

DETROIT WATER AND SEWERAGE DEPARTMENT
BOARD OF WATER COMMISSIONERS
BUDGET POLICY

September 26, 2012-304

Purpose: As permitted by Governing Law, this Policy defines the Board of Water Commissioner's role in Adopting the Budget for the Detroit Water and Sewerage Department.

Definitions: As used within this Policy the following terms have a defined meaning.

Adopted Budget: means the annual Budget for the Department as approved by the Board.

Adoption: means approval by the Board.

Board: means the City of Detroit Board of Water Commissioners.

Budget: means the annual plan of financial operation for DWSD for the following Fiscal Year including an estimate of all proposed expenditures the proposed means of financing the expenditures from available revenue. The Budget is adopted by the Board pursuant to Governing Law and this Policy.

Department or DWSD: means the City of Detroit Water and Sewerage Department.

Director: means the Director of DWSD or her designee.

Expenditure: means the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, debt retirement not reported as a liability of the fund from which retired, or capital outlay.

Fiscal Year: means the Fiscal Year of the City of Detroit or as otherwise modified by Board Resolution.

Governing Law: means those areas of law which govern the Board's actions pursuant to this Policy. Changes to Governing Law following Adoption of this Policy are deemed incorporated as a part of this Policy without the need for further Board action. Governing Law includes but is not limited to:

State of Michigan Uniform Budgeting and Accounting Act (UBAA), MCL 141.421, et seq., as amended.

City of Detroit Charter

Court Orders; including but not limited to the November 4, 2011, Order entered in United States of America v City of Detroit, et al, case no. 77-71100. Future Court Orders as well as future modifications of existing Court Orders impacting this Policy shall be deemed incorporated without further action by the Board.

Meeting: means a meeting conducted pursuant to the Open Meetings Act, MCL 15.261, et seq., as amended.

Proposed Budget: shall mean the Budget prepared by the Director and submitted to the Board for Adoption. The Proposed Budget shall include a narrative summary of the material presented to assist the Board in its deliberations.

Public Hearing: Shall mean a Board Meeting or a portion of a Board Meeting where members of the public are allowed to address the Board and otherwise participate as determined by the Board.

Revenue: means an addition to assets that does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets

Policy:

A) Budget Preparation

- 1) The Director shall prepare the Budget as permitted by Governing Law.
- 2) The Board shall supply information and take other requested actions to assist the Director in preparing the Budget.

B) Budget Adoption

- 1) The Budget shall be adopted by the Board in a manner permitted by Governing Law.
- 2) On or before November 1 and prior to submitting the Proposed Budget to the Board, the Board and the Director shall hold a Meeting to review programs, services, and activities to be included in the Budget and to receive public comment.
- 3) At least 10 days prior to the date on which the meeting referenced in Section B,2 of this Policy is held, the Department shall publish a general summary of programs, services, and activities funded in the current Fiscal Year. This notice shall be published in 1 or more daily

newspapers of general circulation within the City of Detroit and shall include the date, time, and place for the Meeting referenced in Section B,2 of this Policy, above.

3) The Director shall submit the Proposed Budget with a request for approval to the Board before its December Meeting prior to the Fiscal Year of the Proposed Budget. The Director shall present the Proposed Budget to the Board at its regularly scheduled December Meeting. Upon request of the Director, the Board may schedule a Meeting prior to its regularly scheduled December Meeting for that presentation.

4) The Director shall attend all Board Meetings at which the Proposed Budget is considered and shall supply the Board with information the Board requires for proper consideration of the Proposed Budget.

5) The Board shall conduct a Public Hearing on the Proposed Budget prior to its Adoption of the Budget. This Public Hearing may be conducted at the same Meeting in which the Board adopts the Budget.

6) The Board shall Adopt the Budget as proposed or with modifications at a Meeting on or before January 31st prior to the Fiscal Year of the Budget. If the Board fails to Adopt a Budget prior to that January 31st date, the Proposed Budget shall be deemed the Adopted Budget for the Department.

C) Budget Amendment

1) If necessary, an amendment to the Adopted Budget shall be Adopted by the Board in a manner permitted by Governing Law.

2) If during the Fiscal Year, it becomes apparent to the Director that a deviation from the Adopted Budget is necessary and the amount of the deviation can be determined, the Director shall present a proposed amendment to the Adopted Budget. The proposed amendment to the Adopted Budget shall indicate each intended alteration in the purpose of each item affected by that amendment.

3) If the Board fails to act upon a proposed Budget amendment within 30 days following submission of that proposed amendment by the Director to the Board, then that amendment shall be deemed a part of the Adopted Budget.