

Chapter 15 – Budget Stabilization Fund

- 15.10 Creation. There is hereby established a budget stabilization fund. The fund shall be separate and distinct from the City's general fund. Appropriations to the fund and expenditures from the fund shall be made as provided in this section and shall comply with the requirements of Act 30 of the Public Acts of 1978, as amended, being M.C.L.A. 141.441 et. seq.
- 15.20 Purposes. The budget stabilization fund is created for the following purposes:
- (A) To cover a general fund deficit, when the City of Troy'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 City of Troy'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 City of Troy's estimated revenue does not appear sufficient to cover estimated expenses.
 - (D) 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 shall be returned to the fund.
- 15.30 Appropriations to the Fund. Commencing with the City of Troy's 2002-2003 fiscal year and continuing in each fiscal year thereafter, the City Council may appropriate all or part of a surplus in the general fund, which results from an excess of revenue in comparison to expenses, to the budget stabilization fund. The appropriation shall be made by ordinance or resolution, adopted by a two-thirds vote of the members elected or serving on City Council.
- 15.40 Tax Increase Prohibition. The City of Troy 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 budget stabilization fund.
- 15.50 Consideration of reduced state tax money. In determining whether the City of Troy'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.

Chapter 15 – Budget Stabilization Fund

- 15.60 Investment. The money in the budget stabilization fund may, from time to time, be invested as permitted by law. All earnings on the money from the budget stabilization fund shall be returned to the general fund of the City of Troy.
- 15.70 Limitations on Budget Stabilization Fund. The amount of money in the budget stabilization fund shall not exceed either fifteen percent of the City of Troy's most recent general fund budget, as originally adopted, or fifteen percent of the average of the City's five most recent general fund budgets, as amended, whichever is less. Monies in the budget stabilization fund in excess of the aforementioned limitations shall be appropriated in the City's next general fund budget, but shall not be appropriated to the budget stabilization fund.
- 15.80 Prohibitions on Uses of the Fund. 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.