

Chapter 2 ADMINISTRATION*

***Cross references:** Businesses, ch. 14; cemeteries, ch. 18; community development, ch. 22; fire prevention and protection, ch. 34; utilities, ch. 58; administration and enforcement of sewer service provisions, § 58-101 et seq.; administration and enforcement of public sewer service, § 58-156 et seq.

Article I. In General

Secs. 2-1--2-25. Reserved.

Article II. Boards and Commissions

Secs. 2-26--2-45. Reserved.

Article III. Employee Benefits

Division 1. Generally

Secs. 2-46--2-55. Reserved.

Division 2. Retirement Plan

Sec. 2-56. Established; ratification of policy and contract.

Sec. 2-57. Authorization and execution of present plan.

Secs. 2-58--2-80. Reserved.

Article IV. Finances

Division 1. Generally

Secs. 2-81--2-90. Reserved.

Division 2. Housing Development Tax Exemption

Sec. 2-91. Taxation of assisted lower-income housing.

Secs. 2-92--2-105. Reserved.

Division 3. Budget

Sec. 2-106. Fiscal year.

Sec. 2-107. Fiscal officer.

Sec. 2-108. Policy statement.

Sec. 2-109. Estimates required.

Sec. 2-110. Forms for estimates.

Sec. 2-111. Review of department estimates.

Sec. 2-112. Document components.

Sec. 2-113. Transmittal to township board.

Sec. 2-114. Consideration by township board.

Sec. 2-115. Passage of the general appropriations measure.

Sec. 2-116. Failure to enact a general appropriations measure.

Sec. 2-117. Amendment of the general appropriations measure.

Sec. 2-118. Appropriation not a mandate to spend.

Sec. 2-119. Maintenance of appropriation ledger accounts.

Sec. 2-120. Allotment of appropriations.

Sec. 2-121. Procedure for disbursements.

Sec. 2-122. Limit on obligations and payments.

Sec. 2-123. Quarterly finance reports.

Sec. 2-124. Transfers.

Sec. 2-125. Supplemental appropriations.
Sec. 2-126. Appropriation adjustment required.
Sec. 2-127. Penalty for violation of sections 2-117, 2-119 and sections 2-121--2-126.
Secs. 2-128--2-140. Reserved.

Division 4. Budget Stabilization Fund

Sec. 2-141. Creation.
Sec. 2-142. Appropriation and investment; generally.
Sec. 2-143. Authorized purposes for appropriation of fund revenues.
Sec. 2-144. Determining insufficiency of revenue; considerations.
Sec. 2-145. Prohibited appropriation.

ARTICLE I. IN GENERAL

Secs. 2-1--2-25. Reserved.

ARTICLE II. BOARDS AND COMMISSIONS*

***Editor's note:** On June 9, 1968, the township board passed a resolution creating a planning commission pursuant to Act No. 168 of the Public Acts of Michigan of 1959 (MCL 125.321 et seq.), as amended.

Secs. 2-26--2-45. Reserved.

ARTICLE III. EMPLOYEE BENEFITS

DIVISION 1. GENERALLY

Secs. 2-46--2-55. Reserved.

DIVISION 2. RETIREMENT PLAN

Sec. 2-56. Established; ratification of policy and contract.

The township does hereby establish a retirement plan for the benefit of its employees as set forth in the contract dated August 29, 1973, effective as of September 1, 1973, between the township and Manufacturer's Life Insurance Company, and specifically provides that this section shall be effective as of August 29, 1973, which does hereby ratify and confirm the retirement group policy of the township and Manufacturer's Life Insurance Company, Policy No. G.P. 7620-00.

(Ord. No. 141, art. 2, 5-23-83)

Sec. 2-57. Authorization and execution of present plan.

The township does hereby adopt the Manufacturer's Life Insurance Company Group Policy No. G.P. 7620-00, initially effective as of September 1, 1973, with amendments to the policy to and including amendment number 6, effective January 1, 1983 and subsequent amendments, as its present retirement plan and policy and hereby authorizes the township clerk to execute any and all documents necessary to enter into such a plan and policy and further authorizes the township treasurer to make all necessary payments of premiums as set forth in the policy.

