CHARTER COUNTY OF WAYNE, MICHIGAN

BUDGET

Adopted by the Wayne County Commission

ROBERT A. FICANO
COUNTY EXECUTIVE

Adopted Budget FY 2014-2015 and Projected Budget FY 2015-2016

TABLE OF CONTENTS

Introduction

Budget Overview

Budget Summary All Funds

TABLE OF CONTENTS

Budget Summary General Fund

Department Summaries (Tabs include Expenditure Charts and Trend Analysis)

Appendix

GFOA DISTINGUISHED BUDGET AWARD

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Wayne County

Michigan

For the Fiscal Year Beginning

October 1, 2013

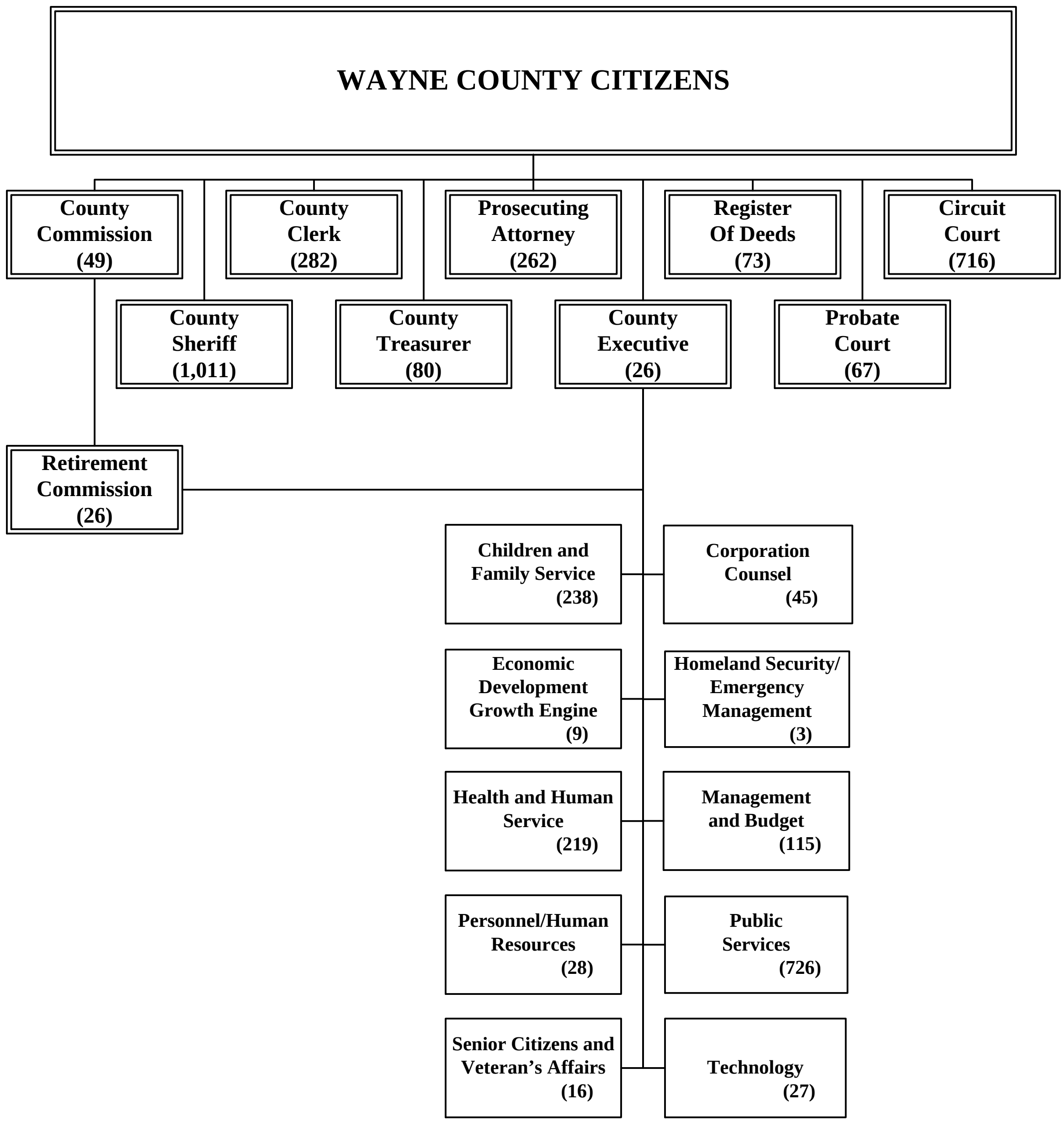
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Wayne County, Michigan for its annual budget for the fiscal year beginning October 1, 2013.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

