

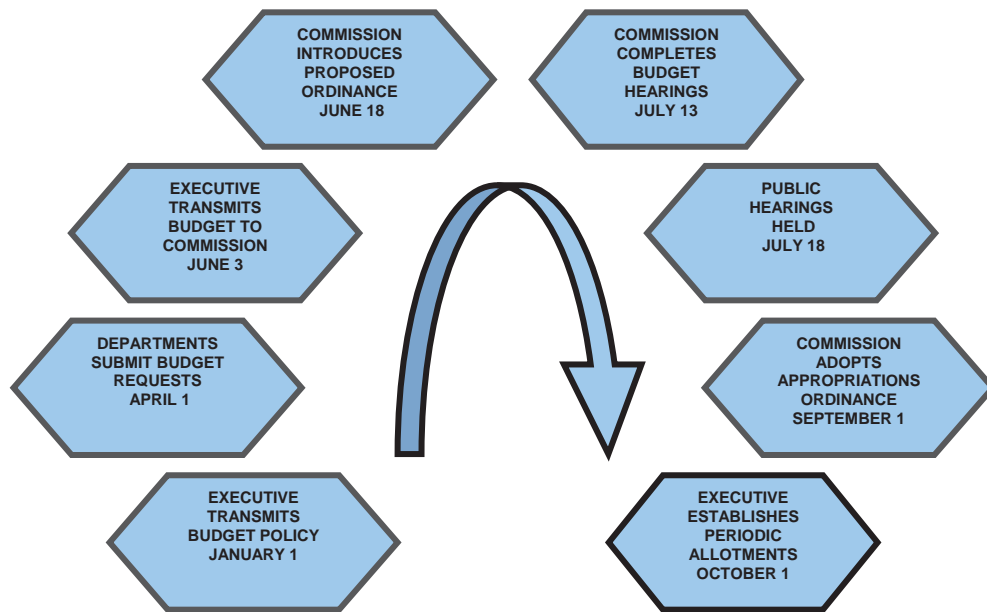


BUDGET OVERVIEW



Rich in its history, Wayne County holds many architectural jewels within its boundaries. The historic Old Wayne County Building was listed on the National Register on February 24, 1995 and on the State's Register on September 17, 1974. On June 29, 1989 the building was designated a National Historic Landmark.

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>



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 major financial policies that impact the development of the Budget, 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 nineteen individual tabs include all of the Elected Officials and Executive Departments representing the Executive, Legislative and Judicial functions of Wayne County government.

At the department level, all departments continue to present the budget in the original format to provide historical information more consistently. 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.

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.

With the new Chief Executive Officer and his new Administration taking office January 1, 2015, the Departmental Goals, Objectives and Performance Measures are being reviewed and revised to reflect the vision of the new CEO. This process to fully incorporate the new administration's vision, mission, values and strategic priorities at the departmental level is currently underway. Since this process is not yet complete, it was decided not to include partially completed or incomplete departmental goals, objectives and performance measures in this document.

The final sections 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.



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 Performance Budget will have additional schedules explaining the department's budget from the performance 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 ADOPTED BUDGET FY 2015-2016 AND PROJECTED BUDGET FY 2016-2017				
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 Resources solutions focused on engaging, educating and empowering internal and external stakeholders.				
BUDGET SUMMARY - ALL FUNDS				
	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Projected Budget
Total Departmental Expenditures	\$4,973,916	\$5,487,841	\$5,019,085	\$5,019,085
Departmental Revenue - Charges, Fees, and Fines	4,875,816	5,487,841	5,019,085	5,019,085
Total Revenues	\$4,973,916	\$5,487,841	\$5,019,085	\$5,019,085
General Fund General Purpose	30	30	30	30
Total Budgeted Positions	23	28	27	27

Contact: Tish King, Director
500 Griswold St., 9th Floor • Detroit, MI 48226 • Phone: (313) 224-3507


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graph TD
    Director[DIRECTOR (1)] --> Deputy[DEPUTY DIRECTOR (1)]
    Deputy --> ChiefAdmin[CHIEF OF ADMINISTRATION]
    ChiefAdmin --> BenefitAdmin[BENEFIT ADMINISTRATION (15)]
    ChiefAdmin --> Payroll[PAYROLL SERVICES ADMINISTRATION]
    ChiefAdmin --> LaborRelations[LABOR RELATIONS (4)]
    ChiefAdmin --> StrategicWorkforce[STRATEGIC WORKFORCE ADMINISTRATION (9)]
    
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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 ADOPTED BUDGET FY 2015-2016 AND PROJECTED BUDGET FY 2016-2017	
DEPARTMENT OF PERSONNEL AND HUMAN RESOURCES	
FISCAL YEAR 2014-2015 ACCOMPLISHMENTS AND HIGHLIGHTS	
<ul style="list-style-type: none"> Updated Deficit Elimination Plan: <ul style="list-style-type: none"> Developed health care proposals for premium rebates projected to reduce costs county-wide by over \$20 million annually. Developed health care proposals for active employees projected to reduce costs county-wide by almost \$10 million annually. Developed proposals to significantly reduce annual required contributions to final pension liabilities. Developed implementation strategy for above. Implemented Affordable Care Act (ACA) tracking and reporting requirements. Revised new hire orientation. Implemented process for integration of contingent labor. 	<ul style="list-style-type: none"> Streamlined PeopleSoft system codes. Completed annual full audit of health claims. Developed recruitment plan - Wayne County Sheriff's Office (WCSO). Developed Employee Handbook. Assessed and deployed 2015-16 Confidential Of Interest (COI) reporting. Upgraded support for Improvement in Governance and Management (IGMA) testing application. Successfully transitioned staff between previous and new assignments.
NEW INITIATIVES FOR FISCAL YEAR 2015-2016	
<ul style="list-style-type: none"> Implement Deficit Elimination Plan (DEP) wage and benefit components. Continue to develop position analysis (PA). Continue to update all Personnel/Human Resources policies and procedures. Develop long term health and wellness plan communication. Continue developing a legal compliance and internal control process. Develop recruitment plan - Nurses. 	<ul style="list-style-type: none"> Review Human Resource Information System (HRIS) solutions, implementation upon approval. Develop supervisor handbook. Legal fee avoidance - preparing to act as lead trial attorney in an upcoming Act 312 violation with Sheriff's supervisory union, AFSCME Local 1417.
IMPACT ON OPERATIONS	
Advanced technology has not been acquired which creates significant inefficiencies within the current staffing levels.	