(Ord. No. 141, art. 3, 5-23-83)

Secs. 2-58--2-80. Reserved.

ARTICLE IV. FINANCES

DIVISION 1. GENERALLY

Secs. 2-81--2-90. Reserved.

DIVISION 2. HOUSING DEVELOPMENT TAX EXEMPTION*

***Editor's note:** Ord. No. 9701, adopted Dec. 8, 1997, repealed Ord. No. 140, adopted Feb. 14, 1983 and codified as §§ 2-91--2-95, in its entirety. Ord. No. 9701 provided similar provisions as herein set out.

Sec. 2-91. Taxation of assisted lower-income housing.

- (a) Nonapplication of tax exemption. The ad valorem property tax exemption available pursuant to section 15a of the State Housing Development Authority Act of 1966, Act 346 of the Public Acts of Michigan of 1966, as amended, shall not apply to housing projects financed with a federally-aided or Michigan State Housing Development Authority-aided mortgage, advance or grant owned by a nonprofit housing corporation, consumer housing cooperative, limited divided housing corporation, mobile home park corporation, or mobile home park association.
- (b) Effective date. Pursuant to the requirements of Act 346, being MCLA 125.1412a(5) of the Public Acts of Michigan, as amended. This ordinance shall be effective for ad valorem property taxes levied on and after December 31, 1997.

(Ord. No. 9701, 12-8-97)

Secs. 2-92--2-105. Reserved.

DIVISION 3. BUDGET

Sec. 2-106. Fiscal year.

The fiscal year of the township shall begin on January 1 in each year and close on the following December 31.

(Ord. No. 138, § 2, 5-26-81)

Sec. 2-107. Fiscal officer.

The superintendent shall be the township's fiscal officer and shall perform the duties of the fiscal officer enumerated in this division.

(Ord. No. 138, § 3, 5-26-81; Ord. No. 2009-03, 4-13-09)

Sec. 2-108. Policy statement.

No later than July 1 of each year, the fiscal officer shall send to each officer, department, commission, and board of the township a budget statement for the use of those agencies in preparing their estimates of budgetary requirements for the ensuing fiscal year. This statement shall include information that the fiscal officer determines to be useful and necessary to ensure that the budgetary estimates of the agencies are prepared in a consistent manner. It shall also indicate limits on budgetary estimates, items that are to receive emphasis, and other policy direction deemed necessary by the fiscal officer. This statement shall be available to the legislative body and the general public.

(Ord. No. 138, § 4, 5-26-81)

Sec. 2-109. Estimates required.

Any officers, departments, commissions, and boards of the township financed in whole or in part by the township shall, on or before August 1 of each year, transmit to the fiscal officer their estimates of the amounts of money required for each activity in their agencies for the ensuing fiscal year. They shall also submit any other information deemed relevant by the fiscal officer on such forms and at such times as he may direct.

(Ord. No. 138, § 5, 5-26-81)

Sec. 2-110. Forms for estimates.

- (a) The fiscal officer shall prescribe forms to be used by the officers, departments, commissions, and boards of the township in submitting their budget estimates and shall prescribe the rules and regulations he deems necessary for the guidance of officials in preparing such budget estimates.