WAYNE COUNTY, MICHIGAN
ORGANIZATION CHART



TOTAL NUMBER OF POSITIONS: 4,018

OFFICE OF THE COUNTY EXECUTIVE

Robert A. Ficano
County Executive Officer

Jeffrey Collins
Deputy County Executive

June S. Lee
Assistant County Executive

Timothy L. Nasso
Chief Operating Officer

Mark J. Abbo, CPA
Chief Financial Officer

COUNTY EXECUTIVE DEPARTMENT HEADS

Children and Family Services
Tadarial Sturdivant

Economic Development Growth Engine
Bryce Kelley

Personnel/Human Resources
Tish King

Homeland Security/Emergency Management
Timothy McGillivary

Corporation Counsel
Zenna Faraj Elhasan

Health and Human Services
Thomas Kochis

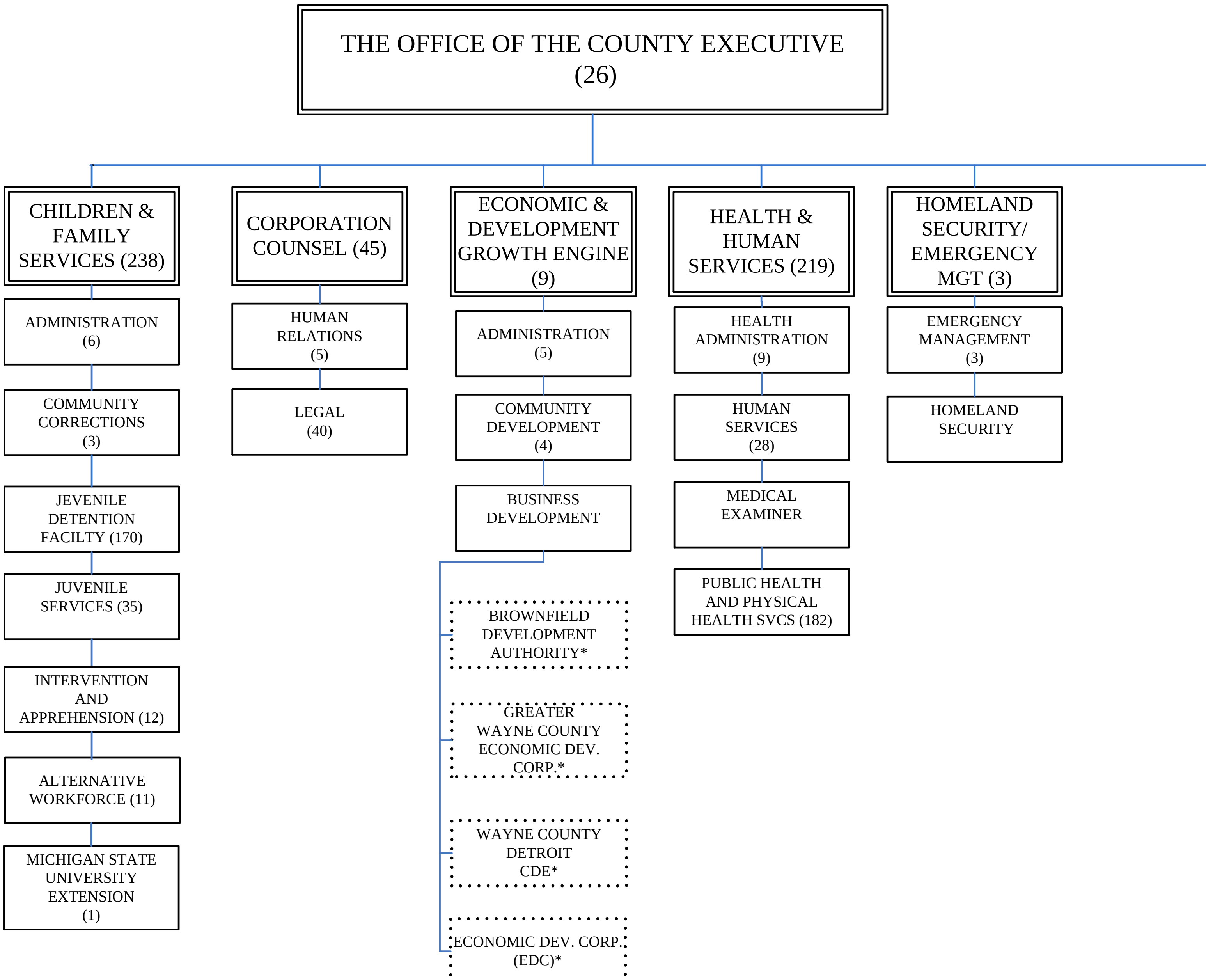
Management and Budget
Mark J. Abbo, CPA

Public Services
Terry Spryszak

Senior Citizens and Veterans Affairs
Kevin F. Kelley

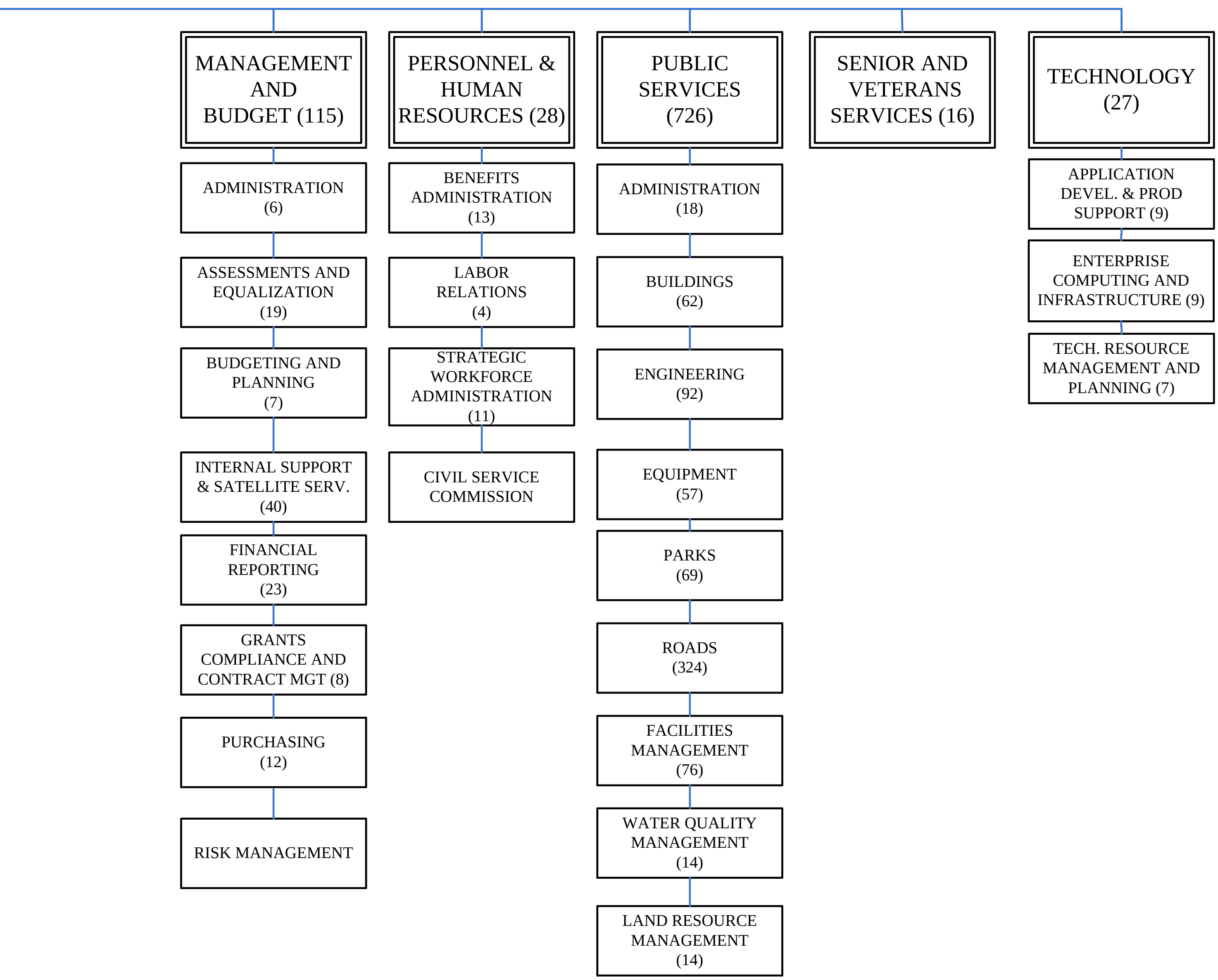
Technology
Edward D. Winfield

WAYNE COUNTY, MICHIGAN
COUNTY EXECUTIVE
2014-2015 ORGANIZATION CHART



*These functions are not in the County's appropriation, however, they are in alignment with activities of the department.

