in Capital equipment.
Operating Transfers Out	109	Reclass of building rental expenses.
TOTAL EXPENDITURES	\$408,683	

This schedule provides the reader a high level departmental snapshot of changes in the budget from the prior years budget. The schedule shows the net increase or (decrease) from year to year along with a high level explanation of the change by account type, i.e. revenues, personnel, fringe benefits, etc.

These columns display the net change amount from the previous fiscal year and a brief explanation

This completes the departmental section for all departments included in the FY 2012-13 Adopted Budget with the exception of those departments that have gone through the MFR Performance based budgeting and strategic planning process discussed below. Those departments who have undergone MFR have two supplemental schedules which present the budget re-aligned in the MFR performance based budgets. MFR will be explained in more detail later in this section.

MANAGING FOR RESULTS PERFORMANCE BUDGET

These schedules provide the reader with a summary of the departments FY 2012-13 Adopted Budget re-aligned into the MFR strategic groups and programs and a description of the MFR organizational structure, Departmental Goals (DG) and the Strategic Priorities

(SP) that they are associated with. The Strategic Priorities are listed on page 1-21 of this document. Departments that have gone through the MFR process are denoted by the MFR logo in the upper right hand corner of the header.

Wayne County Government Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014 DEPARTMENT OF PERSONNEL AND HUMAN RESOURCES MANAGING FOR RESULTS				
PERFORMANCE—MANAGING FOR RESULTS (MFR)				
	FY 2010-2011 Budget	FY 2011-2012 Budget	FY 2012-2013 Budget	FY 2013-2014 Projected Budget
Group Revenues				
Charges, Fees, and Fines	6,252,102	5,657,962	6,066,645	6,046,500
Total Group Revenues	\$6,252,102	\$5,657,962	\$6,066,645	\$6,046,500
Group Expenditures				
Administration	0	0	408,597	407,240
Benefit and Disability Administration	961,076	1,011,711	1,079,346	1,075,762
Workforce Administration and Compliance	3,857,599	3,519,166	2,688,709	2,679,781
Development	124,492	99,699	574,000	572,094
Labor Relations and Dispute Management	1,308,935	1,027,386	1,315,994	1,311,624
Total Group Expenditures	\$6,252,102	\$5,657,962	\$6,066,645	\$6,046,500
Total Budgeted Positions	41	37	33	33
MANAGING FOR RESULTS ORGANIZATION STRUCTURE				
Benefit and Disability Administration Group	Development Group			
Benefit and Disability Administration Program	Organizational and Employee Development			
Occupational Safety Program				
Workforce Administration and Compliance Group	Labor Relations and Dispute Resolution Group			
Workforce Management Program	Labor Relations and Dispute Resolution			
Human Resources Information Program				
Human Resource Loss Prevention Program				

Wayne County Government Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014 DEPARTMENT OF PERSONNEL AND HUMAN RESOURCES LONG-TERM DEPARTMENTAL GOALS	
Departmental Goal 1: Health Care Benefit Cost Stabilization	ALIGNED WITH STRATEGIC PRIORITY 1 (SPI)
By September 30, 2013, Wayne County will achieve health care benefit cost stabilization as evidenced by: - Annual employee health care benefit cost increases will be at 80% of national average or lower for large unionized employers - Post-retirement health care liability will be at 90% or lower of present liability through plan design and employee cost sharing - Employee medical health benefit care claims for chronic disease conditions (5 per 1,000 employees) will be at 12% - Employee leave usage will be reduced by 10% due to the improved health condition of our employees caused by their participation in the Wellness Program and the Return To Work Program	Departmental Goal 1 (DG1)
Departmental Goal 2: Well-Trained, Highly Skilled Workforce	ALIGNED WITH STRATEGIC PRIORITY 1 (SPI)
By September 30, 2013, customers of Wayne County government will benefit from a well-trained, highly skilled workforce as evidenced by: 50% of employees will complete at least two (2) competency based courses 40% of advancements from classified service will be developed from the ranks of the current Wayne County employee pool 50% of managers, supervisors and those identified for advancement will complete two (2) leadership development courses every two years 25% of Executive Departments will have an approved succession plan	Departmental Goal 2 (DG2)
Departmental Goal 3: Exemplary Customer Service Delivery	ALIGNED WITH STRATEGIC PRIORITY 1 (SPI)
By September 30, 2013, Wayne County internal & external customers will experience enhanced customer service as evidenced by: 25% of the internal customers will be asked to provide customer service feedback on a quarterly basis 75% of employees will report satisfaction with customer service and availability of HR information 100% of the P/HR staff will be held accountable for adhering to the P/HR service standards 100% of the P/HR staff's service delivery will be monitored against the established standards of the department	Departmental Goal 3 (DG3)
Departmental Goal 4: Personnel Services to Wayne County Local and Surrounding Communities	ALIGNED WITH STRATEGIC PRIORITY 1 (SPI)
By 2014, Wayne County surrounding communities will have greater opportunity to share in effective Human Resources services as evidenced by: 25% of communities within Wayne County participating in shared services programs 90% of participating communities who state that shared services programs afforded them a cost effective and efficient way to provide personnel services	Departmental Goal 4 (DG4)

This MFR schedule shows the revenue and the expenditure budget allocated, as well as the total FTE count. The bottom portion displays the organizational structure under MFR.

This MFR schedule shows the department's long-term goals (DG) that align with the County's Strategic Priorities (SP).



Wayne County Government Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014

The Department Performance Report describes performance results for one year of actuals, two years of budget and the next year projected budget. The last column references the Department Goal that is associated with the Strategic Priority (SP) code that each measure is aligned with. This shows the departments progression toward the County's shared priorities.

Results, Output, Demands and Efficiencies are listed here along with the Department Goal.

MANAGING FOR RESULTS STRATEGIC INITIATIVE

Managing for Results (MFR) is an integrated management system which focuses on strategic planning, employee performance planning, budget development and execution, data collection and information management, performance reporting, performance evaluation, and policy and budgetary decision-making. The goal of MFR is to align department goals to ensure end results for customers served.

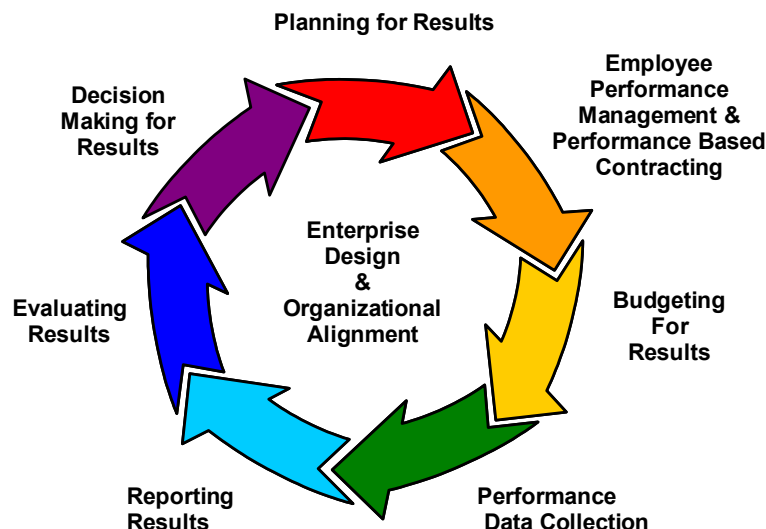
Beginning in 2007, each of the nine departments under the direct authority of the CEO went through extensive training and identified core services that are provided to their customers. Similar services were organized into Programs. Similar programs were then put into Groups. Finally, those groups were assigned to Departments. At each level of the process, a thoughtful purpose statement was developed to define the reason for the program to exist. This identifies the purpose of the program/group and allows employees to align the work performed every day to this purpose.

Wayne County Government Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014						
DEPARTMENT OF PERSONNEL AND HUMAN RESOURCES						
MFR PERFORMANCE MEASUREMENTS BY GROUP						
BENEFIT AND DISABILITY ADMINISTRATION						\$1,079,346
Purpose Statement The purpose of the Benefit and Disability Administration Group is to deliver high quality benefit services to stakeholders that will provide a safe, healthy and productive work environment while containing cost.						
MEASURE	2010-2011 ACTUAL	2011-2012 BUDGET	2012-2013 BUDGET	2013-2014 PROJECTED BUDGET	2013-2014 PROJECTED BUDGET	ALIGNED WITH DEPT. GOAL
RESULT: Percentage of workers compensation claimants returned to work within four months	75%	75%	75%	75%	75%	DG1
OUTPUT: Number of workers compensation claimants returned to work	50	50	15	15	15	DG1
DEMAND: Number of employees anticipated to be referred to the return to work program	75	75	75	75	75	DG1
EFFICIENCY: Average expenditure per workers compensation claim in the return to work program	\$415	\$415	\$415	\$415	\$415	DG1
RESULT: Percentage of safety and health complaints that will be responded to within forty-eight (48) hours	100%	100%	100%	100%	100%	DG1
OUTPUT: Number of employee safety and health evaluations conducted	180	180	180	180	180	DG1
DEMAND: Number of employee safety and health evaluations anticipated	180	180	180	180	180	DG1
EFFICIENCY: Average cost per employee safety and health evaluations conducted	\$609	\$450	\$450	\$450	\$450	DG1
LABOR RELATIONS AND DISPUTE RESOLUTION GROUP						\$1,315,994
Purpose Statement The purpose of the Labor Relations and Dispute Resolution Group is to foster a safe and productive working environment through training, guidance, support and advocacy services whereby delivering effective, efficient and high quality services to the public.						
MEASURE	2010-2011 ACTUAL	2011-2012 BUDGET	2012-2013 BUDGET	2013-2014 PROJECTED BUDGET	2013-2014 PROJECTED BUDGET	ALIGNED WITH DEPT. GOAL
RESULT: Percentage of grievances resolved without an arbitration hearing	90%	90%	90%	90%	90%	DG3

These statements were developed to accomplish the Strategic Goals set by each department in support of the County Executive's Priorities.

MFR does not stop with goal setting. It takes the process a step further to identify and then measure the action steps that are required to achieve key results and reach performance goals. This allows programs and groups to "correct-course" in order to achieve the greater goals and priorities of the County.

These statements and results take the place of goals and performance measures previously used by these departments. The operating budgets traditionally appropriated by department or function would now realign resources to show the relationship between program funding levels and expected results. It will also allow decision makers to clearly see the performance trade offs of funding one program versus another. The following graphic illustrates how these management systems are aligned:





Wayne County Government

Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014

OVERVIEW

The MFR Initiative is a long-term commitment that changes the way that the County allocates resources and evaluates performance. It is based on the premise that government is empowered by its citizens to provide key services and programs, and government should be held accountable on how well these key services and programs are provided to its citizens. Governments are increasingly challenged to maintain the public trust and be more accountable for the results they produce for the citizens. In 2002, the Government Financial Officers Association (GFOA) released a revision to their "Recommended Practice: Performance Measures" that calls for performance measures to be linked to government budgeting and used consistently through-out strategic planning, reporting and government decision making. Similarly, the Government Accounting Standards Board (GASB) now recommends that governments implement a performance management system that directly links government efforts and delivery of services to results for customers. The Government Performance and Results Act (GPRSA), passed in Congress in 1993, requires that federal agencies develop strategic plans and performance measures focusing on results.

Wayne County is the first government in Michigan to implement the MFR system which integrates key enterprise management systems and focuses on results for customers.

ENTERPRISE DESIGN AND ORGANIZATIONAL ALIGNMENT

Understanding the desired results, policies and design decisions guide the enterprise-wide implementation. Organizational changes are managed and supported so that MFR can be sustained throughout the County over time.

PLANNING FOR RESULTS

All nine of the Executive Departments (including the Office of the County Executive) have developed Strategic Business Plans (SBP) which:

- Focus on long-term operational results
- Organize services around results for customers
- Establishes performance measures for programs
- Provides structure for accounting systems, budgets, contracts and employee performance plans

EMPLOYEE PERFORMANCE MANAGEMENT

Links the department's purpose statements and key results to employee performance plans so that every employee can align their efforts to the department's strategic and operational results.

BUDGETING FOR RESULTS

The strategic business plan provides the structure for the chart of accounts and development of Departmental budgets. Integrating the cost information with the results tells the customers what they are getting for their money.

PERFORMANCE DATA COLLECTION

Wayne County has developed and implemented a performance management information system (PMIS). PMIS captures, stores and manages performance information so that program team members, managers and directors can access current, accurate and relevant data to make decisions. This information is entered each month by all participating departments.

REPORTING RESULTS

Results are reported monthly at department meetings and reviewed by county leadership in order to determine what measures are tracking at an acceptable level and what actions need to be taken to change/improve results. Regular reporting provides the stakeholders with clear and concise performance information so they understand which results are being achieved and why.

EVALUATING RESULTS

Departments continuously evaluate actual program results as compared to intended results. This supports the identification of areas for potential process improvements and best practices. It also reinforces the commitment to Managing for Results and supports performance audits.

DECISION MAKING FOR RESULTS

When performance information is presented in a consistent, easily understood format, elected officials and other key decision makers can make more informed policy, operating and financial decisions.

SUMMARY

MFR provides direction for making good business decisions based on performance and makes departments accountable for results. Departments that have been trained and are part of the MFR initiative are:

- Children and Family Services
- Corporation Counsel
- Office of the County Executive
- Economic Development Growth Engine
- Health and Human Services
- Homeland Security and Emergency Management
- Management and Budget
- Personnel/Human Resources
- Public Services
- Senior and Veteran's Services
- Technology

The FY 2012-13 Adopted Budget is the fifth year that MFR is being presented in the budget document. Since MFR is a continually evolving management system, the presentation in the budget document of the information collected must evolve as well. In FY 2011-12, the county departments using MFR will be revisiting their strategic plans initially developed in FY 2007 and FY 2008. As such, the reader may notice that some of the performance measures sunset in FY 2012. These performance measures will be revised or replaced with new performance measures which will be intended to be more meaningful and informative to our stakeholders, the citizens of Wayne County.



Wayne County Government *Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014*

THE ANNUAL BUDGET PROCESS

MECHANICS OF THE ANNUAL BUDGET PROCESS

The annual budget serves as the foundation for the County's financial planning and control for the upcoming year. The Appropriations Ordinance adopted by the County Commission represents the legal authorization for county departments to procure goods and services on behalf of the citizens of Wayne County.

Section 5 of the County Charter sets the timeline which must be met during the budget process. The first step is the development and transmittal of the budget policy statement and budget goals to all county departments. All agencies of the County are required to submit requests for appropriation on or before April 1st of each year. These requests are the starting point for developing a proposed budget. The County Executive submits the proposed operating budget to the Commission for review prior to June 3rd as required by the County Charter. After public hearings to obtain taxpayers' comments, the Commission enacts the budget through the passage of the appropriations ordinance which can be found in the appendix of this document. The budget for the General Fund is adopted by function (e.g., general government, public safety, public works, etc). Amendments to aggregate departmental appropriations require approval of the Commission. Certain transfers within line items that do not affect aggregate departmental appropriations may be made without the Commission's approval.

BALANCED BUDGET

The County budget, by State and County law, must be balanced. This means that budgeted expenditures can not exceed appropriated revenues, transfers or use of fund balance reserves. In simple terms, the County is obligated to live within its financial means and avoid spending when the resources to pay for these expenditures are not available. The County is subject to the budgetary control requirements of the State of Michigan Public Act 2 of 1968 known as the Uniform Budgeting Act which requires all local units of government in Michigan to adopt balanced budgets, establish responsibilities and define procedures for the preparation, adoption and maintenance of the budget, and require certain information for the budget process. The following statements represent a brief synopsis of the major provisions of this Act. These provisions are reinforced and reiterated in the County's Home Rule Charter, adopted by the Wayne County voters in 1981:

1. Budgets must be adopted for the General Fund, special revenue funds, and debt service funds.
2. The budgets must be balanced – i.e. budgeted expenditures cannot exceed the appropriated revenues. Expenditures may include reservations or contingencies in addition to expenditures for

operating purposes. In certain cases, fund balance reserves and transfers from other funds can be appropriated as part of the budget to supplement revenues.

