

## PART I - CHARTER

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#### **Sec. 5.01. Fiscal Year.**

The fiscal year of the City shall begin on the first day of July and end on the last day of June.

#### **Sec. 5.02. Submission of Budget and Budget Message.**

Before the commencement of the fiscal year, the city manager shall submit to the city council a budget for the ensuing fiscal year and an accompanying message.

#### **Sec. 5.03. Budget Message.**

The city manager's message shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline the proposed financial policies of the City for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such changes, summarize the City's debt position and include such other material as the city manager deems desirable.

#### **Sec. 5.04. Budget.**

The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year and, except as required by law or this charter, shall be in such form as the city manager deems desirable or the city council may require. The budget shall begin with a clear general summary of its contents; shall show in detail all estimated income, indicating the proposed property tax levy, and all proposed expenditures, including debt service, for the ensuing fiscal year. It shall indicate in separate sections:

- (1) The proposed goals and objectives and expenditures for current operations during the ensuing fiscal year, detailed for each fund by organization unit, and program, purpose or activity, and the method of financing such expenditures;

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- (2) Proposed capital expenditures during the ensuing fiscal year, detailed for each fund by organization unit when practicable, and the proposed method of financing each such capital expenditure; and
- (3) The anticipated income and expense for the ensuing year for each utility or other enterprise fund operated by the City.

For any fund, the process of budgeting and appropriations shall comply with state law, which shall control if in conflict with this charter.

#### **Sec. 5.05. City Council Action on Budget.**

- (a) *Notice and Hearing.* The city council shall publish in one (1) or more newspapers of general circulation in the City the general summary of the budget and a notice stating:
  - (1) The times and places where copies of the message and budget are available for inspection by the public, and
  - (2) The time and place of a public hearing on the budget.The notice shall be published at least six (6) days prior to the public hearing.
- (b) *Amendment Before Adoption.* After the public hearing, the city council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for an estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than total estimated income.
- (c) *Adoption.* The city council shall adopt the budget prior to the start of the ensuing fiscal year.

#### **Sec. 5.06. Appropriation and Revenue Ordinances.**

To implement the adopted budget, the city council shall adopt, prior to the beginning of the ensuing fiscal year:

- (a) An appropriation resolution meeting the requirements of state law;
- (b) Any ordinances or resolutions required in connection with tax levies or the raising of revenues;
- (c) Take any other action required by law in order to implement the budget of the City, including the establishment and maintenance of a system of accounts conforming to the uniform system of accounts required by state law.

#### **Sec. 5.07. Amendments after Adoption.**

- (a) *Supplemental Appropriations.* If during the fiscal year the city manager certifies that there are available for appropriation revenues in excess of those estimated in the budget, the city council by resolution may make supplemental appropriations for the year up to the amount of such excess.
- (b) *Emergency Appropriations.* To meet a public emergency affecting life, health, property or the public peace, the city council may make emergency appropriations. To the extent that there are no available unappropriated revenues or a sufficient fund balance to meet such appropriations, the council may provide by ordinance or resolution for borrowings authorized by state law.
- (c) *Reduction of Appropriations.* If at any time during the fiscal year it appears probable to the city manager that the revenues or fund balances available will be insufficient to finance the expenditures for which appropriations have been authorized, the manager shall report to the city council without delay,

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indicating the estimated amount of the deficit, any remedial action taken by the manager and recommendations as to any other steps to be taken. The council shall then take such further action as it deems necessary to prevent any deficit and for that purpose it shall by resolution reduce one (1) or more appropriations to avoid incurring a deficit at the end of the fiscal year.

- (d) *Transfer of Appropriations.* At any time during the fiscal year the city council may by resolution transfer part or all of the unencumbered appropriation balance from one (1) department or major organizational unit to the appropriation for other departments or major organizational units. The manager may transfer part or all of any unencumbered appropriation balances among programs within a department or organizational unit and shall report such transfers to the council in writing in a timely manner.
- (e) *Limitation; Effective Date.* No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof. The supplemental and emergency appropriations and reduction or transfer of appropriations authorized by this section may be made effective immediately upon adoption.

#### **Sec. 5.08. Lapse of Appropriations.**

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until expended, revised or repealed; the purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation.

#### **Sec. 5.09. Administration of the Budget.**

The city council may require the city manager to submit for review and approval written policies and procedures for administering the budget.

#### **Sec. 5.10. Overspending of Appropriations Prohibited.**

No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made and unless the city manager or the manager's designee first certifies that there is a sufficient unencumbered balance in such allotment or appropriation and that sufficient funds therefrom are or will be available to cover the claim or meet the obligation when it becomes due and payable. Any authorization of payment or incurring of obligation in violation of the provisions of this charter shall be void and any payment so made shall be illegal. Any officer violating this provision shall be dealt with in accordance with the laws of the State of Michigan. Except where prohibited by law, however, nothing in this charter shall be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed wholly or partly by the issuance of bonds or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year.

#### **Sec. 5.11. Public Records.**

Copies of the budget, capital program and appropriation and revenue ordinances shall be public records and shall be made available to the public at suitable places in the City.