WAYNE COUNTY, MICHIGAN
COUNTY EXECUTIVE
2014-2015 ORGANIZATION CHART



TOTAL NUMBER OF POSITIONS: 1,452

*These functions are not in the County's appropriation, however, they are in alignment with activities of the department.

This page intentionally left blank.

Adopted Budget FY 2014-2015
and Projected Budget FY 2015-2016

WAYNE COUNTY EXECUTIVE'S BUDGET MESSAGE

Robert A. Ficano
Wayne County Executive

August 28, 2014

Honorable Gary Woronchak, Chair
Wayne County Commission
500 Griswold, 7th Floor
Detroit, Michigan 48226

Dear Chairman Woronchak:

This will be my twelfth and final operating and capital budget plan as Wayne County Executive presented to the Wayne County Commission and to the citizens of Wayne County (the County).

Included as part of this document are the operating and capital budget plans for Fiscal Years (FY) 2014-2015 and projected operating and capital budgets for FY 2015-2016. These two-year budgets include the funds appropriated for the upcoming fiscal year in the adopted budget for FY 2014-2015 and a projected budget for FY2015-2016 that can serve as the foundation for the 2016 budget cycle.

The Long Road to Fiscal Health

The documented problems facing County government and the region over the last number of years are long-term and will continue to be challenging. The attached two-year budget requires Wayne County departments, and elected officials to recognize and plan for the future impact of these challenges and the potential consequences of decisions that are made today.

The County as a whole made important strides in reducing the structural imbalance and returning the County back to fiscal health. The County Commission approved the County's Deficit Elimination Plan (DEP) in May, 2014. Many of the strategies included in the DEP have already and will continue to reduce the County's accumulated and ongoing structural deficits but with the unwavering cooperation of all stakeholders, including County elected officials, management, employees, unions, local governments and the State of Michigan. Elimination of the annual structural deficit is a multi-faceted task encompassing many areas of County operations. The DEP can be found on the County Website at www.waynecounty.com.

EXECUTIVE OFFICE
500 GRISWOLD • DETROIT, MICHIGAN 48226 • (313) 224-0286 • www.waynecounty.com

All elements of the Deficit Elimination Plan have been incorporated in these budgets except for those that relate to collective bargaining agreements which are currently being negotiated. Portions of the DEP have already been implemented in the current year. Following dialog with this Office, and although the Commission has yet to act on it fully, the Treasurer announced the release of $170.36 million from Delinquent Tax Revolving Fund (DTRF)/Forfeiture Programs to the General Fund. Of this amount, $54.4 million was included in the FY 2013-14 amended budget for general County operations. The remaining $115.97 million along with the $6 million General Fund Operating surplus and $3.3 million of other sources may be used to reduce the County's $175 million accumulated deficit.

As a result of this action, the accumulated deficit could be below $50 million by year end 2014. In the FY 2014-15 budget, an additional $12.3 million is budgeted for deficit elimination further reducing the accumulated deficit. In addition, the Sheriff implemented the residential placement program diverting homeless prisoners from the jails in June, 2014 that is projected to reduce overtime in the jails by at least $3.7 million.

However, certain initiatives of the plan cannot be implemented without agreements with the unions and their members through the collective bargaining process. Negotiations with the unions are being aggressively pursued. The effect of achieving salary, wage and compensation related modifications anticipated in the DEP may result in cost reductions of approximately $10 million in the General Fund.

The City of Detroit will emerge from bankruptcy in December , 2014. The city, under the direction of the EFM, filed for bankruptcy protection approximately 14 months ago in Federal court in order to relieve itself of approximately $18 billion in legacy and other debt. It became the largest municipal bankruptcy in the Country's history. While a painful process for all of the stakeholders involved, once completed, it is expected the city will be in a much stronger financial position to provide the necessary services of government to its citizens.