3. Expenditures cannot be made unless authorized in the budget.
4. The budget must be amended when necessary.
5. Debt cannot be incurred unless permitted by law.
6. Public hearings must be held before budget adoption.

BUDGET POLICY STATEMENT AND BUDGET GOALS

The County Executive Officer (CEO) has the charter responsibility for preparation and submission of a comprehensive budget for Wayne County. At least nine months before the start of the next fiscal year, the CEO transmits the budget policy statement to all units of County government to be included in the budget. The budget policy statement outlines the CEO's goals, objectives and guidelines for the next fiscal year as well as identifies economic conditions, constraints and assumptions which may impact the budget. The policy statement also includes estimates of revenue anticipated to be available for the next fiscal year. Departmental budget requests are required to comply with assumptions outlined in the CEO's policy statement.

BUDGET REQUESTS

For FY 2013-14 all departments were advised through the CEO's policy statement, as a result of anticipated reductions in tax and other sources of general fund revenue, and the lack of any major new general fund revenue sources, all General Fund supported departments and Internal Service departments and divisions were to reduce their operating dependency on general fund general purpose spending up to ten percent from the FY 2011-12 spending levels; all Enterprise and non-general fund supported budget requests were to be balanced. Departments could not exceed their expenditure targets unless a new revenue source other than general fund general purpose revenue could be identified. Likewise, if departmental revenue decreased, departments were expected to absorb the loss and reduce their expenditure requests.

The budget request package sent to each department head and elected official included budget request detail forms, personnel lists, fringe benefit calculation instructions, departmental narratives, five-year capital improvement spreadsheets, and various other forms to be used to detail background information which would provide justification for budget requests. Ideas for new revenue sources were encouraged. The Charter required due date for submission of budget requests is on or before April 1.



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BUDGET DOCUMENT AND TRANSMITTAL

On or before June 3rd or at least 120 days before the new fiscal year begins, the CEO is required to transmit the proposed comprehensive budget to the Commission. This budget contains the budget message, budget document, the proposed Appropriations Ordinance, as well as other information required by County Charter, law or ordinance.

COUNTY COMMISSION REVIEW AND ADOPTION

By Charter, at least 105 days before the next fiscal year (June 18), the Commission is required to introduce the proposed Appropriations Ordinance. Hearings on the budget are to be completed 80 days prior to the next fiscal year (July 13), which affords an opportunity for persons authorized by law to testify. During this period the Commission may request the CEO to submit additional information concerning the comprehensive budget. Two public hearings must be held at least 75 days prior to the start of the next fiscal year (July 18) to receive citizen testimony on the budget. Notice of these hearings must be published as required by law.

The Commission is required to adopt the Appropriations Ordinance 30 days before the next fiscal year (September 1). The total appropriations cannot exceed revenue estimates certified by the CEO plus any increase in revenue raising authority adopted. Any proposed amendments that would increase appropriations on final adoption of the budget must also include a balancing increase in revenue raising authority or a reduction in other proposed expenditures.

The Appropriations Ordinance contains funding for debt service, pensions and the other mandatory expenditures certified by the CEO. It contains budget execution instructions and establishes the transfer and impoundment authority of the CEO. More importantly, it constitutes a determination by the Commission that the appropriations to each department, agency and elected official are a serviceable level of funding.

LINE ITEM BUDGET

The CEO by Charter has historically determine the format of the Budget Ordinance that is adopted by the Commission. Previously the format of the current appropriation delineates revenue sources such as Federal Grants and Contracts, State Grants and Contracts, etc., but presents expenditures as a single "lump sum" amount. Lump sum budgeting is based on the premise that departments and elected officials should be allowed some discretion in their spending in order to provide the services that they are charged and once adopted by the Commission, the budgets for certain expenditures can be reallocated between accounts as the need arises through budget adjustments as requested by the department or elected official.

As a result of requests from members of the County Commission, the format of the 2012-13 Appropriation Ordinance was adopted in account level line item format. All revenues and expense are delineated at the account level as defined in the County's chart of accounts for each fund, department and elected official. Each salary, fringe benefit, supply account etc. is specifically appropriated. This affords more transparency in budgeting, as well as more control and oversight by the Commission as changes to the appropriation such as moving funding from one account to another, now requires Commission review and approval.

It should be noted that as a result of a Charter amendment passed by vote of the citizens in November, 2012, the authority determining the format of the Appropriation Ordinance was transferred from the CEO to the County Commission. The County Commission has determined that for FY 2013-14, the county Budget Appropriation Ordinance will again be presented and adopted in line item format.

The Appropriation Ordinance in its entirety is in the appendix of this document.

BUDGET AMENDMENT PROCESS

Budget amendments that change the Appropriations Ordinance require Commission approval. It should be noted that general ledger detail accounts below the level at which the Commission adopts the budget may be revised without Commission action, as long as that revision does not change the appropriations set forth in the Enrolled Appropriations Ordinance. The Enrolled Appropriations Ordinance can be found in the Appendix of this document. An increase in appropriations may be made only if sufficient unappropriated revenue is available. In the event that the CEO submits a proposed appropriation reduction based on a certified reduction in estimated revenue, the Commission must reduce appropriations, to avoid a deficit, within 30 days after the certification of the reduced revenue or the requested appropriation reduction submitted by the CEO takes effect.

BUDGET AMENDMENT PROCEDURE

It is the responsibility of County Departments and Elected Offices to monitor their budgets and advise the Chief Financial Officer (CFO) of any necessary budgetary changes between accounts contained in their budgets. This is accomplished with the submission of a budget adjustment from to the Department of Management and Budget, Budgeting and Planning Division, which reviews and approves all budget adjustments for the CFO. This process includes reviewing the appropriateness of the budget adjustment, sufficiency of funds in transfers between accounts and a programmatic assessment of appropriateness.



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If it is determined that a budget adjustment will require an amendment to the Enrolled Appropriations Ordinance, Commission approval is required. A proposed amendment to the Enrolled Appropriations Ordinance is prepared by Management and Budget and transmitted to the County Commission under the signature of the CEO. A letter describing the requested change to the budget is attached to the proposed amendment. The request is referred to the Commission's Standing Committee on Ways and Means which is responsible for review and oversight of financial issues that relate to allocation of resources, which include the budget, compensation, bond issues, retirement, tax matters, and the assessment and equalization of property. The Committee reviews the budget adjustment in a public meeting and makes a recommendation to the full Board of Commissioners. The proposed amendment must be approved by a majority vote before it takes effect; otherwise it is denied or referred back to the Standing Committee for further review.

DEVELOPMENT OF THE BI-ANNUAL BUDGET

In April, 2011, the Wayne County Commission approved ordinance 2011-136 which gives the authority and flexibility to the County Executive of submitting a multiyear budget to the Commission for approval. Previously, the Wayne County Charter only allowed the submission of the budget for the upcoming year.

Mentioned in the Chief Executive's Budget Message, this year, for the second time, the multi-year budget approach is being presented in the following pages. It will encompass not only the budget for the upcoming budget year, FY 2012-13 but also present a projected budget for the second year, FY 2013-14. The upcoming year's budget is called the Adopted Budget throughout this document and funds are legally appropriated though the budget appropriation ordinance by the Commission to fund operations of the County in the upcoming year. The second year budget is called the Projected Budget and will be used for planning purposed for the basis for the 2013 budget cycle in the following year. As the County Charter requires the County Commission to appropriate funds for the operations of the County on an annual basis, the 2013-14 Projected Budget does not bind the County or have any legal effect on the appropriation ordinance for FY 2013-14. Combined, the multiyear budgets will improve long term and strategic planning because it extends the view for planning and allocating resources over a longer horizon. The two year budget allows departments and elected officials to recognize and plan for the future impact and consequences of decisions made today. That said, please note that the narrative and analysis on the following pages of this document continue to primarily focus the discussion on the FY 2013-14 Adopted Budget that was legally appropriated by the Wayne County Commission.

SUMMARY OF FINANCIAL POLICIES

Wayne County financial policies set the foundation for making financial decisions that ensure long-term strategic priorities are met; core work value are maintained; and the vision of the County's Executive Officer for the community is achieved. Financial policies also provide constituents surety that tax dollars are being spent efficiently, effectively, and legally.

Wayne County is one of the few Charter Counties in the State of Michigan. A charter or municipal corporation is the legal term for a local governing body, including (but not necessarily limited to) cities, counties, towns, townships, charter townships, villages, and boroughs. Municipal incorporation occurs when such municipalities become self-governing entities under the laws of the state or province in which they are located. Often, this event is marked by the award or declaration of a municipal charter. As such, financial policies and procedures related to the development and adoption of the annual budget were included in the Charter adopted by the citizens of Wayne County in 1981. The financial policies included in the charter were established to define the process of appropriating and managing the financial resources of the County. Article V – Finance addresses the responsibilities and outlines specific mandatory requirements of the annual operating budget for the

County. Article V of the Charter dictates specific information to be provided and establishes date milestones which must be adhered to by the Chief Executive Officer (CEO), Chief Financial Officer (CFO) as well as the legislative branch, the County Commission. Article V of the County Charter is included in the Appendix. The entire Wayne County Charter can be viewed online in the Wayne County Code of Ordinances, Part I in Municode Library at www.municode.com. The Code of Ordinances includes not only the County Charter but a vast number of policies and ordinances of Wayne County government and should be considered a valuable tool to anyone interested in researching the County's ordinances.

The County also requires consistent adherence to the same policies and guidelines used in developing its annual budget when preparing interim internal reports and the Comprehensive Annual Financial Report (CAFR). This ensures that the presentation of the budget and actual results will provide a comparison and ensures that as a planning tool, the budget provides a meaningful roadmap to follow for the ensuing year. Below is a description of financial policies and guidelines used in developing the budget.



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Basis of Presentation, Accounting and Budgeting:

Basis of Presentation: The accounting transactions for the County are recorded and reported in accordance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board. The County's accounts are organized on the basis of "funds" and "accounts". Each fund is a separate accounting entity with a self-balancing set of accounts. The County's resources are allocated to and accounted for in individual funds according to the purpose for which they are spent and how they are controlled.

There are three categories of funds: 1) governmental, 2) proprietary and 3) fiduciary. The purpose and description of each fund is provided on the fund pages in the Budget by Fund section of this budget document. A description of the three fund categories is provided below.

1) **Governmental Funds:** Governmental funds are used to account for activities typically associated with local government operations. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financial uses) of current financial resources.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and statements for governmental funds. The four generic fund types in this category are described in the following paragraphs.

The General Fund is the general operating fund of the County and accounts for all activities not required to be accounted for in some other fund.

Special Revenue Funds account for the proceeds of specific revenue sources - other than expendable trusts or revenues designated for major capital projects - that are legally restricted to expenditures for specific purposes.

Debt Service Funds account for the accumulation of resources for and the payment of general long-term debt, principal, interest, and related costs.

Capital Projects Funds account for the acquisition or construction of major capital facilities except those financed by proprietary funds and trust funds.

Discrete Component Units account for entities that are legally separate from the County but for which the County is financially accountable or their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

2) **Proprietary Funds:** Proprietary Funds are used to account for activities similar to those found in the private sector where the intent of the governing body is to finance the full cost of providing services, including depreciation, primarily through user charges. All proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities. As described below, there are two generic fund types in this category.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the County is to finance or recover, primarily through user charges, the costs of providing goods or services to the general public on a continuing basis.

Internal Services Funds account for business-like activities where related goods or services are primarily provided to other departments or funds of the County on a cost-reimbursed basis.

3) **Fiduciary Funds:** Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. These funds share characteristics with both the governmental and proprietary funds and use the measurements focus and basis of accounting most appropriate to their specific operations. This fund category includes expendable trust, nonexpendable trust, pension trust, and agency funds. The County has a number of fiduciary funds but due to their custodial nature, only the Retirement System-Employees and the Equipment Financing fund are included in the County Budget Appropriation.

Basis of Accounting and Reporting: Basis of accounting refers to the timing of recognition of revenues and expenditures or expenses, i.e. when transactions are recorded and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.



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The accrual basis of accounting recognizes revenues when they are earned and expenses are recorded when incurred. All assets and liabilities are recorded in the fund. The County, employing Generally Accepted Accounting Principles (GAAP), uses the flow of current financial resources measurement focus and the modified accrual basis of accounting for all governmental funds. Under this method, revenues are recorded when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property tax revenues to be available if collection occurs within sixty (60) days of fiscal year-end, which is September 30. For other revenue, the timeframe is extended to ninety (90) days. Expenditures are recognized as payable on the modified accrual basis when the liability is incurred, except for principal and interest on general long-term obligations, compensated absences, and claims, litigation and assessments, which are recognized when due. Proprietary funds, fiduciary funds and all discretely presented component units utilize the full accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded as incurred.

The County’s Comprehensive Annual Financial Report (CAFR) includes financial statements and government-wide financial statements. The government-wide financial statements display information about the County as a whole, excluding fiduciary funds and component units that are fiduciary in nature. The government-wide financial statements are reported using the accrual basis of accounting. The fund financial statements are reported on the accounting basis described above.

Basis of Budgeting and Budgetary Controls: The basis of budgeting is identical to the basis of accounting for the recognition of costs and revenue in the budget development; also for establishing and reporting appropriations which are the legal authority to spend and collect revenues. The basis of budgeting is the same used in the audited financial statements except for discretely presented component units and the government-wide statements. Certain component units that are required to be included in the CAFR are not included in the Adopted budget as they are governed by separate governing authorities and do not fall under the authority of the County Commission for appropriation purposes. Those discretely presented component units that are included in the Adopted budget are budgeted using the modified accrual basis of accounting and reported in the CAFR using the full accrual basis of accounting. In addition, the government-wide statements are not included in the budget.

The General Fund, all special revenue funds, debt service funds and certain other governmental funds are under formal budgetary control as required by the Wayne County Charter and the State of Michigan Uniform Budgeting and Accounting Act. The purpose of these budgetary controls is to ensure compliance with the legal provisions embodied in the annual appropriated budget ordinance approved by the County Commission. A schedule of periodic allotments is established for the fiscal year. The allotments are binding on departments and shall not be exceeded. Supplemental appropriations to the County’s expenditure budget require the approval of a budget adjustment by the County Commission. Certain transfers within line items that do not affect the department’s aggregate appropriations may be made without Commission approval. Expenditures are required to remain within appropriated amounts. All appropriations lapse at the end of the fiscal year.

Auditing and Financial Reporting: An independent audit is performed annually by Certified Public Accountants. The County produces the CAFR in conformity with GAAP. The auditing firm used by the County is Plante & Moran, PLLC.

Cash Management and Investments: Cash resources of the individual funds, except as specifically stated by ordinance, are pooled and invested. Funds are allowed to borrow from the pooled cash on a short term basis due to timing of collections, and are charged interest on the funds borrowed. Interest on pooled investments is allocated among the respective funds based on average investment balances and are included as part of the department’s revenues or expenditures.

Investments are made in conformity with the Wayne County Comprehensive Investment Policy. Investment maturities for operating funds are scheduled to coincide with projected cash flow needs. Gains or losses on investments sold or exchanged are recognized when the transactions are completed or on settlement dates. The County Treasurer is responsible for maintenance and enforcement of the investment policies of the County.

Revenues: The County’s primary sources of revenue include property tax collections, state revenue sharing, airport parking taxes, investment earnings, charges for services, operating grants and contributions, capital grants and contributions, and various charges, fees, and fines. A detailed discussion of revenues follows in the All Funds and General Fund sections of this document.