WAYNE COUNTY GOVERNMENT ADOPTED BUDGET FY 2015-2016 AND PROJECTED BUDGET FY 2016-2017

FINANCIAL REPORT

Following the major activities, accomplishments and highlights 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 next on the report

WAYNE COUNTY GOVERNMENT ADOPTED BUDGET FY 2015-2016 AND PROJECTED BUDGET FY 2016-2017				
RETIREMENT COMMISSION Financial Report				
	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Projected Budget
00731 Retire Sys Fund-Employee				
237 Retirement Administration				
Revenues				
Interest and Dividends	8,002,000	8,002,000	7,705,922	7,626,900
Total Revenues	\$8,002,000	\$8,002,000	\$7,705,922	\$7,626,900
Expenditures				
Personnel	1,227,520	1,278,274	1,321,180	1,315,675
Fringe Benefits	652,805	680,682	532,611	548,681
Pension	508,915	503,887	351,010	365,977
Materials and Supplies	122,500	122,500	122,500	122,500
Services and Contractual Serv	4,988,568	4,914,047	4,878,959	4,774,611
Travel	96,000	96,000	96,000	96,000
Operating Expenses	82,492	83,410	85,462	85,256
Rentals	211,000	211,000	206,000	206,000
Other Charges	10,200	10,200	10,200	10,200
Depreciation	2,000	2,000	2,000	2,000
Non Capital Assets	100,000	100,000	100,000	100,000
Total Expenditures	\$8,002,000	\$8,002,000	\$7,705,922	\$7,626,900
TOTAL DEPARTMENTAL REVENUES	\$8,002,000	\$8,002,000	\$7,705,922	\$7,626,900
TOTAL DEPARTMENTAL EXPENDITURES	\$8,002,000	\$8,002,000	\$7,705,922	\$7,626,900

Summary of Positions				
	FY 2013-2014 Budget	FY 2014-2015 Budget	FY 2015-2016 Budget	FY 2016-2017 Projected Budget
731 RETIRE SYS FUND-EMPLOYEE				
237 RETIREMENT				
ELECTED AND EXECUTIVE	3	3	4	4
SUPERVISORY AND PROFESSIONAL	11	12	10	10
SUPPORT STAFF	12	11	12	12
TOTAL POSITIONS	26	26	26	26
TOTAL DEPARTMENTAL POSITIONS	26	26	26	26

BUDGET CHANGES AND HIGHLIGHTS

WAYNE COUNTY GOVERNMENT ADOPTED BUDGET FY 2015-2016 AND PROJECTED BUDGET FY 2016-2017		
DEPARTMENT OF PERSONNEL AND HUMAN RESOURCES BUDGET CHANGE AND HIGHLIGHTS FY 2015-2016		
	Increase / Decrease from 2014-2015 Adopted Budget	Description of Change
REVENUES		
Charges, Fees, and Fines	(409,756)	Concession Savings for Personnel
TOTAL REVENUES	\$ (409,756)	
EXPENDITURES		
Personnel	(79,605)	Concession Savings
Fringe Benefits	(262,227)	Concession Savings in Health
Pension	(241,754)	Based on published fringe rates
Materials and Supplies	99	Increase in Office Supplies
Services and Contractual Services	(36,553)	Decrease in chargeback's from other County departments
Operating Expenses	(18,308)	Increase in Equipment Maint. & Repair
Rentals	(17,990)	Decrease in building rental expenses
Other Charges	400	Increase in Miscellaneous Operating expenses
Operating Transfers Out	(1,524)	Decrease in debt service related to bonds
TOTAL EXPENDITURES	\$ (409,756)	

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



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 same 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 2015-16, all departments were advised through the CEO's policy statement, as a result of no anticipated change in tax collections and other sources of general fund revenue over the prior year, and the lack of any major new general fund revenue sources, all departments were required to submit budgets that stayed within their current level of GFGR appropriation as approved in the FY 2014-15 Amended Budget. 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.



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 by Charter 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 determined 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 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 2015-16, the County Budget Appropriation Ordinance will be presented and adopted in 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.

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 non-appropriated 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 form 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.

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 of approval or denial 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. Fiscal 2015-2016 marks the fifth consecutive year that a multi-year budget approach is being presented in the following pages. It will encompass not only the budget for the upcoming budget year, FY 2015-16 but also present a projected budget for the second year, FY 2016-17. The

upcoming year's budget is called the Adopted Budget throughout this document and funds are legally appropriated through 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 purposes for the basis for the 2017 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 2016-17 Projected Budget does not bind the County or have any legal effect on the appropriation ordinance for FY 2016-17. 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 2015-16 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 and amended as recently as November, 2012. 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 of this document. 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.



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 for the County's Comprehensive Financial Report (CAFR). 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. Government-wide financial statements are not presented in this document.

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.

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 The Rehmann Group LLC.

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. services provided.

As provided in Wayne County's policy number 10013, certain non-recurring revenues that are not predictable 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 2015-16, the appropriation was approved by detail account line item. This change increased the span of control for the County Commission as many budgetary changes between line items that previously only required Management and Budget's authorization will require 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 Statements effecting the Budget presentation:

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.

GASB 61: In 2012, the Government Accounting Standards Board issued GASB Statement No. 61, *The Financial Reporting Entity*, (GASB 61) was issued as an amendment to earlier pronouncements to provide guidance by more clearly define primary government, component units and equity interest transactions in order to make financial statements more relevant and improving focus of the financial reporting entity on the primary government entity.



After an extensive analysis of the operations of certain functions, a 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 CAFR.

It should be noted that in order to conform to GASB 54 and GASB 61, which clearly defines the financial reporting entity, for financial reporting purposes in the CAFR, the operations of the Probate Court and Third Circuit Court including the Friend of the Court are consolidated and are reported as part of the General Fund. Operationally and for budgeting purposes, these two operations continue to be budgeted and appropriated as separate funds.

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 (as amended November, 2013. Sections in below represent changes to the Act.) General appropriations act; requirements; line items not mandated; taxation; limitation on estimated total expenditure; presumption; suit against county legislative body; standing; mediation; severability.