A key component of the bankruptcy is an agreement between the counties of Wayne, Oakland, Macomb and the City of Detroit to transition the Detroit Water and Sewerage Department (DWSD) to the Great Lakes Water Authority (GLWA). The GLWA will be managed jointly by representatives from Wayne, Oakland, Macomb and the City of Detroit. The new authority will lease from the City and will oversee the vast network of water and sewer facilities and services outside the City while maintaining a dedicated revenue stream to the City. The dedicated revenue stream will be used for urgently need infrastructure improvements to the System. Members of my administration were key participants working tirelessly over the course of many months to develop the final agreement.

While property values have started to level off and in some case begin to increase, property values are nowhere near the level of the 2007-08 pre-recession values. The County has experienced property tax collection declines of more than $110 million since 2008, significantly reducing revenue each of the last six years and this decline is just starting to bottom out. In 2008, property tax collections were $370 million. In the upcoming fiscal year we are estimating tax collections to be $260 million, a decrease of $108 million, or 30%. Cumulatively, the County has lost $460 million in property tax collections alone in the seven year period from 2008 through 2014.

As a result of the Headlee (1978) and Proposal A (1994) amendments to the State Constitution which limits inflationary increase to property taxes, it will take approximately fifteen years or more before the County's tax collections to reach the levels realized prior to the housing market collapse in 2008 making this a 20 year cycle of deeply reduced funding for basic government services. Unless there are changes in the structure of municipal finance in the State of Michigan or other mechanism to generate additional revenues, the County's ability to providethe basic services of public safety and welfare, and other vital service to the citizens of the County will be significantly constrained.

Summary of the Adopted and Projected Budgets

The FY 2014-2015 operating budget appropriated by the Commission totals $1.68 billion and includes appropriations to 52 separate funds by which County departments, agencies and programs provide services directly or indirectly to the public. The appropriations to all funds are balanced as required by the Wayne County Charter and the Uniform Budgeting and Accounting Act. In other words, by law, the operations within the funds must operate within the revenue they anticipate generating. The FY 2015-2016 Projected Budget totals $1.59 billion but funding is not yet appropriated for spending by the County Commission. The Projected Budget represents a planning roadmap for next year's budget cycle that will result in the FY 2015-2016 budget anticipated to be adopted in August, 2015. Just over two thirds of the County's budget represents funding for specific programs and county operations outside of the General Fund. Examples include the County Road Fund whose funding is specifically dedicated for the upkeep and maintenance of the County Road system, Public Health, and the Parks Fund whose primary purpose is to maintain the County park system.

The appropriation to the County's General Fund is approximately 33% of the total appropriation and totals $549.96 million in FY 2014-2015 and $540.07 million is projected to be needed in FY 2015-2016. The General fund provides funding for the criminal justice system, health and welfare services, and the operations of general government. The FY 2014-15 General Fund appropriation includes a total of $406.76 million of General Fund General Purpose (GFGP) revenues net of $13.60 million set aside for reducing the accumulated deficit. Statutory, contractual and other non discretionary spending commitments including our normal debt service and rent payments, required funding to the Parks and the Mental Health Authority has increased from $81.81 million in FY 2014 to $87.41 million in FY 2015. This leaves $319.35 million available for various recipients of GFGP compared to $277.56 million in FY 2014.

Other revenues, primarily grants and charges, are projected to be $143.19 million, a decrease of $27.31 million and total General Fund revenues are projected to be $549.95 million, an increase of $4.07 million from the 2013-14 Adopted Budget. Total revenue for the Projected FY 2015-2016 Budget is $540.07 million.

State revenue sharing payments have increased to $50.0 million, an increase of $10.0 million over the prior year, but other sources of revenue have been reduced or eliminated offsetting this increase. The County received $9.9 million from the Detroit Wayne County Mental Health Authority (Authority) in FY 2013-14 to fund various County Mental health services and diversion programs. In FY 2014-15, the Authority eliminated funding for these programs, and the County was required to fund these programs with GFGP discretionary dollars in order to maintain these programs to the detriment of other programs.

Court equity payments, an amount which is based on filing fees collected by Circuit and District Courts and used to partially fund the Courts, have continued to decline from approximately $20 million in FY 2008 to a projected $13.6 million for FY 2014-15. As a result of the declining revenues, the budget includes $76.70 million in undesignated reserves from the Delinquent Tax Revolving and Forfeiture Programs - $63.82 million for operations, and $12.88 million for the accumulated deficit to achieve a balanced budget.