While the County maintains a user fee schedule and policy, each department is responsible for incorporating fees and the associated services into their respective budgets. Fees and other charges not governed by law are required to be approved by the County Commission. The County is currently continuing a long term study of all user fees in order to ensure proper reimbursement for the



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services provided. Phase I of the fee study which focused on the fees charged by the County Health department and Assessments division of Management and Budget were completed last year in FY 2011-12. Phase II includes revision to the fee structures of the County Clerk and Human Relations. With the anticipation of approval by the county commission, the resulting anticipated adjustments to revenues have been included in the Adopted budget.

As provided in Wayne County's policy number 10013, non-recurring revenues, are not predictable but may be included in the budget to the extent that these revenues can be verified as a viable revenue source and the revenue continues to be available. Once the revenue is terminated, the associated expenditure appropriation must be eliminated. Additionally, all departments have been encouraged to identify alternative revenues, such as user fees and new grants with no general fund match.

Expenditures: The Appropriations Ordinance passed by the County Commission outlines the available funding for each department and fund. County departments, including those headed by elected officials, are required by Charter to adhere to appropriated budgets. In FY 2012-13, the format of the budget was revised and expanded. Previously, the appropriation for expenditures was a single amount or lump sum. For FY 2012-13, the appropriation was approved by detail account line item. This change increases the span of control for the County Commission as many budgetary change between line items that previously only required Management and Budget's authorization now requires these changes to go through the commission approval process.

The Charter also states that on a quarterly basis, departments are required to project anticipated revenues and expenditures for the remainder of the fiscal year. Departments projected to end the year in deficit are required to submit a deficit elimination plan and take immediate action to curtail spending in order to avoid ending the fiscal year in deficit. Purchases are reviewed by the Purchasing and the Budgeting and Planning Divisions of Management and Budget to ensure that expenditures comply with the County procurement ordinance and that sufficient funding is available. Additionally, capital equipment and other capital asset expenditures are subject to the capital assets policy which addresses the acquisition, use, reporting and disposal of County owned assets. This policy can be found in the policy section of the Appendix. The CFO is charged with ensuring that departments comply with spending levels outlined by the Appropriations Ordinance.

Centralized Service Cost Allocation (Chargebacks):

A chargeback is a financial transaction to allocate costs for an internally provided good or service; in other words, when one Wayne County unit provides a good or service to another Wayne County unit and seeks to recover the cost of the good or service. Also, the costs of providing insurance for County employees, such as health care and long-term disability, are accumulated centrally. The cost of these services and insurance directly and/or indirectly benefit each department and/or the employees of each department within the County.

Debt: Cash balances are maintained at a sufficient level for general operations, which are defined as items normally funded in the County's annual operating budget and having a useful life of less than one year. The County may issue, upon appropriate approval, long-term debt, which may include, but is not limited to, general obligation bonds and revenue bonds.

The County may, with appropriate approval, also enter into capital leases for public facilities, property, and equipment; provided, however, that such long-term leases may or may not be characterized as "debt", depending on whether the leases are "true" leases or financing capital leases.

The debt service statement of the County's annual budget document includes certification by the CEO of the level of appropriations required to meet all debt service requirements of the County for the next fiscal year. The level of appropriations shall be approved by the County Commission at least thirty days before the next fiscal year, as part of their adoption of an appropriations ordinance. Further discussion of the Debt Policy, the legal debt capacity, debt service and current outstanding debt can be found in the Debt Service section of this document. The Debt Policy and related reporting and disclosure policies are summarized below.

GASB 54: In 2009, the Government Accounting Standards Board issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, (GASB 54) in order to help citizens and decision-makers better understand the constraints placed on fund balances. The statement is intended to improve the usefulness of the amounts reported in fund balance by providing more structured classification. The statement also clarifies the existing definitions of the general fund, special revenue funds, debt service funds and capital project funds but does not affect proprietary and fiduciary fund types.

After an extensive analysis of the operations of certain functions, an number of county operations previously classified as special revenue funds were transferred to the General Fund and as a result, the beginning fund balances of the funds affected were restated in County's



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CAFR . For budgetary purposes, the FY 2013 adopted budget reflects these transfers of the operating budgets as the result of the implementation of GASB 54. See 2012-2013 Budget Format changes later in this section for further details.

Summary of Legislation, and Financial Policies impacting the Budget Process

Below is a comprehensive summary of legislation and financial policies which provide the backbone in guiding the County's long-range fiscal planning and the development of its adopted budget.

The State of Michigan Uniform Budgeting and Accounting Act (Act 2 of 1968).

The Uniform Budgeting and Accounting Act (the Act) was enacted by the State of Michigan to provide for the formulation and establishment of uniform charts of accounts and reports in local units of government, as well as for annual financial reports from local units of government and a uniform budgeting system required to be followed by local units of government in the state of Michigan as it pertains to the preparation of an annual budget and the creation of appropriations. Below represent excerpts from the Act as it pertains to the Budget Process.

141.434 Budget; preparation, presentation, and control of expenditures; information; transmitting recommended budget to legislative body; suggested general appropriations act; consideration of recommended budget; furnishing information to legislative body; public hearing.

Sec. 14. Unless otherwise provided by law, charter, resolution, or ordinance, the chief administrative officer shall have final responsibility for budget preparation, presentation of the budget to the legislative body, and the control of expenditures under the budget and the general appropriations act. The budgetary centers of the local unit shall provide to the chief administrative officer information which the chief administrative officer considers necessary and essential to the preparation of a budget for the ensuing fiscal period for presentation to the local unit's legislative body. The chief administrative officer shall transmit the recommended budget to the legislative body according to an appropriate time schedule developed by the local unit. The schedule shall allow adequate time for review and adoption by the legislative body before commencement of the budget year. The recommended budget, when transmitted by the chief administrative officer, shall be accompanied by a suggested general appropriations act to implement the budget.

141.435 Recommended budget; contents; limitation on total estimated expenditures.

Sec. 15. The recommended budget shall include at least the following:

- (a) Expenditure data for the most recently completed fiscal year and estimated expenditures for the current fiscal year.
- (b) An estimate of the expenditure amounts required to conduct, in the ensuing fiscal year, the government of the local unit, including its budgetary centers.
- (c) Revenue data for the most recently completed fiscal year and estimated revenues for the current fiscal year.
- (d) An estimate of the revenues, by source of revenue, to be raised or received by the local unit in the ensuing fiscal year.
- (d) The amount of surplus or deficit that has accumulated from prior fiscal years, together with an estimate of the amount of surplus or deficit expected in the current fiscal year.
- (e) An estimate of the amounts needed for deficiency, contingent, or emergency purposes.
- (g) Other data relating to fiscal conditions that the chief administrative officer considers to be useful in considering the financial needs of the local unit.

141.436 General appropriations act; requirements; line items not mandated; taxation; limitation on estimated total expenditure.

Sec. 16. Unless another method for adopting a budget is provided by a charter provision in effect on April 1, 1980, the legislative body of each local unit shall pass a general appropriations act for all funds except trust or agency, internal service, enterprise, debt service or capital project funds for which the legislative body may pass a special appropriation act. The general appropriations act shall set forth the total number of mills of ad valorem property taxes to be levied and the purposes for which that millage is to be levied. The amendatory act that added this subsection shall be known and may be cited as "the truth in budgeting act". The general appropriations act shall set forth the amounts appropriated by the legislative body to defray the expenditures and meet the liabilities of the local unit for the ensuing fiscal year, and shall set forth a statement of estimated revenues, by source, in each fund for the ensuing fiscal year. The general appropriations act shall be consistent with uniform charts of accounts prescribed by the state treasurer or, for local school districts and intermediate school districts, by the state board of education. This act shall not be interpreted to mandate the development or adoption by a local unit of a line-item budget or line-item general appropriations act. The legislative body shall determine the amount of money to be raised by taxation necessary to defray the expenditures and meet the liabilities of the local unit for the ensuing fiscal year, shall order that money to be raised by taxation, within statutory and charter limitations, and shall cause the money raised by taxation to be paid into the funds of the local unit.



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141.437 General appropriations act; amendment; reports; recommendations.

Sec. 17. (1) Except as otherwise provided in section 19, a deviation from the original general appropriations act shall not be made without amending the general appropriations act. If, during a fiscal year, it appears to the chief administrative officer or to the legislative body that the actual and probable revenues from taxes and other sources in a fund are less than the estimated revenues, including an available surplus upon which appropriations from the fund were based and the proceeds from bonds or other obligations issued under the fiscal stabilization act, 1981 PA 80, MCL 141.1001 to 141.1011, or the balance of the principal of these bonds or other obligations, the chief administrative officer or fiscal officer shall present to the legislative body recommendations which, if adopted, would prevent expenditures from exceeding available revenues for that current fiscal year. The recommendations shall include proposals for reducing appropriations from the fund for budgetary centers in a manner that would cause the total of appropriations to not be greater than the total of revised estimated revenues of the fund, or proposals for measures necessary to provide revenues sufficient to meet expenditures of the fund, or both. The recommendations shall recognize the requirements of state law and the provisions of collective bargaining agreements.

141.438 Incurring debts or obligations; dividing appropriations into allotments; expenditures; application or division of money; restrictions on delegation of duties.

Sec. 18. A member of the legislative body, chief administrative officer, administrative officer, or employee of the local unit shall not create a debt or incur a financial obligation on behalf of the local unit unless the debt or obligation is permitted by law. The chief administrative officer may cause the appropriations made by the legislative body for the local unit and its budgetary centers to be divided into allotments if the allotments are based upon the periodic requirements of the local unit and its budgetary centers. Except as otherwise provided, an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body.

141.439 Expenditure of funds; transfers within appropriations.

Sec. 19. A member of the legislative body, the chief administrative officer, an administrative officer, or an employee of a local unit shall not authorize or participate in the expenditure of funds except as authorized by a general appropriations act. An expenditure shall not be incurred except in pursuance of the authority and appropriations of the legislative body of the local unit. The legislative body in a general appropriations act may

permit the chief administrative officer to execute transfers within limits stated in the act between appropriations without the prior approval of the legislative body.

141.440 Violation; filing; report; review and action by attorney general; civil action for recovery of funds and public property.

Sec. 20. A violation of sections 17 to 19 by the chief administrative officer, an administrative officer, employee, or member of the legislative body of the local unit disclosed in an audit of the financial records and accounts of the local unit in the absence of reasonable procedures in use by the local unit to detect such violations shall be filed with the state treasurer and reported by the state treasurer to the attorney general. For local and intermediate school districts, the report of a violation shall be filed with the state superintendent of public instruction instead of the state treasurer. The attorney general shall review the report and initiate appropriate action against the chief administrative officer, fiscal officer, administrative officer, employee, or member of the legislative body. For the use and benefit of the local unit, the attorney general or prosecuting attorney may institute a civil action in a court of competent jurisdiction for the recovery of funds of a local unit, disclosed by an examination to have been illegally expended or collected as a result of malfeasance and not accounted for as provided in sections 17 to 19, and for the recovery of public property disclosed to have been converted or misappropriated.

POLICY NO. 10001 - Debt Management

The purpose of this policy is to provide a functional tool for debt management and capital planning. In following this policy, the County shall pursue the following goals:

- Attain the highest possible credit rating for each debt issue;
- Improve the reception for County debt obligations by the national credit markets in order to reduce the County's relative transaction costs and interest expense for its borrowings;
- Avoid any financial decision that will negatively impact credit ratings on existing or future debt issues or which could adversely affect the rights of holders of outstanding County debt;
- Consider all possible financial alternatives to issuing debt to take full advantage of innovative, new, and appropriate financial approaches;
- Avoid any action which would adversely affect the status of any tax-exempt debt; and
- Enhance the financial capability of the County to facilitate improvement of the overall well-being of the citizens, and to maintain or improve essential County services.



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POLICY NO. - 10008 Fund Balance

Fund balance is an important measure that represents the difference between a fund's assets and liabilities. The purpose of fund balance reporting is to determine and isolate that portion of fund balance that is available to support future year's budgets. Many governments are experiencing revenue shortfalls and are facing difficult decisions in balancing their budgets. One option some governments previously had was to use a portion of fund balance to offset a decline in revenue or an increase in expenditures. However, not all amounts reported as part of fund balance are available for use. The purpose of this policy is to establish fund balance objectives for the treatment and reporting of fund balance as set forth in Governmental Accounting Standards Board (GASB) Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions. The Standard was written to enhance the usefulness of fund balance information by providing clearer definitions in an attempt for users to more consistently apply fund balance classifications. This GASB Statement is effective for fiscal year 2010-11 for the County.

To improve the reporting of fund balance, a hierarchy of fund balance classification has been created based primarily on the extent to which a government is bound by constraints on resources reported on the funds. The five possible components are the following:

- Nonspendable Fund Balance
- Restricted Fund Balance
- Committed Fund Balance
- Assigned Fund Balance
- Unassigned Fund Balance

By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the County has assigned those amounts to the purposes of the respective funds.

An assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself. However, it is not allowable to report an assignment for an amount that would result in a negative unassigned fund balance. Unassigned Fund Balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

This policy is useful in financial statement presentation, budget preparation, audit compliance, risk assessment, and long-term financial planning.

The objectives of the policy are to achieve and maintain an appropriate level of unreserved fund balance in the General Fund, Budget Stabilization Fund, and in other

County funds. In addition the policy will serve to define criteria for which financial resources are set aside and for replenishing fund balance as well as to define the approved methods of utilizing unreserved fund balance.

POLICY NO. 10011 - Required Review Approvals and Routing for Contacts

The purpose of this Policy/Procedure Statement (PPS) is to provide the normal routing sequence for all contracts requiring Wayne County Commission (Commission) approval. The Chief Financial Officer (CFO) has developed and instituted a document approval process which will reasonably assure that all departmental clearances and approvals, including the Commission, have been obtained prior to any delivery of goods or services. These approvals shall be incorporated into a computer automated contract management system. The Procurement Contract Compliance Certificate (PC3) is the County's current online system for obtaining such approvals. There is another manual system, the Document Approval Form (DAF) process that is appropriate for documents that need certain approvals but do not relate to the procurement of goods and services. See the full policy for a listing of those document types which may require Commission approval.

POLICY NO. 10013 - Non-Reoccurring Revenues

The purpose of this policy is to define non-recurring revenues and their appropriate use. These can also be described as "one-time revenues" which tend to be infrequent in nature such as sales of governmental assets, bond refund savings, revenues from development, certain special purpose grants and litigation settlements. These revenues may be available for more than one year, as in the example of a special grant, but are expected to be non-recurring. Non-recurring revenues typically do not include savings generated through efficient day-to-day operations.

POLICY NO. 10016 - Interest Rate Swap

The Interest Rate Swap Policy is intended to provide general guidelines regarding the use, procurement and execution of interest rate swaps. Barron's Financial Guidelines defines an interest rate swap as "an arrangement whereby two parties (called counterparties) enter into an agreement to exchange periodic interest payments."

Interest rate swaps can be appropriate interest rate management tools that can help meet the County's financial objectives. The County may execute an interest rate swap only if the transaction can be reasonably expected to achieve one or more of the following objectives:

- Result in a lower cost of borrowing with respect to the County's debt;
- Reduce exposure to changes in interest rates or



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improve asset-liability matching of assets with liabilities; or

- Manage credit exposure.

POLICY NO. 10017 - Deficit Elimination Plans (Enrolled Ordinance 2010-515)

Wayne County (the County) is responsible for complying with the provisions of federal, state, and local laws, rules, regulations and contracts. Such compliance is demonstrated through the annual audit and budgetary processes, disclosed in the County's annual audited financial statements, and opined upon by the County's external auditors. In addition, other regulatory bodies, such as grantors and bond rating agencies, monitor the County's continued compliance with all pertinent rules and regulations. State law requires that local units of government operate annually under a balanced budget.

When deficits occur, the local unit of government is required to prepare and submit a deficit elimination plan to the Michigan Department of Treasury (the Treasury), regulatory body, describing the local unit of government's strategies to eliminate the deficit(s).