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. Except as otherwise permitted by section 102 of the state school aid act of 1979, 1979 PA 94, MCL 388.1702, or by other law, the legislative body shall not adopt a general appropriations act or an amendment to that act which causes estimated total expenditures, including an accrued deficit, to exceed total estimated revenues, including an available surplus 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. A general appropriations act, including any amendment to that general appropriations act, is presumed to fund those activities of a county mandated by law at a serviceable level. An elected official who heads a branch of county government or the chief judge of a court funded by a county has standing to bring a suit against the legislative body of that county concerning a general appropriations act, including any challenge as to serviceable levels of funding for that branch of county government or that court. If a court and the legislative body of a county are involved in mediation, before the chief judge of that court brings a suit on the court's own behalf against the legislative body of the county under this subsection, a mediator shall certify in writing that the parties are unable to resolve the issues by mediation. The court hearing a suit shall consider the financial ability of the county to pay when considering any challenge as to serviceable levels of funding.

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 (as amended November, 2013 below represent changes to the Act.)

Incurring debts or obligations; dividing appropriations into allotments; expenditures; application or diversion of money; restrictions on delegation of duties; enforcement power; suit against chief administrative officer of county; standing; mediation; 60-day period to bring suit in Michigan court of appeals; court jurisdiction; limitation; certain actions barred; expenditure of funds; severability.

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 in section 19, 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. The chief administrative officer, an administrative officer, or an employee of the local unit shall not apply or divert money of the local unit for purposes inconsistent with those specified in the appropriations of the legislative body. No duties shall be delegated to the chief administrative officer that diminish any charter or statutory responsibilities of an elected or appointed official, including, but not limited to, the charter responsibility of a legislative body to approve the making of contracts by the local unit. The enforcement of a general appropriations act approved by the legislative body of a county is a power vested in the chief administrative officer of that county. An elected official who heads a branch of county government or the chief judge of a court funded by a county has standing to bring suit against the chief administrative officer of that county concerning an action relating to the enforcement of a general appropriations act for that branch of county government or that court. If a court and the chief administrative officer of a county are involved in mediation, before the chief judge of that court brings a suit on the court's own behalf against the chief administrative officer of the county under this



subsection, a mediator shall certify in writing that the parties are unable to resolve the issues by mediation. Except as otherwise provided and notwithstanding any provision of law to the contrary, any suit brought shall only be brought in the Michigan court of appeals within 60 days after one of the following:

- a) The adoption of a general appropriations act.
- b) An amendment to a general appropriations act or an action relating to the enforcement of that general appropriations act, if the amendment or action constitutes a basis for the suit.

If a court is involved in mediation during the 60-day period to bring a suit in the Michigan court of appeals, any suit brought on the court's behalf shall only be brought in the Michigan court of appeals **within 90 days** after one of the following:

- a) The adoption of a general appropriations act.
- b) An amendment to a general appropriations act or an action relating to the enforcement of that general appropriations act, if the amendment or action constitutes a basis for the suit.

The court's jurisdiction over and review of the issues raised in a suit brought is limited to that portion of the general appropriations act that is directly affected by the amendment or action. The jurisdiction of the court of appeals over a suit brought is exclusive and that jurisdiction or any judicial duties inherent in that jurisdiction shall not be transferred to any other court. However, the court of appeals may request the supreme court to assign a retired judge under section 226 of the revised judicature act of 1961, 1961 PA 236, MCL 600.226, to assist the court of appeals by resolving discovery issues, reviewing the evidence, making proposed findings of fact and conclusions of law, and performing any other necessary related judicial duties. Unless an action brought is timely preserved for review by the Michigan court of appeals, litigation of any issue as to a general appropriations act or any amendment to that general appropriations act, or an action relating to the enforcement of that general appropriations act, is barred. The pendency of a claim in a suit under this section shall not constitute a basis for expenditure of funds by any department or branch of, or court funded by, the county in excess of that authorized by a general appropriations act, including an amendment to that general appropriations act.

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.



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 arraignment 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 improve asset-liability matching of assets with liabilities; or
- Manage credit exposure.

**POLICY NO. 10017 - Deficit Elimination Plans
(Enrolled Ordinance 2010-515, revised January, 2013)**

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 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.



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 of the item having a purchase price greater than \$5,000 and a life of over one-year.

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.

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.

Other Planning Processes

Long-Term Financial Planning

Wayne County is at a cross-roads. Nearly a decade of declines in population, employment rates, and property values, coupled with poor management decisions has placed the County on the precipice of a financial collapse. Prior decisions that flew in the face of readily apparent economic conditions left significant legacy costs to be absorbed in the future. The County can no longer push the problem into the future. It must face up to what is a dire financial situation.

The challenge is to remain solvent while continuing to deliver needed services. Clearly understanding the problems, honestly disclosing the size of the accumulated and on-going structural deficits and instituting a plan that eliminates those deficits is necessary. There must be reform of County finances in order to operate within a balanced budget.

The new administration inherited a fiscal crisis with an accumulated deficit ballooning to over \$150 million at the end of 2013. Transferring funds from the County's Delinquent Tax Revolving Fund ("DTRF") in FY 2014 reduced the accumulated deficit to \$82.8 million in FY 2015. While these transfers resolved the accumulated deficit, they masked the real problems and exhausted the County's liquidity.

An annual structural deficit of \$52 million can no longer be ignored. No easy fixes were left to solve the County's structural deficit.

The eliminating the structural deficit leaves additional enormous challenges for the County to address including, a grossly underfunded pension system, the need for a new jail to replace aging jail facilities, a Prosecutor's Office that is understaffed and doesn't offer competitive wages, and a Sheriff's Office that doesn't offer competitive starting wages.

Wayne County Five Year Recovery Plan

Upon taking office in January, 2015, County Executive, Warren C. Evans, immediately ordered an extensive review of the County's finances. After a massive effort to accurately assess the County's current financial state, his administration developed a Five Year Recovery Plan (Plan) that provides a realistic roadmap to solvency and a

financial state where the County can return to sensible long-term planning.

The Plan identifies and targets the root causes of the structural deficit, specifically the spiraling legacy costs of pensions for retirees and health care benefits for active employees and retirees, debt service on the partially built jail, and poor utilization of the County's real estate holdings. The Plan was introduced on April 27, 2015.