- (b) The budget forms shall, at a minimum, require:
 - (1) The display of actual expenditures for all purposes for the last completed fiscal year.
 - (2) Appropriations and estimated expenditures for those purposes for the current fiscal year.
 - (3) Estimates of required expenditures for the ensuing fiscal year.
- (c) The fiscal officer may require that the estimates for the ensuing fiscal year be calculated on the basis of various assumptions regarding level of service.
- (d) Any agency request for the proposed purchase of land, buildings, or capital equipment shall be accompanied by a statement which:
 - (1) Describes the intended use of land, buildings, or equipment.
 - (2) States the order of priority of the purchase.
 - (3) Provides a plan of financing for the purchase.
 - (4) Provides an estimate of any operating costs associated with the purchase for the ensuing fiscal year and for the following three years.
- (e) The fiscal officer may also require a statement of the purposes of any proposed expenditure and a justification of the services financed by any expenditure.
- (f) The fiscal officer shall prepare estimates of revenue for each fund for the ensuing fiscal year, classified in order to show in detail the amount expected to be received from each source.
- (g) Such estimates of expenditures and revenues shall also be classified by character, object, function, and activity consistent with the accounting system classifications required by law.

(Ord. No. 138, § 6, 5-26-81)

Sec. 2-111. Review of department estimates.

The fiscal officer shall review the department estimates with a representative from each department of the township that has submitted such estimates. The purpose of the review shall be to clarify the estimates, ensure their accuracy, and to determine their adherence to the policies enumerated by the superintendent.

(Ord. No. 138, § 7, 5-26-81; Ord. No. 2009-03, 4-13-09)

Sec. 2-112. Document components.

- (a) The fiscal officer shall consolidate the estimates received from the various departments together with the amounts of expected revenues and shall make recommendations relating to those estimates which shall ensure consonance with the budget policy statement and which shall ensure that the total of estimated expenditures including an accrued deficit in any fund does not exceed the total of expected revenues including an unappropriated surplus.
- (b) The budget shall consist of the following parts:
 - (1) Part I, statement of assets and liabilities. Part I shall contain a summary statement of all assets and current and long-term liabilities at the close of the last completed fiscal year. The assets shall exclude fixed assets (land, buildings, equipment) but shall include for each fund the surplus or unencumbered and unreserved balances, reserves by purpose, monies receivable, and investments. The liabilities shall include accounts payable, contracts payable, amounts due to other funds and agencies, bonds and interest payable, court orders payable, taxes or revenues collected in advance, and long-term or contingent liabilities.
 - (2) Part II, revenues. Part II shall contain detailed estimates of all anticipated revenues applicable to proposed expenditures; summary statements of anticipated revenues classified by fund and source; comparisons between revenues actually received during the last completed fiscal year, those received and anticipated for the current fiscal year, and those anticipated for the ensuing fiscal year; the estimated surplus or unobligated balance of the current fiscal year; and any additional information required by the township board.
 - (3) Part III, expenditures. Part III shall contain detailed estimates of all operating and capital outlay expenditures for the ensuing fiscal year. It shall include a statement of proposed expenditures from all funds classified by organizational unit, character, object, and function and activity. It shall show, in the same classification of expenditure, the expenditures of the last completed fiscal year, those anticipated for the current fiscal year, and shall include as separate items any deficit from the preceding fiscal year that was not included in the budget for the current year and any anticipated deficit resulting from operations of the current year.
 - (4) Part IV, capital outlay. Part IV shall consist of any recommendations for capital projects. These recommendations shall be accompanied by a statement indicating recommended priorities for projects and shall set forth for each project:
 - a. The total estimated cost at completion.
 - b. Appropriations and expenditures made to date.

- c. Expenditures and encumbrances at the close of the last completed fiscal year.
- d. Estimated expenditures and encumbrances for the current fiscal year.
- e. Estimates of the amounts of money necessary for the ensuing fiscal year.
- f. Estimated annual operating costs, if any, and the method of financing those costs, for each of the three years following the budget year.

(Ord. No. 138, § 8, 5-26-81)

Sec. 2-113. Transmittal to township board.

No later than September 1 of each year, the fiscal officer shall transmit the budget to the township board. The budget shall be accompanied by:

- (1) A proposed general appropriations measure, consistent with the budget, which shall set forth the anticipated revenue and requested expenditure authority for the ensuing fiscal year in such form and in such detail deemed appropriate by the fiscal officer, provided that it is consistent with the uniform chart of accounts prescribed by the state. No appropriations measure shall be submitted to the township board in which estimated total expenditures, including an accrued deficit, exceed estimated total revenues, including an available surplus.
- (2) A budget message which shall explain the reasons for increases or decreases in budgeted items compared with the current fiscal year, the policy of the fiscal officer as it relates to important budgetary items, and any other information that the fiscal officer determines to be useful to the township board in its consideration of proposed appropriations.

