

CHARTER TOWNSHIP OF COMMERCE

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES, CHARTER TOWNSHIP OF COMMERCE, OAKLAND COUNTY, MICHIGAN TO BE KNOWN AS CODE AMENDMENT ORDINANCE NO. 1.049.

The Charter Township of Commerce ordains:

SECTION 1 –PURPOSE

The purpose of this Ordinance is to amend Chapter 2, Article V, of the Code of Ordinances, Charter Township of Commerce, Oakland County, Michigan, to add a new Division 7 entitled Budget Stabilization Fund, to ratify the budget stabilization fund created by resolution and maintained by the township and amend the terms governing operation of the budget stabilization fund to reflect changes in state law.

SECTION 2 – AMENDMENT

Chapter 2, Article V, Division 7, of the Code of Ordinances, Charter Township of Commerce, Oakland County, Michigan, is hereby created to read as follows:

DIVISION 7. - BUDGET STABILIZATION FUND

Sec. 2-321. - Established.

- (a) The Budget Stabilization Fund Act, Michigan PA 30 of 1978 allows for a municipality to create a budget stabilization fund by ordinance.
- (b) The township budget stabilization fund created by resolution on November 10, 2009 is hereby ratified and confirmed by this ordinance.
- (c) This division shall be known and cited as the budget stabilization fund ordinance.

Sec. 2-322. - Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except when the context clearly indicates a different meaning:

Fund means the budget stabilization fund.

Sec. 2-323. - Appropriation to the fund.

(a) Each fiscal year the township board may appropriate to the fund, by a resolution adopted by a two-thirds (2/3) vote of the board members elected and serving, all or part of a surplus in the general fund resulting from an excess of revenue in comparison to expenses.

(b) The township board shall not impose additional taxes producing revenue in excess of that needed for the township's estimated budget in order to provide money to be appropriated to the fund.

(c) The amount of money in the fund shall not exceed either twenty (20%) percent of the township's most recent general fund budget, as originally adopted, or twenty (20%) 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), the excess money shall be appropriated to the township's next general fund budget, but shall not be appropriated to the fund.

Sec. 2-324. - Use and appropriations of the fund.

(a) Money in the fund may be appropriated by resolution adopted by a two-thirds (2/3) vote of the members of the township board elected and serving.

(b) The money in the fund may be appropriated to:

- (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 of the fund, that money shall be returned to the fund.

(c) 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 from the previous fiscal year, including a reduction in the allocation of state tax money, shall be considered.

(d) The money in the fund shall not be appropriated for the acquisition, construction, or alteration of a facility as part of a general capital improvements program.

Secs. 2-325. – 2-340. – Reserved.

SECTION 3 – SEVERABILITY

Should any provision or part of this ordinance be declared by any court of competent jurisdiction to be invalid or unenforceable, the same shall not affect the validity or enforceability of the balance of this ordinance, which shall remain in full force and effect.

SECTION 4 – REPEALER

All other provisions of the Code of Ordinances, or ordinances or parts of ordinances, in conflict with this ordinance are hereby repealed only to the extent necessary to give this ordinance full force and effect.

SECTION 5 - SAVINGS CLAUSE

Nothing in this ordinance shall be construed to affect any suit or proceeding pending in any court or any rights acquired or any liability incurred, or any cause or causes of action acquired or existing, under the Code of Ordinances, or any act or ordinance hereby repealed as cited in Section 4 of this ordinance; nor shall any just or legal right or remedy of any character be lost, impaired, or affected by this ordinance.

SECTION 6 - EFFECTIVE DATE

This ordinance shall take effect following publication in the manner prescribed by law. This ordinance shall be published in the manner provided by law.

SECTION 7 – ADOPTION

This ordinance is hereby declared to have been adopted by the Township Board of the Charter Township of Commerce at a meeting duly called and held on the 18th day of August, 2020, and ordered to be given publication in the manner prescribed by law.

Melissa Creech, Clerk

David E. Scott, Supervisor

Introduction:	July 14, 2020
Introduction Publication:	July 22, 2020
Adopted:	August 18, 2020
Adoption Publication:	August 26, 2020
Effective:	August 26, 2020