The Plan included realistic solutions to solve the County's grave financial problems. The combined General Fund savings that the County will realize by implementing these solutions is estimated to be approximately \$53.4 million annually and should eliminate the structural deficit, as well as reduce the County's long-term liabilities tied to legacy costs of health care benefits and pensions. **All elements of the Plan have been incorporated in the FY 2015-2016 Adopted Budget resulting in savings of \$53.4 million on an annualized basis.**

Key components of the Recovery Plan include:

- Modifying employee and retiree health care benefits
- Changes to future retirement benefits for employees
- Imposition of a 5% wage reduction for most employees
- Relocation of County staff into County owned space
- Consolidation of County departments in order to reduce costs and increase the quality of service provided
- Reducing costs and achieving greater efficiencies through changes to Collective Bargaining Agreements.

In order to facilitate certain aspects of the Plan, in June 2015, the CEO requested and received an extra measure of support and authority from the State of Michigan. At the request of the CEO, the State Treasurer declared a financial emergency in Wayne County. With the support of the Commission, the County entered into a Consent Agreement with the State of Michigan through Public Act 436 of 2012 (PA 436). The Consent Agreement allows the County to continue working with stakeholders to identify and implement effective solutions, while also providing the County additional tools and authority that may be needed to make the difficult decisions to move the County to financial stability.

The implementation of the Plan eliminated the \$50 million plus structural deficit and saves the County's General Fund \$230 million over four years. Additionally the plan reduces the Other Post Employee Benefits



(OPEB) health care legacy cost by \$854 million or 64%.

The Plan provides a solid financial foundation upon which the County can continue to provide cost efficient services without interference from outside entities. View the full recovery plan at:

www.waynecounty.com/news/recovery.

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 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 25 of this document.



2015-16 ADOPTED BUDGET OVERVIEW

PROFILE OF THE COUNTY

With a sparkling waterfront location, the Charter County of Wayne is the 19th largest county in the United States and is the most populous county in the state with an estimated population of 1,764,804 according to the 2014 American Community Survey from the U.S Census Bureau. 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 33 public school districts, serving approximately 290,000 students. In addition, there are 111 Public School Academies (PSA's) and 3 chartered PSA's in Wayne County serving around 64,000 students or 22% 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 2014 median owner-occupied home value was \$84,900, almost 47% below the national average of \$181,200. 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 businesses 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 16 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

POPULATION DIVERSITY INFORMATION

Population by Age 2014 (Estimate)

Under 18	24%
18-24	10%
25-34	13%
35-49	19%
50-64	20%
65 & over	14%

Gender Composition 2014

Male	48%
Female	52%

Racial Composition 2014

White	53.5%
Black	39.1%
Other Race	4.0%
Asian or Native American	3.4%

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.
The Detroit/Wayne County Port Authority

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)

international wildlife refuge in North America. 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-



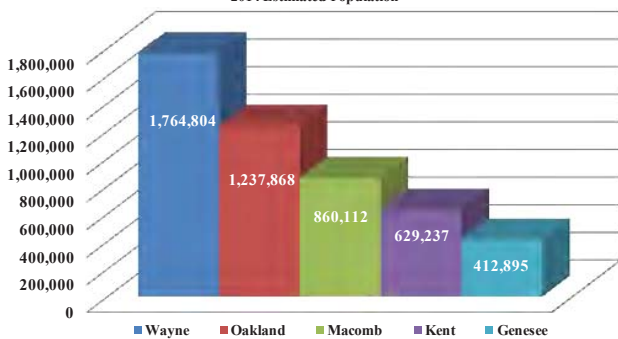
Windsor border remains one of the friendliest in the world. The County currently has two automobile/truck crossings into Canada, the Ambassador Bridge and the Detroit-Windsor Tunnel and a third is in the preliminary stages and construction and anticipated to open in 2020. In addition, the County is a rail tunnel that supports rail cargo traffic between the countries.

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.

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

Five Largest Michigan Counties

2014 Estimated Population



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.

With a \$1.56 billion annual budget and a workforce of over 3,800 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 2006 and has edged upward since then peaking in 2009 before slightly declining afterward.

Total Households

2014	661,414
2013	664,415
2010 (Census)	702,749
2009	836,638
2008	837,844
2007	736,342

Average Household (Persons)

2014 (Estimate)	2.64
2013	2.64
2010 (Census)	2.56
2009	2.78
2007	2.76

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.

Detroit, in recent years has become a renewed hub of economic revival. From the shores of the Detroit river on its southern border and expanding through an economically booming downtown and mid-town areas and expanding out into the suburban communities, Detroit has become the economic engine of the County. Headquartered in downtown Detroit are General Motors, Blue Cross and Blue Shield of Michigan and more recently Quicken Loans, Rock Ventures and Real Estate properties are now headquartered in the downtown area.

With these companies come the need for an educated workforce. 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.

10 Largest Employers 2014 (excludes Detroit)	
Company	# of Employees
Ford Motor Company	39,053
Oakwood Healthcare Inc	6,260
Trinity Health	5,751
Henry Ford Health System	2,755
Dearborn Public Schools	2,349
U.S. Steel—Great Lakes Works	2,132
U.S. Government	1,822
Plymouth-Canton Community Schools	1,749
AAA Michigan	1,693
U.S. Postal Service	1,539

Employment by Industry 2014	
Industry	# of Employees
Education and health ser-	160,854
Trade, transportation and	136,547
Manufacturing	124,393
Professional and business	70,776
Leisure and hospitality	81,499
Financial Activities	37,175
Other services	35,475
Mining, logging, and con-	32,171
Government	22,877
Information	12,868

The top employers are 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.

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.

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.

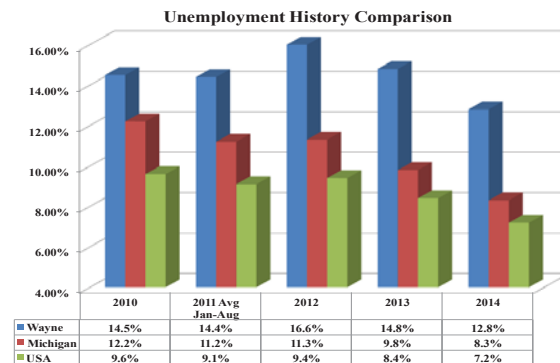
Local Economy

The Local Economy for Wayne County has a lot of room for optimism after years of challenging times. From the newly completed remodeling of Cobo Convention Center to a new hockey arena and business complex currently under construction in what is now known as the District Detroit to Quicken loans and Rock Ventures to the M-1 Rail and beyond there are a lot of projects on the horizon.

