

**AN ORDINANCE CREATING A BUDGET STABILIZATION FUND,
AUTHORIZING THE BOARD OF COMMISSIONERS TO APPROPRIATE
GENERAL FUND SURPLUSES THERETO,
AUTHORIZING THE INVESTMENT OF MONEYS IN THE BUDGET
STABILIZATION FUND,
AUTHORIZING THE BOARD OF COMMISSIONERS TO APPROPRIATE
MONEYS IN THE BUDGET STABILIZATION FUND FOR CERTAIN
PURPOSES, AND
FOR OTHER MATTERS RELATING THERETO**

ORDINANCE NO. 3

Section 1. Establishment of Fund. There is hereby established for the County of Jackson a budget stabilization fund (the "Stabilization Fund") for the purposes, and subject to the limitations, set forth in Act. No. 30, Public Acts of 1978, as amended.

Section 2. Appropriations to Stabilization Fund. The County Board of Commissioners, by ordinance or resolution duly adopted by two-thirds (2/3) of its elected and serving members, may, during each fiscal year following the fiscal year in which the Stabilization Fund has been established, appropriate all or part of a surplus in the general fund of the County resulting from an excess of revenue in comparison to expenses to the Stabilization Fund.

Section 3. Limitation on Taxes. The County shall not impose any additional taxes for the purpose of producing revenues in excess of that needed for its established budget in order to generate moneys to be appropriated to the Stabilization Fund.

Section 4. Limitation on Size of Stabilization Fund. The moneys in the Stabilization Fund shall not exceed the lesser of (a) 15% of the County's most recent general fund budget (as originally adopted) or (b) 15% of the average of the County's five most recent general fund budgets, as amended. In the event moneys in the Stabilization Fund exceed such limits, the excess shall be appropriated in the County's next general fund budget, but not to the Stabilization Fund.

Section 5. Investments. Moneys in the Stabilization Fund may be invested as provided by law and any earnings from such investments shall be returned to the County's general fund.

Section 6. Appropriations from Stabilization Fund. The County Board of Commissioners, by ordinance or resolution duly adopted by two-thirds (2/3) of its elected and serving members, may appropriate moneys from the Stabilization Fund for any of the following purposes:

- (a) To cover a general fund deficit when the County's annual audit reveals such a deficit.

- (b) To prevent a reduction in the level of public services or in the number of employees at any time during a fiscal year when the County's budgeted revenue is not being collected in an amount sufficient to cover budgeted expenses.
- (c) To prevent a reduction in the level of public services or in the number of employees when in preparing the budget for the next fiscal year the County's estimated budgeted revenue does not appear sufficient to cover estimated expenses.
- (d) To cover expenses created by natural disaster, including flood, fire, or tornado; provided that if federal or state funds are received to offset appropriations for such purposes, such monies shall be returned to the Stabilization Fund.
- (e) A 2/3rds majority vote is required to transfer money from this fund.

Section 7. Determining Sufficiency of Revenues. In determining whether the County's revenues are not sufficient to cover its expenses, a reduction in moneys received for the fiscal year from any source in comparison to the moneys received for the previous fiscal year, including a reduction in the allocation of state tax money, shall be considered.

Section 8. Prohibited Uses. Moneys in the Stabilization Fund shall not be appropriated for the acquisition, construction or alteration of a facility as part of a general capital improvements program.

Section 9. Conflict and Severability. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed, and each section of this ordinance and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of this ordinance.

Section 10. Paragraph Headings. The paragraph headings in this ordinance are furnished for convenience of reference only and shall not be considered to be part of this ordinance.

Section 11. Publication and Approval. The County shall publish a notice of adoption of this ordinance in a newspaper of general circulation in the County and submit it for approval by the Governor as required by Act No. 156, Public Acts of 1851, as amended. The County shall thereafter deposit this ordinance with the Secretary of State as required by such act.

Section 12. Effective Date. This ordinance shall take effect on the sixty-first (61st) day after its adoption by the County Board of Commissioners, provided that no petition signed by 20% or more of the electors of the County which asks for a submission of this ordinance to the electors of the County has been received by the County Clerk during the 50 days after adoption of this ordinance by the County Board of Commissioners.

Passed and adopted by the County of Jackson, Michigan, on October 24, 1985, and signed by me on November 20, 1985.

Constance P. Miller
Chairperson, County Board of Commissioners