The purpose of this policy/procedure statement is to establish (1) the criteria to be used in the preparation of an acceptable deficit elimination plan and; (2) the required approvals by the Department of Management and Budget (M&B), the Wayne County Commission (Commission) and the Treasury.

POLICY NO. 10018 - Tax Exempt Bond Record Retention

A bond issued by a government whose interest payments are not subject to federal income tax and sometimes state and local taxes are called tax exempt. The tax exempt status remains throughout the life of the bonds provided that all applicable federal tax laws are satisfied.

The Internal Revenue Service (IRS) regularly advises taxpayers to maintain adequate records to support their tax deductions, credits and exclusions. In the case of a tax exempt bond transaction, the primary taxpayers are the beneficial holders of the bonds. However, in most cases, the beneficial holders of tax exempt bonds will not have any records to support their exclusion of the interest paid on those bonds. Instead, these records will generally be found in the bond transcript and the books and records of the issuer, the conduit borrower and other participants to the transaction. Therefore, in order to ensure the continued exclusion of interest to the beneficial holders, it is important that the issuer, the conduit borrower and other participants retain sufficient records to support the continued exclusion being taken by the beneficial holders of the bonds.

POLICY NO. 10019 - Post Issuance Compliance for Debt Issues

The purpose of this Policy/Procedure Statement (PPS) is to identify matters requiring action after the completion of a financing and to provide a checklist to assist in complying with post-issuance requirements.

The U.S. Securities and Exchange Commission's (SEC) mission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. The Securities Exchange Act of 1934 sets forth certain obligations of (1) underwriters to receive, review and disseminate official statements prepared by issuers of most primary offerings of municipal securities; (2) underwriters to obtain continuing disclosure agreements from issuers and other obligated persons to provide material event disclosures and annual financial information on a continuing basis and; (3) broker dealers to have access to such continuing disclosure in order to make recommendations of municipal securities in the secondary market. Although the SEC can not regulate municipalities, it effectively does so indirectly by SEC Rule 15c2-12, the rules imposed on broker-dealers. With certain exceptions, described below, the rule requires bond issuers to prepare and disseminate to the Municipal Securities Rulemaking Board (MSRB) "Annual Financial Information" and notices of material events. Wayne County (the County) as an issuer of municipal securities is bound by this rule.

The County is required to provide to the MSRB a notice, in a timely manner, upon the occurrence of any of the following twelve material events with respect to its municipal securities. The twelve events are as follows:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modifications to rights of security holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities;
11. Rating changes and;
12. Failure to provide Annual Financial Information as required.

POLICY NO. 10021 - Centralized Services Cost Allocations

A chargeback occurs when one Wayne County unit provides a good or service to another Wayne County (the County) unit and seeks to recover the cost of the good or service. Examples of these services are information



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technology, building rent and maintenance, personnel, legal and financial services. In addition, the costs of providing insurance for County employees, such as health care and long-term disability, are accumulated centrally. The cost of these services and insurance directly and/or indirectly benefit each department and/or the employees of each department within the County.

This document describes the Department of Management and Budget's (M&B) policies and procedures for establishing chargeback billing rates at the County. Its primary objective is to provide a general policy for chargebacks and to establish an allocation and reporting process that ensures users pay only their appropriate share of actual chargeback costs and that proper records are available to support the chargeback rates.

POLICY NO. 10025 - Accounts Receivable Delinquency and Collection Procedures

The purpose of this Policy/Procedure Statement (PPS) is to specifically address the collection procedures for delinquent accounts. Such procedures will be in accordance with applicable federal and state laws concerning the collection of debts. This PPS complements PPS #14001, "Accounts Receivable Billings and Accounting Procedures" (revised September 12, 2011) and should be read in conjunction with it.

Accounts receivable will be considered delinquent ninety (90) days after the invoice date.

When the item becomes delinquent at 90 days, a registered demand letter will be promptly (within 30 days) mailed to the debtor with the following information included:

1. "The invoice or notification requiring payment for your debt occurred over 90 days ago and is now considered delinquent according to County policy."
2. "To avoid further collection procedures, please remit payment to the County of Wayne immediately."
3. Contact information for the County department that is owed.
4. A mailing address for payment (Payments and Collections).
5. Detail of the debt.

A second registered demand letter should be sent no sooner than 30 days, but no later than 60 days after the first demand letter. The procedures described above will be slightly different if the Chief Financial Officer intends to use a collection agency. If payment is not received within 30 days of the second demand letter, debtors may be referred to Corporation Counsel for further collection procedures, based on criteria determined by the Chief Financial Officer.

POLICY NO. 10027 - Biennial Budget Process (Enrolled Ordinance 2011-136)

The biennial budget process will be divided into four phases, Development of Budget Policy Statement and Revenue Forecast, Submission of Department Budget Requests, Development of the County's Executive Recommended Budget and County Commission Review and Adoption.

Phase I – Development of the Budget Policy Statement and Revenue Forecast (December – January). Phase I begins with development of the biennial revenue forecast by the Department of Management and Budget, Budgeting and Planning Division (Budget) working with the departments to develop the preliminary two-year revenue estimates for the County's General Fund and special revenue funds. In accordance with Article V of the Wayne County Charter, the Chief Executive Officer (CEO) will issue a Budget Policy Statement and publish the Revenue Forecast for the next biennial period

Phase II Submission of Budget Requests (February - March). During this phase, departments will develop their budget request including goals and objectives. Each department head, including those headed by elected officials will be required to develop a plan to balance their budget by either producing new revenue or making reductions in expenditures.

Phase III – Development of the County Executive's Recommended Budget (April –May). During the month of April, each department will be invited to a budget discussion with the Deputy County Executive (DCEO), Chief of Staff (COS), Chief Financial Officer (CFO), members from the Budgeting and Planning Division, and HR. The purpose of this meeting is to clarify any budget requests and to discuss any possible service impact based on budget reductions, if needed. Once this task has been completed, the Budget staff will begin developing the County Executive's Recommended Budget

Phase IV – County Commission Review and Adoption (June – September). Upon receipt of the County Executive's Recommended Budget, the Commission (Committee on Ways & Means) is required to introduce the proposed Appropriations Ordinance (June 18). Hearings on the budget are to be completed by July 13, eighty days prior to the beginning of the next biannual period, October 1.

POLICY NO. 12000 - Capital Assets

This policy/procedure statement establishes capital assets accounting concepts and provides policies and procedures to be used by the Charter County of Wayne ("the County") in maintaining its capital assets. This statement will address the acquisition, use, reporting and disposal of County owned assets.



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A capital asset is defined as a financial resource that meets all the following criteria:

- It is tangible (or intangible in the case of purchased software)
- It has a useful life extending beyond a single reporting period
- Its unit cost, including freight and installation, meets or exceeds the capitalization threshold (Section III)

A capital asset is also one that:

- Must be tracked for state or regulatory purposes regardless of its cost (e.g. Roads Fund equipment)
- Does not lose its identity through fabrication or incorporation into a different or more complex unit

Capital assets include the following major classes: Land and land improvements, buildings and building improvements, infrastructure, machinery and equipment, cars and trucks, furniture and office equipment, systems, construction work-in-progress, and work of art/historical treasures.

POLICY NO. 13004 - Accounts Payable Policy

The purpose of this policy is to describe the main responsibilities for the processing of County payments.

Accounts Payable (A/P) reviews all invoices from external vendors as well as internal payments to employees. It is the responsibility of A/P to ensure that every expenditure that is paid by the County is represented by a source document (traditionally an invoice), has a proper account number, represents a valid business expense and is paid in a timely manner upon receipt in the office.

POLICY NO. 13005 – Pooled Cash Policy

The Wayne County (County) operates a pooled cash and investment system. Pooled Cash is a financial management strategy that allows the County to maximize both the current credit and debit positions so that it receives the most benefit from those positions. In addition, pooled cash can help the County to avoid a number of costly bank fees, as well as help reduce the opportunity of damaging the reputation of the County because of negative balances on a bank account. In effect, cash pooling helps to make the most of the resources that are available. Cash reserves of the individual county funds, except as specifically stated by the Comprehensive Investment Policy Ordinance, are pooled and invested.

Pooled cash and investments consist of demand deposits, certificates of deposit, money market funds, commercial paper, and obligations of the US Treasury and agencies. Pursuant to Section IV of the Wayne County Charter, the Wayne County Treasurer (Treasurer) administers these pools, which include the assets of certain component units. Pooling of cash and investments accomplishes various goals, such as the ability to earn higher interest rates and better address cash flow needs.

Pooled cash can also help to streamline the financial operations of the County. By employing the pool cash concept, the County can avoid expenditures that are not essential to the operation of the government, and maybe even create a small additional revenue stream through interest income which can build sufficient cash. These assets can be drawn upon when a downturn in the economy impacts revenues, thus allowing the County a chance to weather the depressed market. Once the market begins to swing upward, the process of pool can be used to replenish resources that were depleted during the downturn.

The County has adopted an investment policy in accordance with Public Act 20 of 1943, as amended. The Pooled Cash Policy shall be used in conjunction with the County's investment policy and does not supersede such policy.

POLICY NO. 14000 - Cash Receipts

The purpose of this policy is to establish standard administrative guidelines for the cash receipts process to be followed by all County departments. Within the scope of this policy are general guidelines for receiving cash and properly recording cash receipt transactions in the general ledger.

Cash receipts as referenced in this policy refer to money received from outside sources i.e. federal, state and local agencies, general public, etc. This policy is not applicable to internal transfers between general ledger cash accounts. (e.g. fund transfers). The three types of cash receipts specifically addressed in this policy are cash and checks; credit cards; and inbound wire / State of Michigan (MI) lock box receipts.

POLICY NO. 14001 - Accounts Receivable Billings and Accounting Procedures

Accounts Receivable are amounts owed to the County by another organization or individuals. Generally, these are amounts for goods and services provided or contributions owing to the County. Accounts Receivable are recognized at the time goods and services are provided or the amount owing is assessed. This policy/procedure statement establishes guidelines relating to receivable management, in particular how and when to reserve a receivable, write-off a receivable, and recover a receivable. The objective of this policy is to ensure consistency in the County's accounting treatment of receivables. The Policy/Procedure Statement (PPS) does not address the collection procedures for delinquent accounts, which can be found in Policy/Procedure Statement #10025, "Accounts Receivable Delinquency and Collection Procedures" nor does it apply to the billing and collection of real and personal property taxes, which is administered by the Office of the Wayne County Treasurer. This PPS complements PPS #10025 and should be read in conjunction with it.



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POLICY NO. 16000 - Grant Application, Acceptance and Approval Process

Wayne County (the County) recognizes that grant funding provides significant resources to enhance the County's ability to provide services and activities not otherwise available. The County encourages County officials to seek grant funding for activities that are determined to further core County functions or that provide for activities, which are in the best interests of its citizens. The County will examine the benefits of grant funding prior to application and decline funding determined not to meet the above criteria. The purpose of this policy is to outline the general guidelines to be followed during the (1) application process and (2) the acceptance and approval process of a grant award (Grant). This policy applies to all County departments/elected offices and to all other County officials and their employees. All Grant applications and awards must go through the Document Approval Form (DAF) process.

Period of Availability - All governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recorded when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Effective, October 1, 2012, the County considers grant revenue to be available if they are collected within ninety (90) days after the fiscal year.

Comprehensive Investment Policy (Office of the Treasurer). (Enrolled Ordinance 1999-153)

This policy applies to all money which belongs to or is under the control of the County, and is available for investment, not being required by law or an agreement with bondholders to be segregated and invested in a specified manner. These funds are accounted for in the annual financial report and include all of the following: Governmental funds, Proprietary funds, fiduciary funds, funds held to retire the general long-term obligations of the County. Any new fund created by the County Commission unless specifically exempted. This does not apply to the Wayne County Employees Retirement Fund, which is separately administered pursuant to article VI of the County Charter.

User Fee Policy

The purpose of this Policy and Procedure Statement (PPS) is to present a comprehensive User Fee Policy for Wayne County (the "County") which will include guidelines for establishing and maintaining a user fee schedule. This PPS establishes the method for setting up fees and the extent to which they cover the cost of the service provided as recommended by the Government Finance Officers Association (GFOA), the National

Advisory Council on State and Local Budgeting (NACSLB) and the Federal Government Office of Management and Budget (Circular A-87).

Governments are increasingly financing their activities by charging user fees to individuals and businesses that directly benefit from government programs and services. The discretion to charge fees and the decision to impose fees is a matter of public policy. Charging fees not only helps to pay for services but can also make government more efficient. User fees can help reduce inappropriate use of products and services previously provided free of charge, such as certain literature taken by persons who are not likely to read it. A user fee in this case can result in greater appreciation for government services as the user can attribute a value to them based on the fees charged. In such cases, individuals and businesses may use services more wisely and communicate with government on issues relating to the necessity or efficiency of a government service or regulation.

The decisions made and the implementation of a new user fee must be documented and retained. A new user fee requires the following steps whereby:

An activity that meets the criteria for charging a user fee is identified. Consider the following:

- Is there a legitimate business case for instituting the fee?
- Is the fee readily administrable?
- Is the fee for something the County is already doing?
- Does implementation of the fee require major data processing changes?
- What are the public implementations of the new fee?
- The cost of the activity is calculated and a proposed fee is determined.
- The department submits a proposal for the new user fee to the Chief Financial Officer (CFO) and Chief Executive Officer (CEO) for review and approval by the Commission. The proposal should include the cost calculation, recommended fee level, justification for less than full cost, if applicable, and the time for implementation of the new fee.
- The CFO works with the department and Corporation Counsel to ensure that new or revised regulations related to new user fees have been implemented as required by State or Federal law.
- The Department of Management and Budget (M&B) Budget and Planning Division incorporates the approved fees into the budget.

Note: The Charter provisions and the various Enrolled Ordinances referred to above referencing the County Budget are included in the Appendix of this document following the Enrolled Budget Appropriation Ordinance.



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Other Planning Processes

Long-Term Financial Planning

The County is committed to developing a long-term prospective in governing. Using resources from all branches of the County government, the fundamental building blocks of a long-term financial plan are beginning to take form with the goal of aligning its long-term financial needs with its strategic plan with an emphasis toward performance management and budgeting concepts to ensure the County's continued financial stability. The County intends to build a self-sustaining government with a sound infrastructure. This plan shifts the emphasis from bottom line financial and budgetary concerns to service delivery with a longer-term financial planning horizon.

When finished, the plan will include:

- An assessment of the County's demographic and economic environment. This stage includes interviews with County stakeholders and compilation of key indices and statistics. This information will then be included in a final assessment report.
- Analysis of the County's current financial position in order to develop a long-term perspective and strategy, which includes development of a scorecard for use in bench marking and trend analysis, as well as forecast and analysis of the County's General Fund revenues and expenditures.
- Development of financial planning principles and supporting policies to guide future budgets.
- Definition of critical financial Issues and development of financial strategies to address these issues.
- An approach for linking the long-term financial plan to the budget and budgeting process.
- Approval by the County Executive and the County Commissioners.

In March 2010, a number of strategic issues were identified and prioritized with input from a broad cross-section of elected officials and staff, as well as representatives of a number of civic organizations with insight into the financial and economic factors affecting the County. The strategic plan will focus these issues as the plan is developed. The following is list of priority issues to be addressed in the Strategic Plan:

- (a) Budget Execution and Cost Control
- (b) Budget Formulation
- (c) Innovation Management and New Revenues
- (d) Economic Development
- (e) Regionalism, Intergovernmental Relations and Communications
- (f) Public Safety

The County formed cross-functional work teams, Issue Advisory Teams (IATs), of staff to analyze the Critical Issues and recommend strategies. The IATs ranged

anywhere from three to seven people. A Critical Issue analysis process was developed that was operationally feasible for the County. The IATs did not try to cover all the Strategic Questions for each Critical Issue. This did not mean the deferred Strategic Questions were unimportant – just that the teams should concentrate on a limited number of Questions. The IATs analyzed strategic questions that:

- Would likely lead directly to useable recommendations for the team that would make a difference to County operations in the near to mid-term.
- Have positive long-term impacts.
- Are tangible and within the ability of staff teams to influence in order to give staff more confidence in their ability to develop good strategies in this initial round of planning.