Much of the County's economy is driven by its largest city, the City of Detroit (City). Over the last few years, the City has had to face a number of financial challenges, not the least of which was bankruptcy. After years of ignoring the financial realities, the City was put under an Emergency Financial Manager (EFM) by the Governor using Public Act 436. Of the financial tools P.A. 436 made available to the EFM, the City was placed into Bankruptcy in March 2014.

Detroit officially exited bankruptcy in December, 2015 after a federal judge approved Detroit's bankruptcy exit plan. After the City exited bankruptcy, there was a \$1.4 billion of reinvestment over a 10 year period for basic services to rehabilitate the city reeling from a decades - long population exodus, disinvestment and cash drain. The bankruptcy exit plan called for more than \$90 million to create new city jobs, new software to better track city planning efforts, and restructured payment plans for creditors. The outlook for the City's future now looks brighter than ever and with the election of a new mayor, the City is on its way to being able to provide the core services to its citizens.

Employment Outlook - According to a survey released from the University of Michigan economists, job growth in Michigan will continue for the next two years. The economists also believe within those two years, the state will recover about half of the jobs it lost between 2000 and 2009, and returning to the level of employment last seen at the end of 2006. Currently, the state's unemployment rate has fallen to 5.1% as of December, 2015. According to U.S. Department of Labor for States—Monthly Rankings Seasonally Adjusted



December 2015, Michigan now ranks in a tie for the twenty-ninth lowest unemployment rate at 5.1%. This is a major change from last year's ranking of forty-two.

Michigan's unemployment rate has decreased to 5.1% as of December, 2015. For years, manufacturing, more specifically automotive manufacturing, has been a major employer of Wayne County citizens. During this automotive industry transition other companies are also downsizing or closing. It is estimated Michigan will add 59,400. The pace of job growth is expected to increase 73,200 in 2016.

Housing Industry - There is room for more optimism in the housing market according to Crain's Detroit Business. Drawing information from Realcomp II Ltd., a Michigan realtor- owned Multiple Listing Service, home sales hit 10 year highs in three of five months between May through September, 2015. Sales rose significantly from the same period in 2014. In Wayne County, the hotspots reflecting the biggest one year change were Northville (22% increase over a one year period), Plymouth (20.5%), Grosse Pointes (14.9%), Livonia (14.3%), and Canton Twp (13.9%).

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.

The excitement continues in the city of Detroit with the continued construction of the new Detroit Events Center along with District Detroit. Construction of the Detroit Events Center is expected to be completed by late fall 2017-2018. The center will be the new home of the Detroit Red Wings of the National Hockey League. The District Detroit is a transformational development designed to renovate 50 blocks into a world-class, walkable community where people will live, shop and enjoy the finest in sports, entertainment and dining. The new district will connect downtown Detroit with Midtown. The project is the vision of longtime Detroit boosters and entrepreneurs Mike and Marian Illitch. According to the District Detroit website, the City of Detroit is expected to gain \$210 million from the project which will have a total impact of \$1.8 billion for the state of Michigan according to the Olympia Development release. With Detroit residents committed to fill at least 51 percent of the construction jobs related to the new events center and initial mixed-use development the project is also estimated to create:

- 8,300 construction and construction-related jobs
- 1,100 permanent jobs
- \$100 million in jobs-related income for Detroit residents

Throughout the Detroit Events Center, there will be maximum visibility of two Michigan-based companies, Meijer and Saint Joseph Mercy Health System. These two companies are the first Landmark-level partners which represent the highest level of commitment. As Landmark partners, Meijer and Saint Joseph Mercy Health System will have maximum visibility throughout the Detroit Events Center, through complete partner integration with the Detroit Red Wings and Olympia Entertainment.

Rock Ventures LLC, an umbrella entity managing a diverse portfolio of companies, investments and real estate, including its flagship company Quicken Loans had the biggest increase in employees in the City of Detroit from July 2013 to July 2014 according to Crain's List, 2015. Rock Ventures posted an increase of over 25% increasing from 9,192 employees in July 2013 to 11,524 employees in July 2014. This increase also ranks Rock Ventures as Detroit's Largest Employer ranked by full-time employees July 2014. Rock Ventures is followed by the Detroit Medical Center and the City of Detroit as Detroit's Largest Employers according to Crain's list. Rock Ventures and Bedrock properties together have over \$1.5 Billion invested in Detroit, own over 9 million square feet of 60 properties, have created

6,500 jobs in Detroit and has over 12,500 team members working in Detroit. Over 120 tenants have been recruited.

Since 2009, Quicken Loans has leased office space in the Compuware building facing Campus Martius Park in Detroit. The company also houses its employees in Downtown Detroit's First National Building, The Qube, Chrysler House, One Woodward Avenue, and 1001 Woodward – all owned by Quicken Loans' parent company, Rock Ventures.

According to a list of major employers in Detroit compiled by Crain's list, the 5,051 total Detroit employees makes General Motors Detroit's 10th largest employer behind Rock Ventures (11,524), Detroit Medical Center (10,528), the City of Detroit (9,137) Henry Ford Health System (8,879), the U.S. Government (6,358) Detroit Public Schools (6,258), Wayne State University (6,010), Chrysler Group, LLC (5,870). and Blue Cross Blue Shield of Michigan (5,426).

A major catalyst and another major development in Detroit and Wayne County is the M-1 Rail Project. Construction of the \$140 million 3.3 mile light rail project began construction in the Summer, 2014 and will initially stretch from downtown Detroit to Grand Boulevard in the New Center area. The M-1 rail project was formed by private sector and philanthropic leaders as a result of the National Football League Super Bowl Detroit hosted in 2006. When tens of thousands of visitors converged on Detroit during that event, it became evident there was a need for reliable transit alternatives that connect to key Detroit destinations within the Downtown, Midtown, New Center, and North End communities.

The M-1 rail is expected to be complete and operational in the spring of 2017, shortly before a massive Detroit Red Wings arena and entertainment district is expected to be completed by the late fall 2017. There will be 20 different stations serving 12 stops along the M-1 rail line with most of the stations being on either side of Woodward, but some will be in the center of the street as well. The first phase of the project was started in July of 2014 and completed in November of 2014. The streetcar will be for people who live, work, and visit the Woodward Avenue corridor and beyond.

There are currently 36,000 residents and 135,000 jobs along with plenty of attractions including Comerica Park, Ford Field, Hart Plaza, Campus Martius, the Fox Theatre, the Detroit Institute of Arts, Wayne State University and many more. Preliminary estimates for projected ridership are around 5,000 to 8,000 riders per day. The streetcar will improve public transit service and



provide greater mobility options along the central Woodward communities.