(Ord. No. 138, § 9, 5-26-81)

Sec. 2-114. Consideration by township board.

- (a) *Hearing; notice.* The township board shall fix the time and place of a public hearing to be held on the budget and proposed appropriations measure. The township clerk shall then have published, in a newspaper of general circulation within the township, notice of the hearing and an indication of the place at which the budget and proposed appropriations measure may be inspected by the public. This notice must be published at least seven days before the date of the hearing.

- (b) *Submittal of additional information; review.* The township board may direct the fiscal officer to submit any additional information it deems relevant in its consideration of the budget and proposed appropriations measure. The township board may conduct budgetary reviews with the fiscal officer for the purpose of clarification or justification of proposed budgetary items.
- (c) *Revision, alteration or substitution.* The township board may revise, alter, or substitute for the proposed general appropriation measure in any way, except that it may not change it in a way that would cause total appropriations, including an accrued deficit, to exceed total estimated revenues, including an unappropriated surplus. An accrued deficit shall be the first item of expenditure in the general appropriations measure.
- (d) *Prohibited alterations.* The township board may not alter the budget in a way that would jeopardize the payment of interest on bonds, the provision of a sinking fund for the payment of bonds at maturity, or the payment of serial bonds at maturity, unless error in computation is discovered.

(Ord. No. 138, § 10, 5-26-81)

Sec. 2-115. Passage of the general appropriations measure.

No later than November 1 in each year, the township board shall pass a general appropriations measure providing the authority to make expenditures and incur obligations on behalf of the township. The township board may authorize transfers between appropriation items by the clerk, treasurer or the fiscal officer within limits stated in the appropriations measure. In no case, however, may such limits exceed those provided for in section 2-124. The township board shall cause to be levied and collected the general property tax in an amount set forth by township's statutory and Charter limitations, and shall cause the money raised by taxation to be paid into the funds of the township.

(Ord. No. 138, § 11, 5-26-81)

Sec. 2-116. Failure to enact a general appropriations measure.

If the township board fails to pass a general appropriations measure by January 1, the fiscal officers shall notify all officers, departments, boards, and commissions that they may, in the new fiscal year, make expenditures and incur obligations under the provisions of the general appropriations measure effective for the fiscal year just completed, except that the authority for any item of appropriation in any month shall be limited to an amount not to exceed 1/12 of the annual appropriation amount for that item. Expenditures shall continue in this manner each month until the effective date of a general appropriations measure for the new fiscal year. The township board shall not pass any amendment to the general appropriations measure for the last completed fiscal year nor make any supplemental appropriation based on that measure after the beginning of a new fiscal year.

(Ord. No. 138, § 12, 5-26-81)

Sec. 2-117. Amendment of the general appropriations measure.

A deviation from the original general appropriations measure shall not be made without first amending the general appropriations measure. Amendment shall follow the same procedure used for the original consideration of the budget and proposed appropriations measure and passage of the general appropriations measure, pursuant to sections 2-114 and 2-115.

(Ord. No. 138, § 13, 5-26-81)

Sec. 2-118. Appropriation not a mandate to spend.

Appropriations will be deemed maximum authorization to incur expenditures. The clerk and treasurer shall exercise supervision and control in order to ensure that program or work objectives are realized within these limits and shall not approve any expenditure beyond that necessary to accomplish those objectives.

(Ord. No. 138, § 14, 5-26-81)

Sec. 2-119. Maintenance of appropriation ledger accounts.

The clerk and treasurer shall maintain appropriation ledger accounts in which are to be recorded such expenditure encumbrances and obligations for the future payment of appropriated funds as they may approve.