After the County successfully dealt with these questions, it could address some of the other questions in a later planning cycle. Also, if the teams feel they are making good progress and would like to take on some of the questions that were originally deferred, then they were free to do so.

Eventually the long-term financial plan will include a detailed one-year budget, a three-year budget forecast, and an update of the five-year projection, including identification of the long-term funding challenges and the County's progress in addressing those challenges.

The long term Financial Plan lost traction during fiscal year 2011-2012 and a formalized Budget Task Force was established.

Even though the County has undertaken an internal financial planning process through this Task Force, it is not sufficient. The long term financial planning process needs to involve all elected officials, staff and the public. Therefore, the administration will make the case to all stakeholder groups to complete the plan in fiscal 2012-2013 and then lead the team to a successful implementation.

Five-Year Capital Improvement Plan

Section 5.126f of the County Charter requires that a five-year Capital Improvement Plan (CIP) be prepared and submitted to the Commission as part of the overall County budget. The capital plan presented to the Commission is a consolidation of several long-term capital planning processes championed by several steering committees, all of which have distinctly different objectives and different funding sources but have the common goals of providing exemplary and efficient services as outlined in the CEO's mission.

Some of the critical components which influence and affect the planning processes include a myriad of factors such as a forecast of demand for future services and



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capital facilities, taking into account all applicable demand factors including population, housing units, traffic volume, commercial growth, etc. Another factor is the inventory of existing facilities to determine future demands for maintenance, repair, rehabilitation or replacement and to determine the adequacy of existing facilities to meet future needs. An assessment of services currently provided and projections of services to be provided in the future is also taken into consideration. Future demand may include expectations of the taxpaying public. Formal capital project requests, together with supporting data, contain all the information on which each project is evaluated and ranked.

The recommendations of the capital planning committees, established for the purpose of planning the short-term and long-term strategies in the areas of wastewater management, road construction and maintenance, building and parks renovations and improvements, are forwarded to the CEO. Additionally, certain long-term initiatives championed by departments such as Technology, which are determined to provide a cost benefit and/or efficiency, could also be funded as part of the CIP.

The CEO is responsible for annually developing this consolidated plan which identifies capital outlays and funding sources for major construction, renovation, maintenance or investments in equipment or technologies for the County.

The CEO reviews and prioritizes each department's capital request, and the recommendation is incorporated as part of the budget submission for action by the County Commission and becomes part of the Enrolled Appropriations Ordinance. Funding for the entire plan must be identified prior to its recommendation and approval by the Commission and the first year of the adopted five-year plan is reflected in that fiscal year's budget. The Capital Improvement Plan is updated and revised annually. The approved five-year plan is used as a basis for determining the need and timing of capital debt issuance. The five-year capital projects are provided in Section 27 of this document.



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2012-13 ADOPTED BUDGET OVERVIEW

PROFILE OF THE COUNTY

With a sparkling waterfront location, the Charter County of Wayne is the 15th largest county in the United States and is the most populous county in the state. It boasts 18% of Michigan's population. It encompasses approximately 623 square miles and consists of 34 cities, including Detroit (County Seat), nine townships and 34 public school districts, serving approximately 313,000 students. In addition, there are 97 Public School Academies (PSA's) in Wayne County serving 53,000 students, 16% of the county's total students. The County consistently leads the state in economic growth and development initiatives and opportunities.

The County's rich history and diverse cultures and faiths make it the place with something for everyone. From the Grosse Pointes to Grosse Ile, from downtown Detroit to Downriver and Western Wayne, the County's cosmopolitan centers, towns and rural communities offer a variety of lifestyle choices.

Wayne County's estimated 2011 median owner-occupied home value was \$83,100, almost 48% below the national average of \$173,600. The County is an exceptionally diverse county. Migrants historically drawn by the area's good manufacturing jobs have created a rich tapestry of communities. While Wayne County is home to two of the world's largest corporations; General Motors Corporation and Ford Motor Company, it is also home to over 200 foreign-owned and operated business

from 26 countries. The region's automotive heritage has been a major driver of foreign investment from Europe and Asia. These businesses recognize the advantages of being located in America's manufacturing heartland. These and all companies and their employees benefit from the comfort of proximity to quality schools, prominent universities and 25 hospitals, which include two, teaching/research hospitals.

Residents and businesses are attracted by the county's expansive shoreline along the Detroit River, a gateway to Lake St. Clair and the Great Lakes. The area is extremely inviting to commercial shipping, leisure cruise lines and recreational boating. It is home to the Detroit River International Wildlife Refuge, the only international wildlife refuge in North America.

POPULATION DIVERSITY INFORMATION

Population by Age 2010 Census

Under 18	25%
18-24	10%
25-34	12%
35-49	21%
50-64	20%
65 & over	13%

Gender Composition 2010

Male	48%
Female	52%

Racial Composition 2010

White	52%
Black	41%
Other Race	4%
Asian or Native American	3%

TRANSPORTATION HIGHLIGHTS

Major Highways and Expressways

I-96, I-94, I-75, I-275, I-696, US10, US12, US24,
M5, M10, M39, M85, M102, M153

Rail Lines

Amtrak, CSX., Conrail, Grand Trunks,
Norfolk Southern

Bus Service

SMART, D-DOT

Port Facilities

Detroit Bulk Storage, Inc.
Michigan Marine Terminal
Harridon Terminal, Inc.
Nicholson Terminal and Dock Co.

Airport

Detroit Metropolitan (18 miles SW of Detroit)
Detroit City (10 miles from downtown)
Willow Run Freight (25 miles SW of Detroit)
Windsor (Ontario) Airport (8 miles from Detroit-
Windsor Tunnel)

By ship, train, truck or automobile, the County is North America's #1 international border crossing. Over \$300 million in trade goods pass through the County's bridges, tunnels and ports with Canada daily. The Detroit-Windsor border remains one of the friendliest in the world. The County currently has two crossings into Canada, the Ambassador Bridge and the Detroit-Windsor Tunnel and a third has been proposed. Discussions are



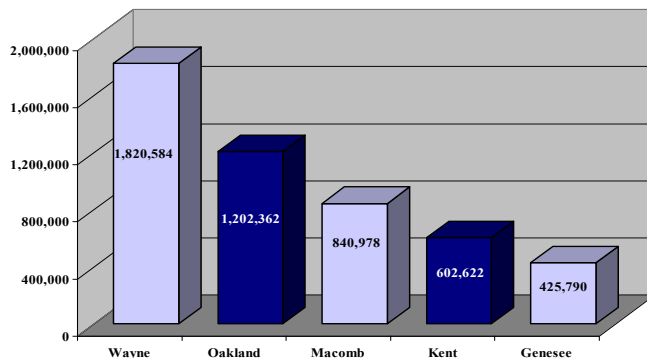
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currently underway at the state level regarding a new bridge crossing the Detroit River to Canada. An agreement announced June 15, 2012 ensures the Detroit River International Crossing project should proceed, with the Canadian federal government funding bridge construction, land acquisition in Michigan and the construction of ramps from Interstate 75. The Canadian contribution will be repaid from bridge tolls, although to date no study has shown toll revenue forecasts.

The County seat is the City of Detroit, Michigan's largest city and the nation's 18th largest city. It is home to three casinos, the North American International Auto Show, the Motown Historical Museum and several historic theatres and entertainment venues.

Five Largest Michigan Counties 2010



Wayne County boasts a world-class international airport, renowned health care systems, prestigious educational institutions, sports venues, arts and culture, and many tourist attractions. The Executive and Legislative branches of Wayne County work closely with its 43 municipalities on infrastructure and government policies that encourage and support thriving communities complete with industrial, commercial and residential initiatives.

The Detroit River and the railroads, once the sole commerce arteries, helped to make the county a prime location for business and economic development in the 21st Century. Today, the I-94 corridor offers a tremendous advantage to attract business development that reaches into numerous communities. In addition, discussions have begun towards bringing a light rail system to the region.

With a \$2.1 billion annual budget and a workforce of approximately 4,200 people, Wayne County's infrastructure of government services are vast and represent vital support for those who want to invest, live, work and raise families here. The CEO believes that strong family values make for a strong county and has been a powerful advocate for family-oriented support services, safe communities, urban parks, appealing waterfronts and vibrant economic areas.

Tree-lined neighborhoods, waterfront developments, an energetic urban center and rural communities allow families of all incomes and sizes to feel at home here. A rich history of homeownership continues with a wide selection of modern lofts, condos, traditional single-family homes, mansions and estates.

Average household size in Southeast Michigan has been decreasing for several decades. However, the average household size in the County remained mostly unchanged between 2000 and 2005 and has edged upward since then. One possible explanation could be the decade-long economic decline in the region. It is likely that record unemployment is resulting in fewer young adults living by themselves and high foreclosure rates are resulting in more young families moving in with parents or relatives.

Total Households	
2010 (census)	702,749
2009	836,638
2008	837,844
2007	736,342
2006	736,495
2005	757,640
2000	768,440
Average Household (Persons)	
2010 (census)	2.56
2009	2.78
2007	2.76
2006	2.67
2005	2.60
2000	2.64

There continues to be an employment shift in the County away from the traditional blue collar industrial and manufacturing jobs and towards services and professionals. The service sector has seen the largest increase and now accounts for one of every two private sector jobs in the County.

The County is aggressively pursuing economic opportunities internationally in places such as China and the United Arab Emirates. The County has a strong commitment to job development through programs that improve the environment and transportation systems that, in turn, improve the climate for economic development. Some of the best-trained and educated workers in the County are in the professional and business areas. A key area of future growth will be attraction and retention of high-wage jobs in the services sector and educational opportunities in technical fields. The top employers are



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listed below. (Detroit is excluded as they have their own demographic section in the Appendix of this document.) Other demographic information for the County, as well as for the city of Detroit, can be found in the Appendix.

10 Largest Employers 2011 (excludes Detroit)	
Company	# of Employees
Ford Motor Company	33,000
Oakwood Healthcare Inc	5,933
Henry Ford Health System	3,633
Johnson Controls – Automotive Experience	2,650
U.S. Postal Service	2,353
Dearborn Public Schools	2,032
U.S. Steel – Great Lakes Works	2,000
Plymouth-Canton Community Schools	1,954
U.S. Government	1,909
Auto Alliance International Inc	1,763

WAYNE COUNTY HISTORY

On July 24, 1701, Antoine de la Mothe Cadillac, former commandant of Fort Michilimackinac, landed on the wooded shores of “la place du detroit” (the place of the strait) with his party, and the history of Detroit and Wayne County began. On August 15, 1796, Wayne County was officially established by Winthrop Sargent, secretary and acting governor of the Northwest Territory. The County was named after Major General “Mad Anthony” Wayne who was a career military officer. He led troops during the American Revolutionary War and successfully forced the British Army into surrendering near present day Toledo, Ohio.

Employment by Industry 2011	
Industry	# of Employees
Service-Providing	489,940
Trade, Transportation, and Utilities	129,048
Education and Health Services	122,218
Professional and Business Services	108,553
Goods-Producing	91,874
Leisure and Hospitality	73,654
Manufacturing	73,557
Financial Activities	27,932
Other Services	21,711
Construction	17,409

Wayne County was originally established to encompass northwestern Ohio; a strip across the northern parts of Indiana and Illinois (including Chicago); all the Lower Peninsula of Michigan; about three-quarters of the Upper

Peninsula and about 75,000 square miles of Wisconsin. Over the next 23 years, the boundaries of the County were modified and decreased until September 10, 1822, when the current boundaries – about 626 square miles - were established. Wayne County is bounded on the west by Washtenaw County at Napier and Rawsonville Roads and on the north by Oakland and Macomb Counties at Eight Mile Road also known as Baseline Road. The Detroit River shapes the southeastern side and the Huron River and Monroe County form the southern boundary.

PROFILE OF THE GOVERNMENT

The County is a public corporation, created under the Constitution and Statutes of the State of Michigan. The County has general governmental powers and authority as provided by law. Effective January 1, 1983, Wayne County became the first Home Rule County in Michigan pursuant to a charter adopted by the voters in a special election on November 3, 1981. The County was incorporated under Act No. 293, Public Acts of Michigan, 1967, as amended. It is governed by a Chief Executive Officer (CEO) as head of the executive branch of government who is elected on an at-large basis for a four-year term and a County Commission (the Commission) comprised of 15 members elected on a partisan basis, by district, for two-year terms.

The Commission comprises the legislative branch of the County. It is responsible for establishing ordinances, laws and the appropriating funds through the County budget. The County also elects the following officials on an at-large basis for four-year terms: County Clerk, Register of Deeds, Prosecuting Attorney, Sheriff and County Treasurer. The County Clerk and the Register of Deeds are responsible for the general recording of official records.

The Prosecuting Attorney and Sheriff are responsible for providing quality law enforcement to all people of the County. The Treasurer is responsible for the receipt, custody, and investment of all County funds and the collection of taxes.

The County has primary funding responsibility for the Third Circuit and Probate Courts (judicial branch), although both are separate entities. The Courts are responsible for judicial proceedings within the County. There are three separate divisions of Third Circuit Court: civil, criminal, and family court. The civil division is responsible for the resolution of general civil cases. The criminal division has sole jurisdiction over felonies and high misdemeanors. The family court division is responsible for hearing both domestic relations and juvenile cases. Probate Court has eight judges who have jurisdiction in all matters related to settlement of estates, trusts and appointment of trustees.



Wayne County Government

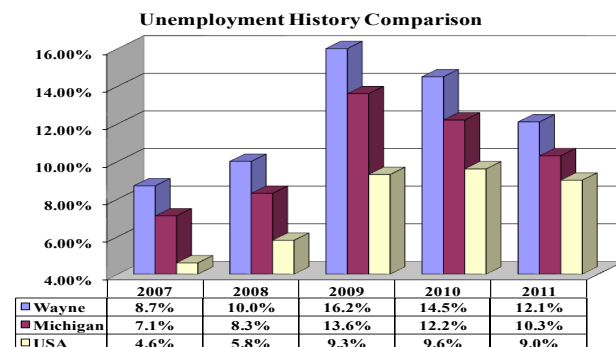
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Local Economy

After several years of facing severe economic recession in the State, signs of a turnaround have appeared in what was once a slumping housing market, steady growth in the automotive sector and a dropping unemployment rate. All indicators of an expanding economy. Michigan had been confronted with a severe economic recession and a meltdown of the economy's core automotive sector and has spent the decade in recession, largely driven by the same fundamental restructuring that was and still is affecting the manufacturing industry globally. Manufacturing had experienced significant job losses as the economy had become more global. The domestic job issues in Michigan had been massive. However, according to University of Michigan Economist, Michigan will add 111,000 jobs during 2013 and 2014 after 165,000 job gains since the end of 2009. This increase is attributed to a resurgence in the auto industry and high wage sectors such as professional business and scientific services. While these figures are moderate, economic recovery will help lower the states unemployment rate from the current 9 percent to 8.4 percent at the end of next year and 7.7 at the end of 2014 which will be just a half percent above the U.S. rate at that time.

The "Big Three" automobile manufacturers, General Motors (GM), Chrysler and Ford Motor all lost market share during the previous 3-5 years. With the assistance of the Federal government, GM and Chrysler went through bankruptcy and as a result, have emerged as smaller, leaner and more competitive organizations. Ford, Chrysler & GM continue strong sales as the first six months of this year increased 15% over the same period in the previous year. After a strong 2011, the auto industry is continuing to experience one of its most stable growth periods in years. The automakers are posting recurring strong monthly gains. The U.S. Auto industry is projected to experience a 12% gain from 2011 and a 38% gain from a recession year of 2009 according to a report in the LA Times.