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 \$600 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.

As part of the auto show, the NAIAS Charity Preview event is held every year. The NAIAS Charity Preview is the largest single day charity fund raising event in the county and has raised over \$101 million since 1976 with \$43 million being raised in the last 10 years. Proceeds directly benefit a wide range of children's charities. Funds raised will support services for children of all ages from birth to 18. For more information on the North American International Auto Show, please go to www.NAIAS.com.

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 bonded up to \$288 million for the expansion and renovation of Cobo. The expansion finished in late FY 2015 just in time for the 2016 NAIAS. This should ensure the continuation of the NAIAS and will also attract other conventions and venues to Detroit and Wayne County.

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.



ASSUMPTIONS USED IN DEVELOPMENT OF THE FY 2015-16 ADOPTED BUDGET

REVENUE ESTIMATES

Early in 2014, the initial revenue estimates were developed and subsequently, set the foundation for which the 2015-2016 and 2016-2017 budgets would be created. 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 2015-2016 Budget and 2016-2017 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 17, 2015.

The initial forecast for the County reflected revenue reductions in the amount of \$110.46 million. The General Fund and General Fund supported Special Revenue Fund revenues were forecasted to decline \$13.63 million in FY 2015-2016. The General Fund's revenue sources were forecasted to decline \$12.60 million from FY 2014-2015 including a reduction of \$12.91 million in discretionary or unrestricted revenues used to support general government operations. Other County Funds which include certain Enterprise, Fiduciary, Internal Service, Special Assessment funds and certain Component units were forecasted to decline an additional \$96.83 million in FY 2015-2016. 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 January, 2015, a new County Executive Officer took office and proceeded to reassess the County's finances. Once completed, a five recovery plan was developed that provided a realistic roadmap to solvency and a state where the County could return to long term planning. While the plan focused on the spiraling legacy cost of pensions and health care for active employees and retirees, proposed revenues were keenly scrutinized.

In late May, 2015 the CEO presented the proposed revenue estimates to all County Elected Officials and Department Heads. The County's General Fund projected revenues totaled \$535.69 million. The final Adopted Budget includes 535.23 million. Taxes and state revenue sharing, which accounts for the majority of general purpose revenue exclusive of transfers from the Delinquent Tax Revolving Fund program was projected at \$362.94 million or 67.75% of total revenue in the General Fund.

Transfers from Delinquent Tax Revolving Fund (DTRF)/ Forfeiture Programs are included in the revenue estimate projection. Although considered "One Time" revenues, the County's General Fund has been dependent on this revenue source since the beginning of the "Great Recession" when the housing market and property tax values significantly declined. The initial estimate for this transfer was \$39.45 million but as the result of the Treasurers revised projection, \$47.7 million was eventually included in the Adopted Budget.

In the FY 2015-16 budget, the County included \$50.01 million of State Revenue Sharing payments to be received from the State. The transfer from the DTRF and the State Revenue Sharing Payments will be utilized to fund public safety, health and welfare programs and general government.

The Detroit Wayne County Mental Healthy Authority (DWCMA) will appropriate approximately \$6.0 million to fund Adult and Juvenile mental health services in the care of the Sheriff and the Juvenile Detention Facility.

In total, the FY 2015-16 Budget includes anticipated total revenues of \$535.23 million, a decrease of \$14.72 million from the FY 2014-15 Adopted Budget with unrestricted general purpose revenues of \$393.45 million exclusive of funds set aside for increasing the Fund Balance of the General Fund. a decrease of \$18.22 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 \$133.30 million, up slightly by \$0.31 million from FY 2014-15. 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.



ACTIONS INCLUDED IN THE FY 2015-16 ADOPTED BUDGET

The Adopted Budget incorporates tough decision-making and priorities. Listed below are some of the actions taken:

The budget incorporates elements of a Financial Recovery Plan which provided realistic roadmap to solvency and a financial state where the County can return to sensible long-term planning. The Recovery Plan required cooperation and shared sacrifice on the part of all stakeholders including Elected Officials, management, unions, employees, local governments and the State of Michigan.

The Plan identifies and targets the root causes of the structural deficit, specifically the spiraling legacy costs of pensions for retirees and health care benefits for active employees and retirees, debt service and poor utilization of the County's real estate holdings. The plan called for the following:

- A 5% reduction in total personnel costs through salary reductions, benefit cost sharing increases and other concessions for employees based on collective bargaining agreements.
- The elimination of retiree health benefits for all active and retired employees.
- Changes to plan design and deductibles for active employees health care.
- Changes to future pension benefits for active employees reducing the future cost of pension expense.
- Other Changes to employee work rules which reduced Overtime, etc.
- General Fund supported programs were required to maintain FY2014-2015 levels of operating expenditures adjusted for changes to Recovery Plan items included in the budget.
- The creation of the Department of Health, Veterans and Community Wellness which is a consolidation of two departments and several divisions and the elimination of one department.
- The Courts, County Clerk and Sheriff Court security units were fully funded per the final court settlement agreement.
- All jail and no-jail related operations for the Sheriff were fully funded at current projected levels; adjusted for reductions resulting from the Recovery Plan.
- Status quo projected state revenue sharing distribution of \$50.00 million to be fully utilized for public safety, health and welfare programs and general government expenditures.
- The budget sets aside \$10.0 million as an additional payment to the Wayne County Employee Retirement System to be used to accelerate the reduction of the unfunded defined contribution liability of the retirement system.



SUMMARY OF CHANGES BY TYPE OF FUND

The County Adopted Budget for FY 2015-16 totals \$1.561 billion, including a General Fund appropriation of \$535.23 million. Comparing budgets on an annualized basis, the FY 2015-16 Budget reflects a net decrease in the County's total operating budget of \$121.42 million or 7.22%.

FUND	In Millions		CHANGE
	FY 2014-2015 ADOPTED	FY 2015-2016 ADOPTED	
General	\$549.95	\$535.23	(14.72)
Special Revenue	460.45	428.45	(32.00)
Capital Projects	2.77	11.76	8.99
Debt Service	14.65	11.38	(3.27)
Special Assessment	3.61	3.57	(0.04)
Enterprise	359.24	304.31	(54.93)
Internal Service	148.97	128.42	(20.55)
Fiduciary	8.00	7.71	(0.30)
Component units	134.71	130.11	(4.60)
TOTAL	\$1,682.35	\$1,560.93	(121.42)
% CHANGE			-7.22%

The summary above reflects the changes between the major fund types. Major changes include an increase in the General Fund totaling \$14.72 million from FY 2014-15. Refer to the General Fund section of this document for further discussion.

