

**BUDGET STABILIZATION FUND  
TOWNSHIP OF FRANKENLUST, MICHIGAN  
ord. no. 27 eff. Mar. 23, 1979**

An Ordinance to create a budget stabilization fund of the Township of Frankenlust, Bay County, Michigan pursuant to Michigan Public Act 30 of 1978.

**THE TOWNSHIP OF FRANKENLUST, BAY COUNTY, MICHIGAN HEREBY ORDAINS:**

**Sec. 1. DEFINITIONS.**

As used in this Ordinance.:

- A) "Fund" means a budget stabilization fund.
- B) "Municipality" means the Township of Frankenlust.  
(*ord. no. 27 eff. Mar. 23, 1979*)

**Sec. 2. APPROPRIATIONS; LIMIT; INVESTMENTS; EXCESS MONEY.**

- (1) Each fiscal year following the fiscal year in which a fund is created, the governing body of the municipality which created the fund may appropriate by an ordinance or resolution adopted by a 2/3 vote of the numbers elected and serving, all or part of a surplus in the general fund resulting from an excess of revenue in comparison to expense, to the fund.
- (2) A municipality 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.
- (3) The amount of money in the fund shall not exceed either 15% of the municipality's most recent general fund budget, as originally adopted, or 15% of the average of the municipality's 5 most recent general fund budgets, as amended, whichever is less.
- (4) The money in the fund may be invested as provided by law with the earnings of the fund to be returned to the municipality's general fund.
- (5) If the money in the fund exceeds that permitted in subsection (3), the excess money shall be appropriated in the municipality's next general fund budget, but shall not be appropriated to the fund.

*(ord. no. 27 eff. Mar. 23, 1979)*

**Sec. 3. PERMITTED USED.**

- (1) Money in the budget stabilization fund may be appropriated by an ordinance or resolution adopted by a 2/3 vote of the members elected and serving of the governing body of the municipality which created the fund for the following purposes:
  - a) To cover a general fund deficit, when the municipality'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 in a fiscal year when the municipality'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 municipality's estimated revenue does not appear sufficient to cover estimated expenses.
  - d) To cover expenses arising because of 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.
- (2) In determining whether a municipality'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. 27 eff. Mar. 23, 1979)*

**Sec. 4. PROHIBITED USES.**

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. 27 eff. Mar. 23, 1979)*

**Sec. 5. EFFECTIVE DATE.**

This Ordinance shall take immediate effect.  
*Adopted and Effective: March 23, 1979*