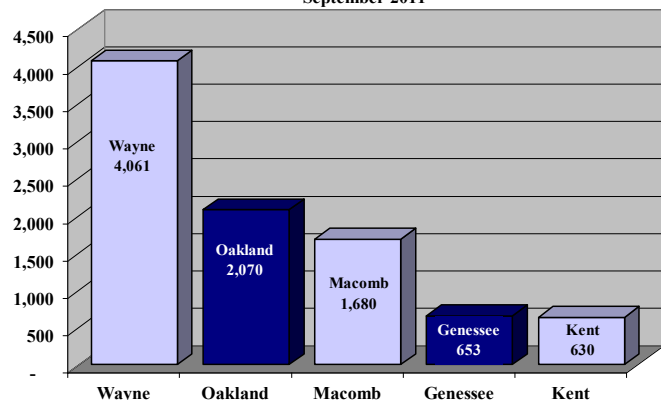
Employment Outlook - Michigan's employment situation has fared worse than the national average over the last several years. Nevertheless, Michigan's job performance is not necessarily inconsistent with other states, considering the state's economic composition. In



September, 2011, the unemployment rate was 10.1%. Currently, the state's unemployment rate has fallen to 9.1% as of October, 2012. According to the most recent report released by the U.S. Department of Labor. Michigan ranks sixth behind Nevada's 11.8% unemployment rate, which is the highest in the country. This shows a slight improvement for the State, which was ranked third in the prior year behind Nevada. The states with the next highest rates were Rhode Island, 10.5, California, 10.2%, New Jersey, 9.8% and North Carolina, 9.6% each. The report also showed that in total, 27 states posted jobless rates at or lower than the U.S. figure of 7.9%. Other states had measurably higher rates.

Housing Industry - In conjunction with a high unemployment rate, foreclosures have become Wayne County's worst adversary. For years, manufacturing, more specifically automotive manufacturing, has been a major employer of Wayne County citizens. During this

**Foreclosures-Top Five Counties in Michigan
September 2011**



automotive industry transition other companies are also downsizing or closing. With the ongoing fiscal crisis in the City of Detroit, government employment is falling. Total government employment in the Detroit Metro area is down 5.2 percent from a year-ago last October. Citizens of Wayne County have experienced job losses at an alarming rate. Without a job, the average citizen is not capable of maintaining their standard of living; impairing their ability to make mortgage payments.

For the last several years, Michigan ranked among the top 10 states for home foreclosures. According to RealtyTrac, a foreclosure authority who publishes a database of foreclosed, auctioned and bank-owned properties, the new foreclosure activity (i.e. foreclosure filing/default notice, auction or bank repossession) in the month of December, 2012, ranked Michigan 4th in the nation with 6,189 foreclosure properties or 1 in every 732 housing units. The County has the largest number of foreclosures with 1,900 or 1 in every 436 housing units. This represents 30.7% of all new foreclosure filings in Michigan. Within the County, Detroit's new foreclosures activity for December, 2012 totaled 843 or 44.4% of the



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total for the County followed by Redford Township –127 or 6.7%; Westland—103 or 5.4%; Taylor-70 or 3.7%; and Dearborn Heights –62 or 3.26%. Despite the statistics that may point to the contrary, Michigan is starting to make a comeback as it relates to foreclosures. According to Ann Arbor Bankruptcy Attorneys, foreclosure filings are going down decreasing by almost 28 percent in the third quarter of 2012. The national decline is 13 percent showing that Michigan appears to be ahead of the trend.

Despite the seemingly intimidating numbers, Michigan is starting to turn around as it relates to foreclosures. Even though the city of Detroit had the 39th highest foreclosure rate in the country, which is a high rate, it is an improvement. A few years ago, Detroit was consistently ranking in the top 10 foreclosure rates in the country. September's 2012 rate was the lowest foreclosure rate in Detroit since 2006.

With the state and federal governments unable to provide adequate resources for services; some legislatively mandated, the County relies greatly on property taxes to provide services to our residents. With each and every new foreclosure, the County tax roll is reduced; reduced tax roll leads to reduced services. For local governments, property tax revenue depends heavily on home ownerships along with industrial/commercial development, forcing decision makers to prioritize goals, services and efforts.

Economic Stimulus - While the County continues to struggle with difficult economic issues, the wheels are in motion for economic revitalization not only for the County but for southeastern Michigan. The region continues to attract a diverse cross section of varying industries. Research and development facilities continue to migrate to Wayne County and expand their operations. expanding their operations within the county rather than relocating out-state because they recognize the positive .

Quicken Loans Inc. the nation's largest online retail mortgage lender and among the five largest overall retail home lenders in the United States, moved its headquarters and 4,000 of its full-time team members to downtown Detroit, a process that started in 2011. In early 2012, the transferred an additional 1,000 employees to several vacant office buildings the company purchased and renovated within the city with the intent of transforming it into a high-tech hub of business and ingenuity. According to a list of major employers in Detroit compiled by the Detroit Economic Growth Corporation, the 5,000 total Detroit Employees makes Quicken Loans Detroit's 7th largest employer behind (# of employees): the City of Detroit (11,396), Detroit Public Schools (10,951), Detroit Medical Center (10,823), Henry Ford Health System (8,774), U.S. Government (6,665), and Wayne State University (6,272).

In December of 2012, Detroit Developer Mike Illitch announced plans to develop a downtown district composed of residential, retail and office facilities in the city of Detroit. A new multi-purpose events center will anchor the district according to the HuffPost Detroit. While the development is in the infancy stage with no timetable yet given, it is estimated the development once completed will create 5,500 jobs for the events center alone and about 8,300 jobs total, according to an Olympia Development release. The economic impact is estimated to be \$1.8 billion to the State of Michigan according to the Olympia Development company. Total cost of the project is estimated to be \$650 million and will be financed with both public and private funds.

In the area of healthcare, in November it was announced that a planned merger will take place between two well-respected health systems, Henry Ford and Beaumont. This merger between Detroit based Henry Ford and Royal Oak based Beaumont will result in a single, \$6.4 billion non-profit entity according to the Detroit Free Press. The deal will combine 10 hospitals, 200 patient care sites and 41,000 employees.

Other success stories as well as information on doing business in Wayne County can be found at <http://www.waynecounty.com/EDGE>.

A major long-term economic development strategy for the County is centered on the planned Detroit Regional Aerotropolis, an aviation linked urban area consisting of an airport surrounded by tens of thousands of acres of light industrial space, office space, upscale retail mix, business-class hotel accommodations, restaurants, entertainment, recreation, golf courses, and single and multiple-family housing. One of the County's greatest assets is the Detroit Metropolitan Airport (Airport) and the fact that it is not land-locked. The Aerotropolis has become a reality through the transformation of business from ground transport to air transport. The Airport has become the Central Business District (CBD) providing employment, shopping, entertainment, and business meeting destinations, and spin-off businesses have sprung up around this new CBD in clusters of both radial and string formations. The creation of an Aerotropolis provides Wayne County with the ability to attract corporations that rely on time and location-sensitive manufacturing, e-commerce fulfillment, and telecommunications, in addition to serving air-travel intensive professionals by providing convenient access to air travel transport to national and international destinations.

Expected returns for a community with the development of an Aerotropolis include an international business presence; a growing tax base; an increase in travelers to the region; construction jobs; a high-income white-collar work force serving office, research, technology, retail and commercial facilities; and an increase in local



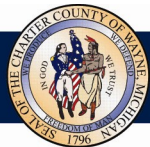
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material purchases. Local spending will increase with the Aerotropolis becoming a destination not only for business but leisure travelers participating in the shopping and recreation activities provided. The vision of the Aerotropolis of Wayne County is to transform approximately 1,200 acres of underutilized, County-owned land in close proximity to the airport into a high quality, mixed-use business and high-technology development. For more information about this regional initiative, visit the Aerotropolis website at www.detroitaerotropolis.com.

Wayne County is home to the North American International Auto Show (NAIAS). The NAIAS is among the largest auto shows in the world. Held annually at the Cobo Center (Cobo) in downtown Detroit, the show provides a huge annual economic boost estimated at up to \$500 million to this region, benefiting hotels, restaurants, exhibit companies and retail throughout the metro area. Many businesses and families profit from this show throughout the year. The goal is to keep that revenue stable and here in Michigan for the continued support to our economy. In order to do so, the region must find a

way to make Cobo more financially attractive to new conventions and exhibitions. As part of this effort, legislation was passed in which Cobo was transferred to a regional authority from the city of Detroit. The new authority will bond for up to \$288 million for the expansion and renovation of Cobo. This should ensure the continuation of the NAIAS and will also attract other conventions and venues to Detroit and Wayne County. The growth and revitalization of Detroit is critical to the growth and revitalization of Michigan and the County of Wayne. Keeping the NAIAS's prominent place in Detroit preserves Michigan's trademark and brand.

These initiatives are just a few of the developments created by the County to assist its citizens in this extremely difficult economic environment. For more information on these and other Wayne County initiatives please go to www.waynecounty.com. Additional information regarding the Wayne County community is highlighted in section 28.1.



Wayne County Government *Adopted Budget FY 2012-2013 and Projected Budget FY 2013-2014*

ASSUMPTIONS USED IN DEVELOPMENT OF THE FY 2012-13 ADOPTED BUDGET

REVENUE ESTIMATES

Early February, 2012, the initial revenue estimates were developed and subsequently, set the foundation for which the 2012-2013 and 2013-2014 budgets would be created by. The State's Uniform Budget and Accounting Act and the County's Charter mandates that the County annually produce a balanced budget. Budgets are defined and driven by the estimated revenue available for the ensuing fiscal year. Revenue estimates were based on current economic and forecasted financial outlooks; historical trends; current policies; expert input and analysis from the County Departments and Offices. The revenue estimates were distributed to all elected officials and department heads and was the starting point for which the County would build the 2012-2013 Budget and 2013-2014 Projected Budget. The projected revenue estimates were refined and finalized during the budget process and eventually formed the basis for the budget adopted by the Commission on September 13, 2012.

The initial forecast for the County reflected revenue reductions in the amount of \$40.80 million. Of this amount, the General Fund and General Fund supported revenues is forecasted to decline \$25.0 million in FY 2012-2013. The General Fund's revenue sources were forecasted to decline \$26.6 million from FY 2011-2012 including a reduction of \$25.7 million in discretionary or unrestricted revenues used to support general government operations. Other County Funds which include certain Special Revenue funds, Enterprise, Judiciary, Internal Service, Special Assessment funds and certain Component units were forecasted to decline an additional \$15.8 million in FY2012-2013. Most of these funds have specific purpose revenue sources and as a result of the non discretionary or restricted nature of these funding sources, expenditures and services have to be aligned to the revenues generated.

The General Fund is primarily responsible for funding all law enforcement and justice administration functions, including the courts, juvenile justice, sheriff, prosecutor and jail medical services. The County is also responsible for funding the operations of most of the County's other elected officials, including the County Clerk, Treasurer, Commission and the County Executive. As a result, it is the focal point in the forecast.

In the spring of FY 2011-12, the County's General Fund amended budget totaled \$547.3 million. Taxes and state revenue sharing, which accounts for the majority of general purpose revenue was projected at \$371.2 million or 67.8% of total revenue in the General Fund. Based on property assessment information provided by the Assessments and Equalization division of Management and Budget, it was projected that tax collections would continue the decline realized in prior years as a result of

the housing and credit markets decline. Taxable values of homes and business property values were projected to decline by 5.6% from 2011-12. This decline in taxable values translates to a reduction of \$21.4 million in General Fund collectable taxes from the prior year. A more detailed discussion of the development of property tax projection is presented later in this narrative.

In the FY 2010-11 budget, the County included \$48.5 million of State Revenue Sharing payments to be received from the State. In FY 2011-12, this amount received from the State was reduced to \$38.0 million and was not projected to increase in FY 2012-13. Of the \$38.0 million forecasted from State revenue sharing, \$24.5 million was forecasted to be set aside for deficit elimination and the remaining \$13.5 million used to fund County operations.

In total, the FY 2012-13 Forecast includes anticipated total revenues of \$520.7 million, a reduction of \$26.6 million with unrestricted general purpose revenues of \$345.4 million, a reduction of \$25.7 million from the prior year.

General fund restricted or non general purpose revenues including state and federal grants, charges, fees, and other miscellaneous revenues were forecasted to be \$175.3 million, down slightly by \$0.91 million from FY 2011-12. These revenues are specific to individual departments and as such, the department is responsible for adjusting their operations as a result of any changes in these sources of revenues.

General Fund expenditures were projected to increase by \$43.5 million primarily due to increases in health and pension costs, and other inflationary expenditure increases, such as fuel, utilities and prisoner maintenance. The projected expenditure increase of \$43.5 million, along with the projected revenue shortfall of \$26.6 million, equals an overall FY 2012-13 General Fund budget gap of \$70.1 million.

Budget Task Force: Given that the County has consistently faced fiscal challenges for the last 3 years, the Chief Financial Officer formed a Budget Task Force, in March of 2012, to provide meaningful recommendations that focused on short-term and long-term budget solutions.

Specifically the purpose of the Task Force was established to:

- Share the 2011/2012 budget issues facing the County.
- Seek input from the Task Force members as the County moves forward through the 2012-13 and 2013-14 budget process.



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- Improve productivity and efficiencies.
- Maintain an enhanced communication vehicle between elected officials, administrators, staff members, and the community at large on the budget process and funding sources.
- Identify ways to generate revenue streams.
- Recommend ways to decrease expenses.

weekly through the Spring of 2012 and in addition to the standing members, others were invited to share their specific expertise and recommendations with the task force. As a result of these meetings, the Task Force made recommendations both long term and short term many of which were incorporated into the 2012-2013 Adopted Budget.

The Budget Task Force was comprised of members of the Executive Branch, the County Treasurer and the Chairman of the Commission. The Task Force met

ACTIONS INCLUDED IN THE FY 2012-13 ADOPTED BUDGET

Subsequent to the initial revenue projections, the CEO's Budget Policy Statement (BPS) required reductions for general fund and general fund supported departments. The remaining departments reduced operational costs to the level of forecasted revenues. This adopted budget incorporates tough decision-making and priorities. Listed below are some the actions taken:

- Continued the 10% reduction in total personnel costs through salary reductions, benefit cost sharing increases, furlough days and other concessions for all employees based on collective bargaining agreements
- General Fund supported programs were required to reduced operational expenditures by 20%.
- The Courts, County Clerk and Sheriff Court security units were fully funded per the final court settlement agreement and required substantial reductions to other operations county-wide.

- Projected state revenue sharing distribution of \$38.57 million and \$11.52 million of that amount has been allocated for deficit elimination.
- Full implementation of health care and pension rate changes were made in accordance with state guidelines for active employees, elected officials and retirees,
- Several general fund supported non-mandated programs or services were either reduced or eliminated i.e. STEP program, Drug Enforcement and Mortgage Foreclosure Prevention.



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SUMMARY OF CHANGES BY TYPE OF FUND

The County budget for FY 2012-13 totals \$2.15 billion, including a General Fund appropriation of \$537.31 million. Comparing budgets on an annualized basis, the FY 2012-13 Budget reflects a net increase in the County's total operating budget of \$69.19 million or 3.32%.

In Millions			
FUND	FY 2011-2012 ADOPTED	FY 2012-2013 ADOPTED	CHANGE
General	\$542.06	\$537.31	\$(4.75)
Special Revenue	1,085.93	1,134.91	48.98
Capital Projects	2.88	1.37	(1.51)
Debt Service	24.76	23.63	(1.13)
Special Assessment	3.69	2.51	(1.18)
Enterprise	146.33	149.43	3.10
Internal Service	158.60	162.62	4.02
Fiduciary	7.50	8.00	0.50
Component units	110.89	132.05	21.16
TOTAL	\$2,082.64	\$2,151.83	\$69.19
% CHANGE			3.32%

The summary above reflects the changes between the major fund types. Major changes include a decrease in the General Fund totaling \$4.75 million from FY 2011-12. Refer to the General Fund section of this document for further discussion.