The FY 2014-15 Budget includes increases of $7.40 million in GFGP funding to the Sheriff, and $4.0 million to the Prosecuting Attorney. All other General Fund offices and departments were asked to maintain status quo budgets but were held harmless for the inflationary impacts of increases in health, pension and internal service charges. No programs or services to citizens were eliminated in these budgets.

With the transition to a new administration, I offer three important cautions related to the budgets. First, despite significant improvement to the County's accumulated deficit, the County will continue to have a negative General Fund balance with limited ability to provide for any catastrophic occurrences or the ability to absorb midyear fluctuations and revision to GFGP revenues unless new revenue streams become available.

Second, we must continue to question true mandated services versus non mandated services during budget deliberations. It is clear that the Commission must appropriate funds sufficient to fund mandates when directed at an elected official or at County government generally. The key question is at what level the County must provide the service. In general, these budgets have utilized a "serviceable level of funding" standard for many operations.

Third, the County cannot cut itself out of this budgetary crisis. We need to review our options, including new revenue sources that may be possible.

We continue to insist that each department, or branch of government, including those headed by elected officials, manage their expenses to available revenues. There are no departments or elected officials receiving the level of funding that they believe they deserve but we must continue to face the difficult challenge of rightsizing and streamlining all County functions, while managing the workload in a fiscally prudent manner. The issue is not one of mismanagement as some would have the public believe. Rather, there simply isn't enough GFGP revenues to support all the need.

State law mandates that the County annually produce a balanced budget. Budgets are defined and driven by the amount of revenues that are available. The County's level of general fund spending is directly bound to its property taxes and state shared revenues – the two largest sources of income. Consistent with the prior years, a schedule of monthly allotments for all elected officials and departments for the fiscal year will be developed by Management and Budget. It will be based on historical spending patterns and input from the department or elected officials. The Schedule of Allotments will again be the basis for monthly reporting to the State Treasurer and the Commission through the Committee on Ways and Means. Thus, after the adoption of these budgets, the Commission will be provided with the required allotments for all departments. In the event that a department fails to submit a schedule of allotments, one will be submitted on behalf of the department and it will remain in effect until a suitable schedule has been submitted by that department.

In closing, I want to express appreciation to the entire County workforce for their work ethic over the years. Their sacrifices and dedication have allowed us to maintain critical services. I also want to thank the Commission, other elected officials, department directors and other staff that have worked with me over the course of my thirty two year career with Wayne County, the last twelve years as County Executive. It has been a privilege and honor to serve the citizens of Wayne County.

Sincerely,

Robert A. Ficano

Robert A. Ficano
Wayne County Executive

**COUNTY COMMISSION CHANGES TO THE
COUNTY EXECUTIVE'S RECOMMENDED GENERAL FUND BUDGETS FOR
FISCAL YEARS 2014-2015 AND 2015-2016**

