

**FRENCHTOWN CHARTER TOWNSHIP
BUDGET STABILIZATION FUND ORDINANCE
Ord. No. 188; Date of Adoption: December 1999**

An Ordinance to provide for the creation and use of a Budget Stabilization Fund by Frenchtown Charter Township in accordance with Public Act 30 of 1978 as amended.

THE CHARTER TOWNSHIP OF FRENCHTOWN HEREBY ORDAINS:

Section 1. Definitions.

As used in this Ordinance, the following terms shall have the following meanings:

- A. "Fund" means the Budget Stabilization Fund.
- B. "Township" means Frenchtown Charter Township.
- C. "Board" means the Frenchtown Charter Township Board.

Section 2. Creation of Fund.

There is hereby created a Frenchtown Charter Township Budget Stabilization Fund to which the Township Board may appropriate by resolution adopted by two-thirds vote of the members of the Board, all or part of a surplus in the general fund resulting from an excess of revenue in comparison to expenses. This appropriation may be done by resolution of the Board each fiscal year following the fiscal year in which this Ordinance is adopted and the Fund created.

Section 3. Purposes of Appropriations.

- A. Money may be appropriated to the Budget Stabilization Fund by a resolution adopted by two-thirds vote of the members of the Board for the following purposes:
 - (1) To cover a general fund deficit, when the Township's annual audit reveals such a deficit.
 - (2) To 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) 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 Township's estimated revenue does not appear sufficient to cover estimated expenses.
 - (4) To 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 received shall be returned to the Fund.

B. 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 reduction in the allocation of state tax money, shall be considered.

Section 4. Prohibitions.

A. The 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.

B. The Township 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.

Section 5. Fund Limitations.

The amount of money in the Fund shall not exceed either 15% of the Township's most recent general fund budget as originally adopted or 15% of the average of the Township's five most recent general fund budgets as amended, whichever is less.

Section 6. Investment of Funds.

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.

Section 7. Disposition of Excess in Fund.

If the money in the Fund exceeds that permitted by Section 5 of this Ordinance, the excess money shall be appropriated in the Township's next general fund budget, but shall not be appropriated to the Budget Stabilization Fund.

Section 8. Severability.

Should any section, sentence, clause, phrase or provision of this Ordinance be for any reason held invalid by the Court, such portion shall be deemed and is hereby declared to be a separate, distinct and independent provision and such holdings shall not affect the validity of the Ordinance as a whole or any portion thereof other than the portion so held to be invalid.

Section 9. Effective Date.

This Ordinance shall become effective immediately after final passage and publication in a newspaper having general circulation in Frenchtown Charter Township, Monroe County, Michigan.

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