Special Revenue Funds increased overall by \$48.98 million, with the largest increase of \$21.13 million in the County's Public Health Fund. Largely, the increase in the Public Health Fund resulted from Jail Medical Diagnostic and Jail Mental Health operations transferring from the General Fund. Listed below are other funds with substantial increases:

- The County Road Fund increased by \$18.13 million as well. This increase is derived from federally funded engineering road construction projects and reoccurring general road maintenance.
- The Mental Health Fund increased \$10.45 million relates primarily to Medicaid reimbursements and services for the mentally disable citizens of Wayne County.
- The Fiscal Stabilization Reserve Fund (FSRF) totals \$11.52 million. The appropriation in this fund will be used to eliminate accumulated deficits in other funds.
- The Community and Economic Development Fund increased by \$5.72 million relative to the HOME projects funded by the U. S. Department of Housing and Urban Development (HUD).

Concurrently, due to limited General Fund revenue for matching requirements relative to federal and state programs; granting agencies funding reductions and reduced charges for services revenue have impacted the following funds:

- The Parks Fund was decreased by \$0.85 million. Maintenance and renovation for numerous parks and equipment will be reduced.
- The Rouge Demonstration Grant Fund decreased by \$1.11 million due to reduced federal funding for the Rouge River National Wet Weather Demonstration project as well as reduced local match funding; the expenditures were reduced to match available funding.
- The Drug Enforcement Fund decreased by \$1.96 million. The role of drug and prostitution enforcement has been drastically reduced by the Sheriff and more responsibility must be performed by municipalities' public safety operations.
- The Library Fund was decreased by \$3.69 million. The libraries financial reporting has been moved to the General Fund due to GASB 54.
- The Community Block Development Grant (CDBG) was decreased by \$2.97 million. Reductions to this fund are a result of reduced funding for various HUD grants due to the completion of community projects.



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- The Pinnacle Fund was reduced by \$0.69 million. The Pinnacle Aeropark financial reporting has been moved to the General Fund due to GASB 54.
- Community Corrections was decreased by \$1.74 million. The reductions in this fund relate to the loss of revenue generating contracts.
- Juvenile Justice Fund was decreased by \$9.81 million. Serviceable levels with the Care Maintenance Organizations (CMO's) were reduced for juvenile offenders as well as services for the abused and neglected.

Capital Projects Funds - The \$1.51 million reduction is largely related to decreased expenditures relative to the 2009 Equipment Bonds for Third Circuit Court projects.

Debt Service Funds - The net \$1.13 million decrease is primarily related to the reduced debt service for the Technology Installment Purchase Agreement-2011.

Special Assessments Fund— The \$1.18 million decrease variance results from several Petition Drain Notes being paid off and fewer petition projects scheduled.

Enterprise Funds— The \$3.18 million increase in the Enterprise Funds are primarily the result of increased delinquent tax collections as well as changes in the sewage disposal system funds.

Internal Service Funds - The funds increased by a net \$4.02 million and significant changes occurred in the following funds:

- Central Services Fund decreased by \$0.54 million. This fund experienced contractual services reductions which will impact the delivery of technology services countywide i.e. telephones.
- Health Fund increased by \$5.17 million. State Legislation required the County to increase the level of cost sharing by its employees which will be an offset to the rising health care costs.
- General Liability Fund increased by \$0.84 million. Since the County is self-insured, the rise in current and pending litigation has increased associated expenditures.

Fiduciary Fund – The \$0.50 million increase in the retirement fund is related to increased administrative operational costs which are funded by interest earned on securities.

Component Unit Funds - The \$21.2 million increase in the Component Unit Funds include funding for the operations of the Third Circuit Court, Friend of the Court and Probate Court. In total, the funds increased because of the Court Ordered funding for Third Circuit Court required over \$20 million more. Probate Court continues to make personnel expense reductions.

BUDGET FORMAT CHANGES

2012-2013 ACCOUNT CHANGES

For the fiscal year ending September 30, 2013, several budgetary structural changes were incorporated. The County has created a Fiscal Stabilization Reserve Fund (Fund 256), this fund will be used in accordance with the County's Deficit Elimination Plan. Also, the following budgets, relative to the funds listed below, have been placed into the General Fund: County Libraries (Fund 268); Pinnacle Aeropark (Fund 278); and Equipment Lease Financing (Fund 765). Lastly, for budgetary presentation purposes, the greater part of the Senior Citizens and Veteran Affairs functions were documented in the Health & Human Service Department. In the current fiscal year, the budgetary presentation is fully recognized in the Senior Citizens and Veteran Affairs Department.

2011-2012 ACCOUNT CHANGES

The FY 2011-2012 budgetary account structure was organized in the same format as the prior year.

2010-2011 ACCOUNT CHANGES

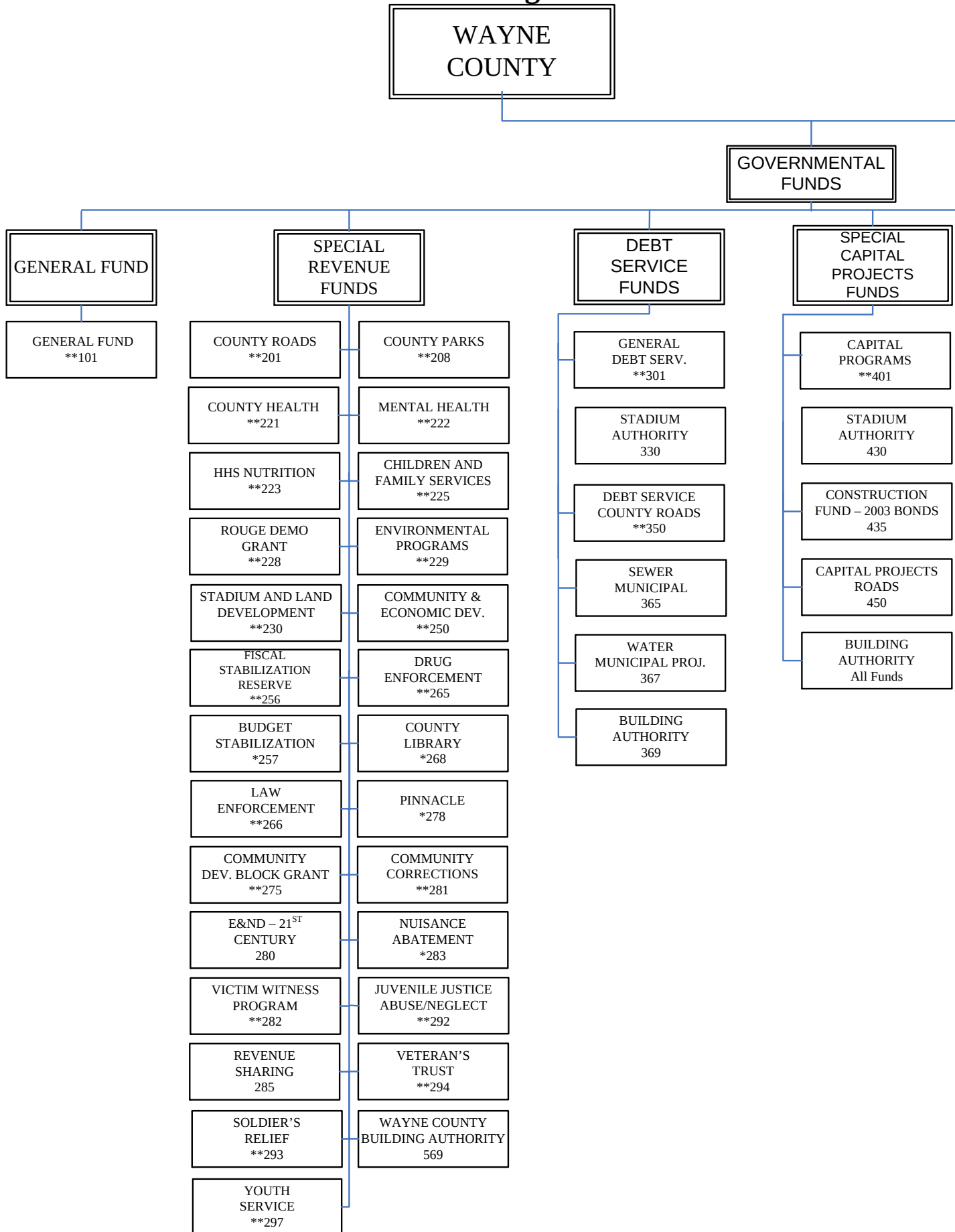
Several changes were made to the 2010-2011 budgetary account structure. The Departments of Corporation Counsel, Management and Budget and Personnel/Human Resources have been transferred from Fund 635- Internal Services Fund to the General Fund. Economic Development Growth Engine was moved from Fund 280 -E&ND 21st Century Fund to Fund 250-Community and Economic Development to re-align the operation with the mission of the department. Also, Delinquent Tax Revolving Funds 519-526, representing tax years 1999-2006, were closed and balances transferred to more current accounts.

2009-2010 ACCOUNT CHANGES

Several changes were made to the 2009-2010 budgetary account structure. First, the Department of Environment (DOE) has been consolidated with the Department of Public Services. The fund structure for those functions formerly under DOE will remain the same (101-540, 228-606, 228-607, 229-606, 365-400, 590-440, 596-440, 598-440, 599-440, 641-210, 641-540, 801-441). This restructuring includes 128 full -time equivalent employees (FTE's). An additional change to the accounting structure was the transfer of the greater part of the functions under the Department of Senior Citizens/Veterans Affairs (101-684, 223-672, 223-673, 293-684, 294-684). These functions have been moved to the Department of Health and Human Services. In addition, portions of function 101-672 have also moved. These changes included the reallocation of 38 FTE's.

Wayne County, Michigan

Fund Structure Organization Chart



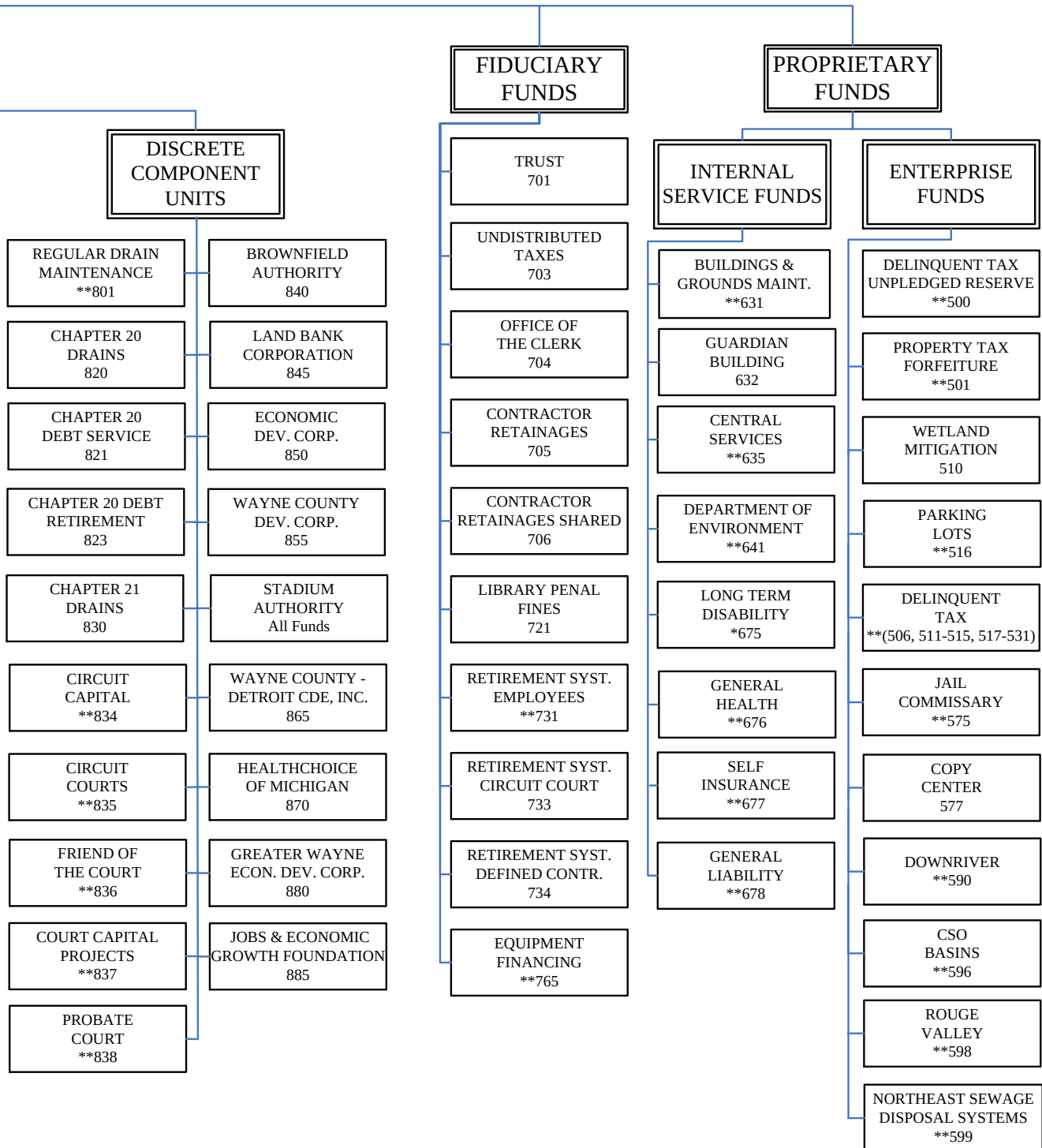
*FY 2012-13 Assets, Liabilities and Fund Balances have been transferred to the General Fund as a result of GASB 54.

*FY

**Appropriated Fund in Enrolled Ordinance 2012-541

Wayne County, Michigan

Fund Structure Organization Chart



*FY 2012-13 Assets, Liabilities and Fund Balances have been transferred to the General Fund as a result of GASB 54.

**Appropriated Fund in Enrolled Ordinance 2012-541



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FUND DESCRIPTION

In 1984, Wayne County changed its account structure to reflect the State of Michigan's Uniform Chart of Accounts, which is widely used by most of Michigan's local municipalities. The County budgets and accounts for revenues and expenditures based on the concept of fund accounting. A fund is a self-balancing set of accounts recording cash, liabilities, residual equities or balances, revenue and expenditures together with all of the changes thereto. These transactions are segregated for the purpose of monitoring specific activities or in accordance with laws, regulations or restrictions on the use of these funds.

There are three major categories of funds: Governmental, Proprietary, and Fiduciary with each category consisting of one or more types of funds. Governmental Funds are used to account for functions that finance most of governmental operations and activities. These include the General Fund, special revenue funds, capital project funds and debt service funds. Proprietary funds account for services provided by the County to other funds and governmental units and to account for resources that are financed and operated in a manner similar to private business enterprises. Fiduciary Funds account for assets held in trust or as an agent for others.

The types of funds contained in each specific major fund are described below, followed by the fund name utilized by the County. Although all funds are disclosed, it should be noted that not all of these funds are appropriated.

I. GOVERNMENTAL FUNDS

1. **GENERAL FUND** - accounts for all financial resources except those to be accounted for in other funds, and represents the County's general operating fund.

101 GENERAL FUND

The General Fund is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

2. **SPECIAL REVENUE FUNDS** – are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

201 COUNTY ROADS

This fund is used to account for resources associated with the maintenance and construction of certain roads, streets, and bridges located within the County, which are funded principally by the federal government, State of Michigan, and local governmental units within the County.

208 COUNTY PARKS

This fund is used to account for resources related to the preservation, protection, maintenance, and management of County park grounds and facilities including the Warren Valley and the Inkster Valley golf courses.