DEPARTMENT/ACTIVITY	2014-15 RECOMMENDED BUDGET	INCREASE/ (DECREASE)	2014-15 ADOPTED BUDGET	2015-16 RECOMMENDED BUDGET	INCREASE/ (DECREASE)	2015-16 PROJECTED BUDGET
County Commission & Auditor General	$ 9,551,208	-	$ 9,551,208	$ 9,551,208	-	$ 9,551,208
Third Circuit Court	15,316,294	-	15,316,294	15,316,294	-	15,316,294
Adult Probation Services	3,307,683	-	3,307,683	3,307,683	-	3,307,683
Office of the County Executive	4,138,890	-	4,138,890	4,168,303	-	4,168,303
Pinnacle Aeropark	1,176,871	-	1,176,871	1,176,871	-	1,176,871
County Elections	2,165,612	-	2,165,612	1,976,655	-	1,976,655
Management and Budget - Assessments	2,757,172	-	2,757,172	2,820,054	-	2,820,054
M and B Support Services	16,261,982	-	16,261,982	16,309,972	-	16,309,972
Department of Corporation Counsel	8,956,507	-	8,956,507	8,963,401	-	8,963,401
Office of the County Clerk	5,157,672	-	5,157,672	5,245,662	-	5,245,662
County Clerk - Court Services	18,477,953	-	18,477,953	19,030,610	-	19,030,610
Personnel/Human Resources	5,487,841	-	5,487,841	5,487,841	-	5,487,841
Office of the Prosecuting Attorney	37,796,134	-	37,796,134	35,868,364	-	35,868,364
Office of the Register of Deeds	8,793,231	-	8,793,231	8,793,631	-	8,793,631
R of D Remonumentation Grant	502,156	-	502,156	500,956	-	500,956
Office of the County Treasurer	7,887,764	-	7,887,764	8,140,327	-	8,140,327
Office of the Sheriff	4,858,272	-	4,858,272	4,904,854	-	4,904,854
Sheriff - Court Security	19,722,263	-	19,722,263	20,260,185	-	20,260,185
Sheriff - Non Jail Services	8,069,082	-	8,069,082	8,023,222	-	8,023,222
Sheriff - County Jails	103,866,277	-	103,866,277	103,930,045	-	103,930,045
Homeland Security/Emergency Mgt	2,661,968	-	2,661,968	2,668,921	-	2,668,921
Department of Environment	498,934	-	498,934	498,934	-	498,934
Senior Citizens - Adult Day Care	485,267	-	485,267	488,225	-	488,225
Indigent Health Care	9,777,746	-	9,777,746	8,967,661	-	8,967,661
Medical Examiner	7,057,500	-	7,057,500	7,057,500	-	7,057,500
Health/Community Programs	200,042	-	200,042	197,084	-	197,084
Veteran's Affairs	283,576	-	283,576	283,576	-	283,576
HHS Administration Services	2,531,183	-	2,531,183	2,531,183	-	2,531,183
Cooperative Extension	362,610	-	362,610	354,842	-	354,842
County Libraries	3,620,224	-	3,620,224	3,641,366	-	3,641,366
Non-Departmental	65,783,892	-	65,783,892	58,447,373	-	58,447,373
Operating Transfers Out	172,431,758	-	172,431,758	171,161,283	-	171,161,283
TOTAL GENERAL FUND	**549,945,564**	**-**	**549,945,564**	**540,074,086**	**-**	**540,074,086**
ALL OTHER APPROPRIATED FUNDS	**1,132,405,327**	**-**	**1,132,405,327**	**1,052,947,095**	**-**	**1,052,947,095**
TOTAL APPROPRIATED FUNDS	**$ 1,682,350,891**	**$ -**	**$ 1,682,350,891**	**$ 1,593,021,181**	**$ -**	**$ 1,593,021,181**

The Wayne County Commission approved the 2014-15 Adopted Budget and the 2015-16 Projected Budget with General Fund Appropriation of $549.95 million and $540.07 million as recommended by Chief Executive Officer on August 28, 2014. The Countywide appropriation totals $1.682 billion and $1.593 billion respectively for FY 2014-15 and Projected FY 2015-16.

COUNTY EXECUTIVE

Robert A. Ficano

Wayne County Executive's Mission, Strategic Priorities, Core Work Values, and Programmatic Goals

PRIORITY

Wayne County is committed to an open and transparent government and restoring citizen confidence. Wayne County government will act in accordance with the highest ethical standards.

MISSION

The mission of Wayne County is to provide efficient and exemplary services to enhance the quality of life of our residents and communities in a respectful, efficient and fiscally responsible way.

WAYNE COUNTY LONG-TERM STRATEGIC PRIORITIES

SP1) EXCELLENT SERVICE DELIVERY
The County commits to supervise, coordinate, direct and control all County functions, operations, and facilities to ensure the residents and businesses of Wayne County are provided the County services they rightly expect their elected officials to provide. We commit to deliver these basic services in the most cost-effective, efficient, and reliable manner that ensures a safe, healthy and secure environment in which our residents live, work and do business.

SP2) FINANCIAL STABILITY
The County commits to exercise sound financial management to re-build short and long-term fiscal strength in order to provide County services in a cost-effective manner. As stewards entrusted with public resources we will be driven by the principles of accountability and responsibility in handling municipal property and finances in order to ensure the effectiveness and efficiency of County services.

SP3) OPERATIONAL EXCELLENCE
The County will deliver services in the most effective manner while systematically identifying opportunities to improve operational efficiency and effectiveness. A priority will be placed on ensuring sustainable operational excellence, with an emphasis on data-driven and flexible decision making to respond to changing priorities.

SP4) VALUED WORKFORCE
The County recognizes that its employees are a valued asset and key to success. We will respect and encourage their ideas and value their support as a critical component in providing services and programs that serve the residents of Wayne County.

SP5) EFFECTIVE COMMUNICATIONS
Easy, convenient access to information about County services will be a priority. We are committed to open, respectful and effective communications. We will proactively engage in meaningful two-way dialogue between Wayne County government and constituents and stakeholders.

.