Special Revenue Funds decreased overall by \$32.00 million, with the largest decreases in the Juvenile Justice and Abuse/Neglect Fund (-16.35 million) and County's Road Fund (14.19 million). The decrease in the Juvenile Justice and Abuse/Neglect Fund is related to reduce participates in the program. The decrease in the County Roads Fund is the result of less federally funded engineering road construction projects and reoccurring general road maintenance as well as major bridge repairs.

Listed below are other funds with notable changes:

- The Parks Fund was decreased by \$0.60 million. The decrease is primarily due to a reduction in Millage funding available for renovations of various parks within the County Park System.
- The Community & Economic Development Fund was decreased by \$2.32 million relative to the HOME projects funded by the U.S. Department of Housing and Urban Development (HUD).
- The County Health Fund was decreased by \$1.82 million. This is a result of decreased Federal grant funds and general fund allocations which support the County's public health operations.

- The Law Enforcement Fund increased by \$2.16 million due to the awards of several Justice Assistance Grants (JAG).
- The Soldiers Relief Fund was reduced by \$0.26 million due to a decrease in the utilization of fund balance.
- The Health and Family Services Fund reflects an increase of \$1.25 million which is a result of increased federal program funding.
- The Stadium and Land Development Fund is increased by \$1.20 million due to anticipated additional Tourist tax collections.

Capital Projects Funds - The \$8.99 million increase is largely related to use of fund balance reserves from prior years to fund ongoing capital projects.

Debt Service Funds - The net \$3.27 million decrease is primarily related to debt service for completed County projects and fully amortization of the associated debt service.

Special Assessments Fund— The net \$0.04 million decrease variance results of fewer Petition projects scheduled for FY 2016 .

Enterprise Funds— The \$55.00 million decrease in the Enterprise Funds are primarily the result of decreased delinquent tax collections as well as changes in the sewage disposal system funds.



Internal Service Funds - The funds decreased by a net \$20.55 million and significant changes occurred in the following funds:

- Central Services Fund increased by \$1.164 million which is primarily a result of lower personnel costs.
- Environment Fund reflects an increase of \$0.33 million which is primarily a result of lower personnel costs.
- Health Fund decreased by \$17.75 million. Savings are anticipated due to elimination of retiree health care and changes to active employee health care.
- Building and Ground Maintenance Fund decreased \$1.32 million which is primarily a result of lower personnel costs.

Fiduciary Fund – There are no changes to this fund.

Component Unit Funds - The \$5.028 million net decrease in the Component Unit Funds is mainly a result of lower personnel costs. In FY 2014 the financial reporting for these function was thought to belong in the General Fund due to GASB 61.

BUDGET FORMAT CHANGES

2015-2016 ACCOUNT CHANGES

As the result of the Charter mandated Reorganization Plan, the previous County departments of Children and Family Services, Health and Human Services, Economic Development Growth Engine and the Division of Veterans Affairs have been consolidated forming the Department of Health, Veterans and Community Wellness. Also the County Library System libraries were transferred to the local communities and the Alternative Workforce program was eliminated. Wayne County Land Bank has been transferred from Office of the Treasurer to the Office of the Wayne County Executive.

2014-2015 ACCOUNT CHANGES

For budget purposes only, the Probate Court operations have been moved from the General Fund (101) back to the Probate Court Fund (838) in order to account for this operation separately. Also, the budget relative to the Wayne County Land Bank has been transferred from Department of Corporation Counsel to the Office of the Wayne County Treasurer. Additionally, the Adult Benefit Waiver program was eliminated by the State as part of the Medicaid expansion program under the assumption that this population will be covered by the new Healthy Michigan health program.

2013-2014 ACCOUNT CHANGES

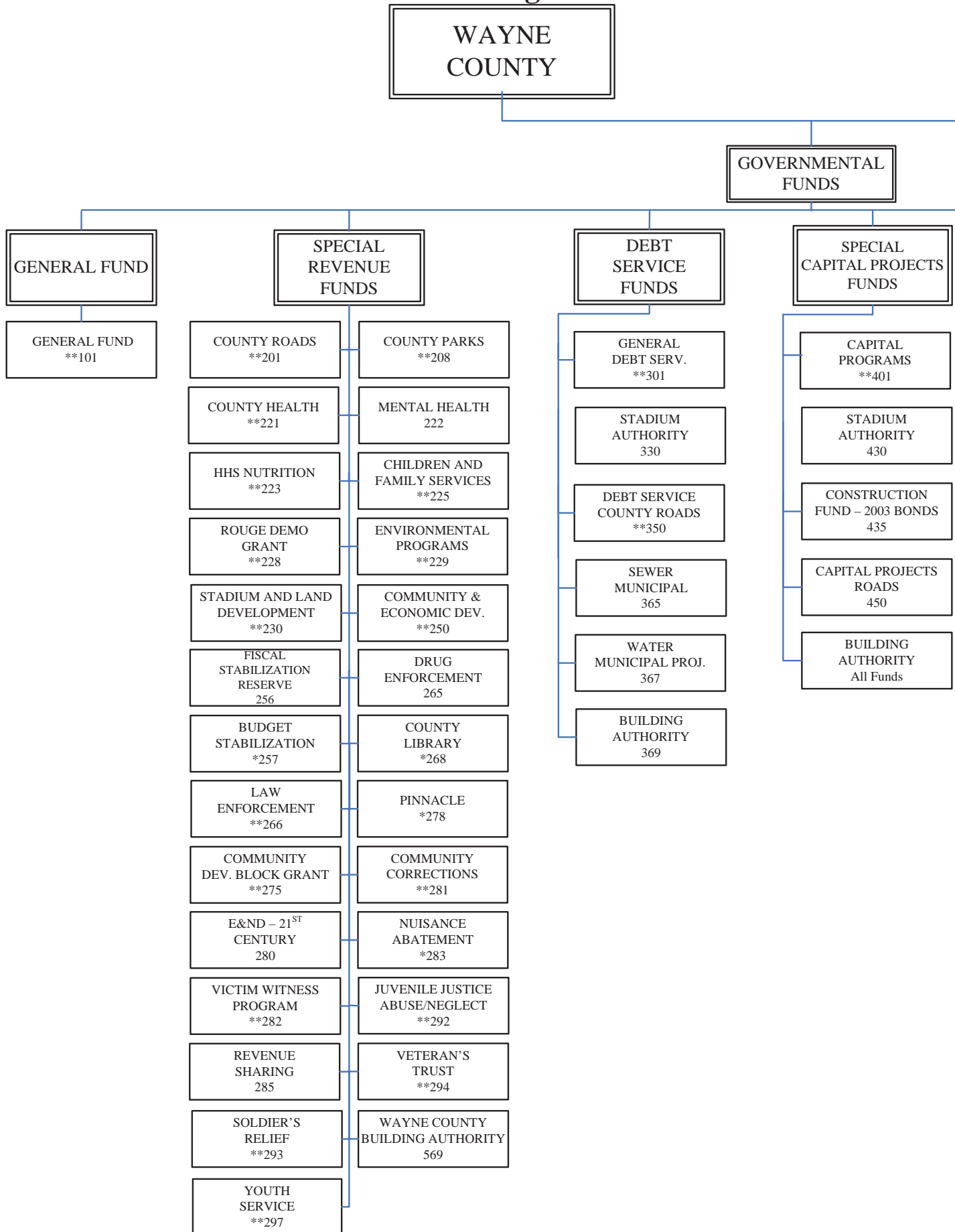
As a result of State Legislation in December, 2012, the County's Mental Health Agency was converted into an independent autonomous Authority effective October, 1, 2013. In addition, for budgetary purposes, due to GASB 61 the Probate Court Fund operations (838) have been moved to the General Fund (101). Also, the budget relative to the Wayne County Land Bank has been moved from the Economic Development Growth Engine to the Department of Corporation Counsel.