(Ord. No. 138, § 15, 5-26-81)

Sec. 2-120. Allotment of appropriations.

No later than January 1 of each year, each office, department, board, and commission of the township shall submit to the fiscal officer, on forms provided by him, a statement of proposed allotments of appropriations based upon expected periodic requirements. The clerk and treasurer will review the requested allotments in light of the plan of work of each unit and the expected timing of those requirements, and may revise or alter the proposed allotment of any unit. The decision of the clerk and treasurer as to the amount of any allotment for any fiscal period or the extent to which an allotment is consistent with the purpose for which it is intended, as expressed in the general appropriations measure, shall be final and conclusive, provided that the clerk and treasurer, upon the approval of the fiscal officer, shall have the authority at any time to modify any allotment previously made, upon application of, or upon notice to, the office, department, board or commission concerned.

(Ord. No. 138, § 16, 5-26-81)

Sec. 2-121. Procedure for disbursements.

No money shall be drawn from the township treasury except in pursuance of an appropriation of the township board. Each warrant, draft, or contract of the township shall

specify the fund and appropriation designated by number assigned in the accounting system classification established pursuant to law from which it is payable and shall be paid from no other fund or appropriation. Expenditures shall not be charged directly to any contingent or general account. Instead, the necessary amount of the appropriation from such account shall be transferred pursuant to the provisions of this division to the appropriate general appropriation account and the expenditure then charged thereto.

(Ord. No. 138, § 17, 5-26-81)

Sec. 2-122. Limit on obligations and payments.

No obligation shall be incurred against, and no payment shall be made from, any appropriation account unless there is sufficient unencumbered balance in the appropriation and sufficient funds are or will be available to meet the obligation. Any obligation incurred or payment authorized in violation of this division shall be void and payment so made illegal.

(Ord. No. 138, § 18, 5-26-81)

Sec. 2-123. Quarterly finance reports.

The clerk and treasurer, within ten days after the end of each quarter, shall transmit to the township board a report of financial operations, including, but not limited to:

- (1) A summary statement of the actual financial condition of the general fund at the end of the previous month.
- (2) A summary statement showing the receipts and expenditures and encumbrances for the previous month and for the then current fiscal year to the end of previous month.
- (3) A detailed listing of:
 - a. Expected revenues by major sources as estimated in the budget, actual receipts to date for the current fiscal year compared with actual receipts for the same period in the prior fiscal year, the balance of estimated revenues to be collected in the then current fiscal year, and any revisions in revenue estimates occasioned by collection experience to date.
 - b. For each organizational unit and activity: the amount appropriated, the amount charged to each appropriation in the previous month and for the current fiscal year and as compared with the same period in the prior fiscal year, the unencumbered balance of appropriations, and any revisions in the estimate of expenditures.

(Ord. No. 138, § 19, 5-26-81)

Sec. 2-124. Transfers.

Transfers of any unencumbered balance, or any portion thereof, in any appropriation account to any other appropriation account may not be made without amendment of the appropriations measure as provided in section 2-117, except that transfers within a fund and department may be made by the fiscal officer if the amount to be transferred does not exceed the appropriation item from which the transfer is to be made, whichever is less.

(Ord. No. 138, § 20, 5-26-81)

Sec. 2-125. Supplemental appropriations.

- (a) The township board may make supplemental appropriations by amending the original general appropriations measure, as provided by section 2-117, provided that revenues in excess of those anticipated in the original general appropriations measure become available due to:
 - (1) An unobligated surplus from prior years becoming available.
 - (2) Current year revenue exceeding original estimates in amounts great enough to finance increased appropriations.
- (b) The township board may make a supplemental appropriation by increasing the dollar amount of an appropriation item in the original general appropriations measure or by adding additional items. At the same time the estimated amount from the source of revenue to which the increase in revenue may be attributed shall be increased, or a new source and amount added, in a sum sufficient to equal the supplemental expenditure amount. In no case may such appropriations cause total estimated expenditures, including an accrued deficit, to exceed total estimated revenues, including an unappropriated surplus.