CORE WORK VALUES

Core work values are statements that articulate the attitudes, beliefs, and codes of conduct that are held by the people serving the citizens of Wayne County. The core work values promoted and expected from Wayne County officials and civil servants include accountability, creativity, dedication, integrity, and teamwork. Below is a detailed description of these guiding core values:

ACCOUNTABILITY: The quality or state of being accountable or an obligation or willingness to accept responsibility or to account for one's actions.

- WE WILL understand the charge of the "Office" of the CEO and respect the chain-of-command.
- WE WILL understand and be accountable for the financial impact of our decisions (or indecision) and be able to accept the consequences.
- WE WILL understand and expect consequences and outcomes for all actions and inactions.
- WE WILL understand and practice follow-through on assignments and deadlines.
- WE WILL know when to kick things back in order to ensure the goals and objectives are met and know how to try multiple ways to resolve issues at our own level without passing it up or down or kicking it back to the person who gave the assignment.
- WE WILL be punctual on projects, assignments, and attendance.
- WE WILL not fade or melt in the crunch.
- WE WILL communicate.
- WE WILL know and own our issues, processes, work products etc.
- WE WILL resolve issues at our level whenever possible.

CREATIVITY: Exists at its finest when workloads and goals are achieved despite barriers and difficulty. People begin to think "outside the box" in terms of new and various methods to achieve goals when barriers appear. Boundaries are expanded.

- WE WILL have vision present in everything we do.
- WE WILL collaborate, listen, and seek out ideas.
- WE WILL be dedicated to task and organization.
- WE WILL have courage to try new methods to get the job done.

CORE WORK VALUES

DEDICATION: A devoting or setting aside for a particular purpose.

- WE WILL contribute by showing initiative, commitment, loyalty, persistence, hard work, self control, and team work.
- WE WILL set aside personal goals and be responsive to the defined priorities for our residents and customers.
- WE WILL complete the assignment—even when we do not agree with it.
- WE WILL show strength in our dedication by example through our service and accountability.
- WE WILL keep a good, positive attitude and expect the same from our teams.

INTEGRITY: Consist of high moral value, honesty, loyalty, fairness, consistency, dependability, forthright, sincerity, and honor.

- WE WILL apply rules and standards equally.
- WE WILL recognize that everyone brings value to the table.
- WE WILL use candor, act with sincerity, and perform with honor.
- WE WILL stand up for what is right—regardless of the consequences.
- WE WILL acknowledge mistakes and learn from them.
- WE WILL be dependable and accountable.
- WE WILL give credit where credit is due.

TEAMWORK: Work done by several associates with each doing a part, but all subordinating personal prominence to the efficiency of the whole.

- WE WILL speak in one voice regarding our charges and outcomes.
- WE WILL be results-oriented where the glory is shared as well as concerns.
- WE WILL have team loyalty.
- WE WILL foster an environment where there is individual accountability and mutual support.
- WE WILL ensure that each member is prepared to share in the workload, make sacrifices, be flexible, demonstrate self-control, and be dependable and respectful.

WAYNE COUNTY COMMISSION

Gary Woronchak
Chairman, 13th District

Alisha R. Bell, Vice Chair 7th District
Jewel C. Ware, Vice Chair Pro Tempore 2nd District

Timothy P. Killeen
1st District

Martha G. Scott
3rd District

Ilona Varga
4th District

Irma Clark-Coleman
5th District

Burton Leland
6th District

Diane Webb
8th District

*Term in office expires December, 2014

*Laura Cox
Terry A. Marecki
9th District

Shannon G. Price
10th District

*Kevin McNamara
Abdul Haidous
11th District

Richard LeBlanc
12th District

Raymond Basham
14th District

Joseph Palamara
15th District

OTHER WAYNE COUNTY ELECTED OFFICIALS

Circuit Court
Robert J. Colombo, Jr.
Chief Judge

Timothy M. Kenny
Chief Judge Pro Tempore

County Clerk
Cathy M. Garrett

Prosecuting Attorney
Kym L. Worthy

Probate Court
Milton L. Mack, Jr.
Chief Judge

Freddie G. Burton, Jr.
Chief Judge Pro Tempore

Register of Deeds
Bernard J. Youngblood

Sheriff
Benny N. Napoleon

Treasurer
Raymond J. Wojtowicz

WAYNE COUNTY COMMISSION
COMMITTEES, TASK FORCES AND ADVISORY BOARDS