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 (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.

Wayne County, Michigan

Fund Structure Organization Chart

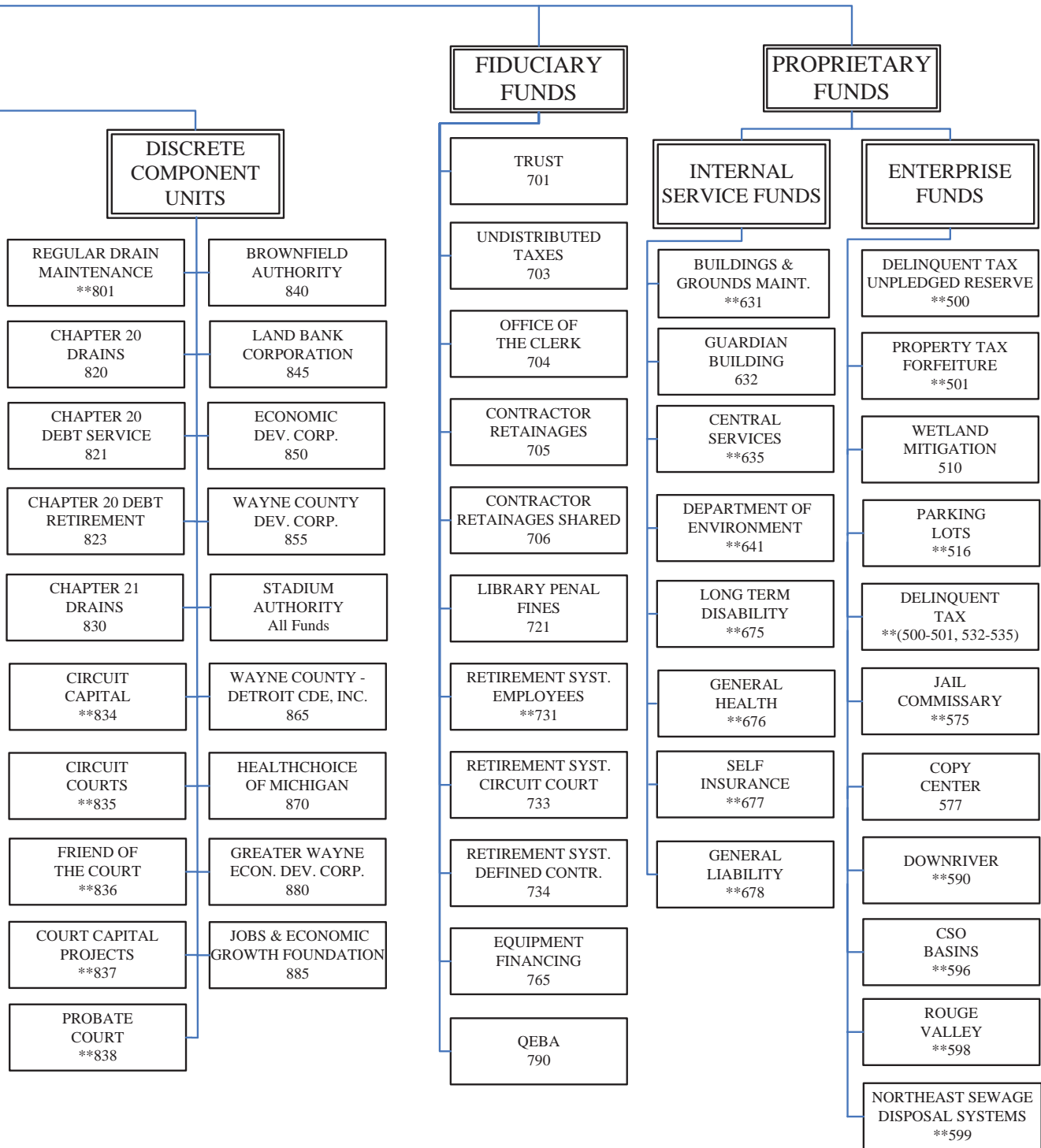


*FY 2012-13 Assets, Liabilities and Fund Balances have been transferred to the General Fund as a result of GASB 54.

**Appropriated Fund in Enrolled Ordinance 2015-473

Wayne County, Michigan

Fund Structure Organization Chart





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.

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

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



**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.



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 **

855 DEVELOPMENT CORPORATION OF WAYNE COUNTY **

860 DETROIT-WAYNE COUNTY STADIUM AUTHORITY **

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

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



**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

**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.

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 Department of Technology.

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
(528-536)**

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.

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.

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

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



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.

790 QEBA**

This fund establishes a Qualified Excess Benefit Arrangements under Section 415 of the Internal Revenue Code.

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

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



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.



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.