221 COUNTY HEALTH

This fund is used to account for resources reserved for the purpose of providing health protection, maintenance, and improvement for the residents of Wayne County.

222 MENTAL HEALTH

This fund is used to account for resources reserved for providing mental health services.

223 HEALTH AND HUMAN SERVICES– NUTRITION

This fund is used to account for resources reserved for providing various food and nutrition programs for the residents of Wayne County.

225 CHILDREN AND FAMILY SERVICES (HEAD START)

This fund is used to account for resources reserved for providing child development services to qualifying children and their families in Wayne County.

228 ROUGE DEMONSTRATION GRANT

This fund is used to account for resources reserved for the Rouge River National Wet Weather Demonstration project.

229 ENVIRONMENTAL PROGRAMS

This fund is used to account for resources reserved for the Land Resource Management Program.

230 STADIUM AND LAND DEVELOPMENT

This fund is used to account for the collection of excise taxes on hotel accommodations and car rentals, which are reserved for stadium and land development and the related expenses of collection.



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**250 COMMUNITY AND
ECONOMIC DEVELOPMENT**

This fund is used to account for resources related to economic development within local communities in Wayne County.

**256 FISCAL STABILIZATION
RESERVE FUND**

This fund was created to account for resources set aside to eliminate accumulated deficits in various funds.

***257 BUDGET STABILIZATION
FUND ****

This fund was established by charter and is used to account for resources set aside from the General Fund under the provisions of Public Act 30 of 1978.

**265 DRUG ENFORCEMENT
PROGRAM**

Through covert operations, the Drug Enforcement Unit enforces state drug laws throughout the County and acts in concert with federal law enforcement agencies. This fund accounts for resources for that activity.

266 LAW ENFORCEMENT

This fund is used to account for resources related to several specific purpose or targeted enforcement activities. In addition, this fund provides for technology and other law enforcement grant programs.

***268 COUNTY LIBRARY**

This fund is used to account for resources designated for library purposes.

**275 COMMUNITY DEVELOPMENT
BLOCK GRANTS**

This fund is used to account for resources related to the County's community development activities using participating communities to create economic and community development projects funded by the federal block grant.

***278 PINNACLE**

This fund is used to account for resources for activities of the Pinnacle Aeropark.

**280 ECONOMIC AND
NEIGHBORHOOD
DEVELOPMENT (E&ND) - 21ST
CENTURY****

This fund is used to account for resources related to economic development within Wayne County communities.

281 COMMUNITY CORRECTIONS

This fund is used to account for resources related to alternative work force activity, the County expungement program, and other jail diversion programs.

282 VICTIM WITNESS PROGRAM

This fund is used to account for resources for counseling services, community referrals, public information and prevention, notification of court date, and court support offered to victims of crime.

283 NUISANCE ABATEMENT *

This fund accounts for resources to abate illegal nuisances that are at the root of many of the crime problems in Wayne County such as drugs, guns, prostitution and abandoned buildings.

**285 REVENUE SHARING RESERVE
FUND ****

This fund is used to account for the proceeds of additional property tax revenues as a result of Public Act 357, which provides a funding mechanism for state revenue sharing payments to the County.

**292 JUVENILE JUSTICE/ ABUSE
AND NEGLECT**

This fund is used to account for resources for youth detention and detention diversion programs which include the operation of the Juvenile Detention Facility, various other detention alternative programs and services for delinquents and early intervention services for abused, neglected or at risk youths.

293 SOLDIER'S RELIEF

This fund is used to account for resources reserved for emergency funding for indigent veterans and their families and burial relief provided for eligible veterans.

294 VETERAN'S TRUST

This fund is used to account for resources reserved for emergency funding for indigent veterans provided by the State of Michigan.

297 YOUTH SERVICES

The fund is used to account for resources reserved for youth deterrent and diversion programs and other youth services.

**569 WAYNE COUNTY BUILDING
AUTHORITY ****

This fund is used to account for resources reserved for the operations and maintenance of the Wayne County Building Authority.

*These funds have been transferred to the General Fund to comply with GASB 54.

**These funds are not included in the County Appropriation.



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3. **DEBT SERVICE FUNDS** - are used to account for the accumulation of resources and for repayment of general obligation bond principal and interest from governmental resources, and for special assessment bond principal and interest from special assessment levies when the County is obligated in some manner for the payment.

301 GENERAL DEBT SERVICE

This fund is used to account for resources reserved for the debt service associated with the General Obligation Debt of the County.

330 STADIUM AUTHORITY-DEBT SERVICE**

This fund is used to account for resources reserved for the debt service associated with the construction of professional football and baseball stadiums.

350 DEBT SERVICE - COUNTY ROADS

This fund is used to account for resources reserved for the debt service associated with the various County Road Bonds.

365 DEPARTMENT OF PUBLIC WORKS (DPW) SEWER MUNICIPAL PROJECTS **

This fund is used to account for resources reserved for the debt service associated with the various County Sewer System projects.

367 WATER MUNICIPAL PROJECTS **

This fund is used to account for resources reserved for the debt service associated with the various County Water Improvement projects.

369 DEBT SERVICE - BUILDING AUTHORITY**

This fund is used to account for resources reserved for the debt service associated with the new construction or major renovations of existing facilities.

4. **SPECIAL CAPITAL PROJECTS FUNDS** – are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

401 CAPITAL PROGRAMS

This fund is used to account for resources reserved for technology improvements, infrastructure repair and renovation of County buildings, and major equipment purchases.

430 STADIUM AUTHORITY CONSTRUCTION

This fund is used to account for resources used for construction associated with the professional football and baseball stadiums.

435 CONSTRUCTION FUND – 2003 BONDS **

This fund is used to account for resources used for various infrastructure repair and improvements of County facilities through the sale of bonds.

450 CAPITAL PROJECTS-ROADS **

This fund is used to account for resources used for construction associated with various County road projects.

466 JAIL CONSTRUCTION**

469 WAYNE COUNTY BUILDING AUTHORITY **

These funds are used to account for funding and costs of constructing new facilities or for major renovations of existing facilities.

5. **DISCRETE COMPONENT UNITS**

Discrete Component Units- are entities that are legally separate from the County but for which the County is financially accountable, or their relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

801 REGULAR DRAIN MAINTENANCE

820 CHAPTER 20 DRAINS **

821 CHAPTER 20 DEBT SERVICE **

823 CHAPTER 20 DEBT RETIREMENT **

830 CHAPTER 21 DRAINS **

840 BROWNFIELD REDEVELOPMENT AUTHORITY **

845 WAYNE COUNTY LAND BANK CORPORATION **

850 ECONOMIC DEVELOPMENT CORPORATION OF WAYNE COUNTY **

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- 855 DEVELOPMENT CORPORATION OF WAYNE COUNTY ****
- 860 DETROIT-WAYNE COUNTY STADIUM AUTHORITY ****
- 865 WAYNE COUNTY-DETROIT CDE, INC. ****
- 870 HEALTHCHOICE OF MICHIGAN ****
- 880 GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION ****
- 885 WAYNE REGIONAL JOBS & ECONOMIC GROWTH FOUNDATION ****

These funds are used to account for resources used for operations of the Third Circuit Court and Probate Court.

- 834 CIRCUIT COURTS CAPITAL PROJECTS**
- 835 CIRCUIT COURTS**
- 836 FRIEND OF THE COURT**
- 837 PROBATE COURT CAPITAL PROJECTS**
- 838 PROBATE COURT**

II. PROPRIETARY FUNDS

1. **INTERNAL SERVICE FUNDS** – are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, and to other governmental units, on a cost-reimbursement basis.

631 DEPARTMENT OF PUBLIC SERVICES (DPS) - BUILDINGS & GROUNDS MAINTENANCE

This fund is used to account for resources reserved for the maintenance of all County General Fund Buildings.

632 GUARDIAN BUILDING **

This fund was used to account for resources for the purchase and maintenance of the Guardian Building in FY2008-09. It was discontinued beginning in FY2009-10.

635 CENTRAL SERVICES

This fund is used to account for distribution of operating costs of the County's internal service departments including the Departments of Corporation Counsel, Management and Budget, Technology and Personnel/Human Resources.

641 INTERNAL SERVICE FOR ENVIRONMENT

This fund is used to account for distribution of administrative costs to the various sewage districts, drains, and other Public Services - Environment activities.

675 LONG-TERM DISABILITY

This fund is used for the accumulation and disbursement of resources related to long-term disability claims.

676 GENERAL HEALTH

This fund is used to account for accumulate and disburse of resources related to employee health benefits.

677 SELF INSURANCE

This fund is used to account for accumulate and disburse of resources related to worker's compensation claims.

678 GENERAL LIABILITY

This fund is used to account for accumulate and disburse of resources related to general liability claims.

2. **ENTERPRISE FUNDS** – are used to account for resources that are financed and operated in a manner similar to private business enterprises - where the costs of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges or where periodic determination of net income is appropriate for accountability purposes.

500 DELINQUENT TAX - UNPLEDGED RESERVE DELINQUENT TAX REVOLVING (506, 511-515, 517-531)

These funds are separate funds used to account for resources advanced by the County to various taxing authorities for unpaid property taxes.

501 PROPERTY TAX FORFEITURE

This fund is used to account for resources related to real property tax foreclosures.

510 WETLANDS MITIGATION FUND **

This fund is used to account for resources for the supporting the operation of a wetland mitigation bank to serve the County of Wayne.

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516 PARKING LOT FUND

This fund is used to account for activities related to county employee subsidized parking.

575 JAIL COMMISSARY FUND

This fund is used to account for resources related to the operation of the commissary at the County's jails.

577 COPY CENTER **

This fund is used to account for resources associated with the operation of the County Clerk's Copy Center.

590 DOWNRIVER, 598 ROUGE VALLEY & 599 NORTHEAST SEWAGE DISPOSAL SYSTEMS

The Downriver Sewage Disposal System, Rouge Valley Sewage Disposal System and Northeast Sewage Disposal System are collectively referred to as the Sewage Disposal Systems. These funds are used to account for resources with operation and maintenance of the sewage treatment facilities. Costs are recovered through development of usage rates, which are billed to the local communities served.

596 CSO BASINS

This fund is used to account for resources related to the construction of combined sewer overflow (CSO) basins in the cities of River Rouge, Inkster, Redford, and Dearborn Heights to reduce wet weather overflow to the rivers and increase the flow to the sewage treatment plants. This fund includes operations, maintenance, replacement, construction and repayment of debt related to the basins.

III. FIDUCIARY FUNDS

Fiduciary funds are comprised of Trust and Agency Funds. Trust funds are used to account for assets held by the County in a trustee capacity. Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Due to their custodial nature, with the exception of the operating expenditures related to operating the retirement system in the Retirement System—Employees Fund and debt service budgeted in the Equipment Financing Fund, these funds are not budgeted or included in the appropriation.

701 TRUST **

This fund is used to account for assets held by the County in a trustee capacity.

704 OFFICE OF THE CLERK **

This fund is used to account for funds received by the County Clerk including bonds and various fees.

703 UNDISTRIBUTED TAXES **

This fund is used to account for current tax collections and their subsequent disbursement to other governmental units.

705 CONTRACTOR RETAINAGES **

This fund is used to account for funds retained from contractors involved with County projects.

706 CONTRACTOR RETAINAGES – SHARED **

These funds are used to account for monies retained from contractors involved with Wayne County projects. Disbursements are made to the contractor upon successful completion of the project.

721 LIBRARY PENAL FINES **

This fund is used to account for resources received by District Courts from court fines which are disbursed to fund public libraries.

731 RETIREMENT SYSTEM-EMPLOYEES

This fund accounts for the funds accumulated under the Employee Defined Benefit Pension.

733 RETIREMENT SYSTEM-CIRCUIT COURT **

This fund accounts for funds accumulated under the Circuit Court Commission Bailiffs' Retirement System.

734 RETIREMENT SYSTEM - DEFINED CONTRIBUTION **

This fund accounts for the funds accumulated under the Employee Defined Contribution Pension Plan.

765 EQUIPMENT FINANCING

This fund is used to account for resources reserved for the principal and interest payments associated with the Equipment Leasing Financing Program activities.

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DEPARTMENT AND ACTIVITY ACCOUNTS

The appropriations ordinance makes appropriations for certain county departments, agencies and programs for the purpose of providing services to the public. The County's budget is organized into functional categories that represent a grouping of related operations and programs aimed at accomplishing a broad goal or a major service called departments. These departments are further subdivided into activities, which serve as appropriation units, and each appropriation unit represents a limited set of work responsibilities, with organizational and budget accountability as its primary purpose.

CHART OF REVENUE AND EXPENDITURE ACCOUNTS

The Chart of Revenue and Expenditure Accounts represent the major account categories, which were adopted by the County Commission in its County-wide budget.

REVENUE ACCOUNTS

400 TAXES

Ad valorem property taxes, payments in lieu of taxes, industrial facilities taxes, trailer taxes, penalties and interest on taxes.

450 LICENSES & PERMITS

Marriage licenses, dog licenses, concealed weapon permits.

501 FEDERAL GRANTS AND CONTRACTS

Grants and contracts with the federal government. Not to be confused with reimbursements for services rendered to it by the County.

531 STATE GRANTS AND CONTRACTS

Grants and contracts with the State of Michigan. Not to be confused with reimbursements for services rendered to it by the County.

580 LOCAL CONTRIBUTIONS

Grants and contracts with local foundations and other governmental units. Not to be confused with reimbursements by local municipalities for services rendered to them by the County.

600 CHARGES FOR SERVICES

Revenue generated by departmental charges/fees, which are established by resolution, ordinance or state law. Reimbursements from various agencies and individuals for services.

655 FINES AND FORFEITS

Bail bond forfeitures and election filing fee forfeitures.

664 INTEREST, DIVIDENDS, RENTS

Interest on investments and rental of County property.

671 OTHER REVENUE

Unclaimed monies accrued revenue accounts.

695 OTHER FINANCING SOURCES

Audit adjustment to prior years, recoveries of insurance or bond premiums, appropriation transfers in.



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EXPENDITURE ACCOUNTS

700 PERSONNEL

Salaries and wages including per diem, overtime, shift differential, premium pay, cost of living adjustment, longevity, accumulated annual and sick leave, and worker's compensation supplement.

714 FRINGE BENEFITS

Payroll taxes, medical, dental and hospitalization insurances, and fringe benefits of retirees.

725 PENSION

Pension contributions including options for deferred compensation instead of the County's primary pension program.

726 MATERIALS AND SUPPLIES

Many types of routine consumable and low unit cost items including computer, office, vehicle, photo, photocopying, microfilming, forage, kitchen, clothing, laundry, food, medical and janitorial supplies.

800 SERVICES

Professional services and various kinds of contracts with the exceptions of those included in other accounts described below:

Professional services and fees including jury and witness fees, court filing and transcript fees; medical, dental, psychological, nursing, financial, engineering, legal and indigent attorney services, child care and veterans assistance.

Amounts paid for various services charged to other County departments including financial services, computer services, janitorial, police, construction, telephone and communications.

860 TRAVEL

Travel to conferences, conventions and local travel within the five-county area, extradition and transportation of patients and clients.

862 OPERATING EXPENSES

Freight, advertising, insurance benefits, premium payments, utilities, maintenance of buildings and equipment, some of which may be contracted.

941 RENTALS

Rental of buildings, machinery and equipment.

950 OTHER CHARGES

Contributions and grants to municipalities, agencies and organizations, inmate labor, employee improvement, refunds, miscellaneous interest, taxes, fees adjustments, allowances, and depreciation.

970 CAPITAL OUTLAY

Land, buildings, equipment, machinery, cars, office equipment, books.

990 DEBT SERVICE

Debt payments to the State of Michigan, principal and interest payments on bonded and other debt.

999 OTHER FINANCING USES

Operating transfers out involve the transfer of resources from the fund that possesses the resources to the fund that utilizes them.