(Ord. No. 138, § 21, 5-26-81)

Sec. 2-126. Appropriation adjustment required.

- (a) Whenever it appears to the fiscal officer or the township board that actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, the fiscal officer shall present to the township board recommendations which, if adopted, will prevent expenditures from exceeding available revenues for the current fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues, or both.
- (b) Within 15 days of receiving the recommendations of the fiscal officer for bringing appropriations into balance with estimated revenues, the township board shall amend the general appropriations measure to reduce appropriations or shall approve such measures necessary to provide revenues sufficient to equal appropriations, or both. If the township

board does not make effective such appropriation reductions or measures to increase anticipated revenues within this time, the fiscal officer shall within the next five days make adjustments in appropriations in order to equalize appropriations and estimated revenues.

(Ord. No. 138, § 22, 5-26-81)

Sec. 2-127. Penalty for violation of sections 2-117, 2-119 and sections 2-121--2-126.

Any violation of sections 2-117, 2-119 and sections 2-121--2-126 shall be cause for removal of any elected or appointed officer or employee in the manner prescribed by law for the removal of such officer or employee.

(Ord. No. 138, § 23, 5-26-81)

Secs. 2-128--2-140. Reserved.

DIVISION 4. BUDGET STABILIZATION FUND

Sec. 2-141. Creation.

The township board, by an ordinance adopted by a two-thirds vote of the members elected and serving, may create a budget stabilization fund.

(Ord. No. 137, § 2, 10-30-80)

Sec. 2-142. Appropriation and investment; generally.

- (a) Each fiscal year following the fiscal year in which a fund is created, the township board, which created the fund may appropriate by a resolution, adopted by a two-thirds vote of the members elected and serving, all or part of a surplus in the general fund resulting from an excess of revenue in comparison to expenses to the fund.
- (b) The township board shall not impose additional taxes producing revenue in excess of that needed for its estimated budget in order to provide for money to be appropriated to the fund.
- (c) The amount of money in the fund shall not exceed either 15 percent of the township's most recent general fund budget, as originally adopted, or 15 percent of the average of the township's five most recent general fund budgets, as amended, whichever is less.
- (d) The money in the fund may be invested as provided by law with the earnings of the fund to be returned to the township's general fund.

- (e) If the money in the fund exceeds that permitted in subsection (c) of this section, the excess money shall be appropriated in the township's next general fund budget, but shall not be appropriated to the fund.

(Ord. No. 137, § 3, 10-30-80)

Sec. 2-143. Authorized purposes for appropriation of fund revenues.

Money in the stabilization fund may be appropriated by resolution for the following purposes:

- (1) Cover a general fund deficit, when the township's annual audit reveals such a deficit.
- (2) Prevent a reduction in the level of public services or in the number of employees at any time in a fiscal year when the township's budgeted revenue is not being collected in an amount sufficient to cover budgeted expenses.
- (3) Prevent a reduction in the level of public services or in the number of employees when in preparing the budget for the next fiscal year the township's estimated revenue does not appear sufficient to cover estimated expenses.
- (4) Cover expenses arising because of a natural disaster, including a flood, fire, or tornado. However, if federal or state funds are received to offset the appropriations from the fund, that money shall be returned to the fund.

(Ord. No. 137, § 4, 10-30-80)

Sec. 2-144. Determining insufficiency of revenue; considerations.

In determining whether the township's revenue is not sufficient to cover its expenses, a reduction in the amount of money received for the fiscal year from any source in comparison to the amount of money received for the previous fiscal year, including a reduction in the allocation of state tax money, shall be considered.

(Ord. No. 137, § 5, 10-30-80)

Sec. 2-145. Prohibited appropriation.

Money in the budget stabilization fund shall not be appropriated for the acquisition, construction, or alteration of a facility as part of a general capital improvements program.

(Ord. No. 137, § 6, 10-30-80)