



**EMERGENCY FINANCIAL MANAGER
CITY OF FLINT
GENESEE COUNTY MICHIGAN**

ORDER No. 3

BUDGETARY OVERSIGHT & TERMINATION OF LINE ITEM LEVEL

BY THE POWER AND AUTHORITY VESTED IN THE EMERGENCY FINANCIAL MANAGER ("EMERGENCY FINANCIAL MANAGER") FOR THE CITY OF FLINT, MICHIGAN ("CITY") PURSUANT TO PUBLIC ACT 72 OF 1990, THE LOCAL GOVERNMENT FISCAL RESPONSIBILITY ACT, MCL 141.1201 *et seq* ("PUBLIC ACT 72"), EDWARD J. KURTZ, THE EMERGENCY FINANCIAL MANAGER, ISSUES THE FOLLOWING ORDER:

On May 15, 1990, the Local Government Fiscal Responsibility Act, Public Act 72 of 1990, ("Public Act 72") was enacted to provide for review, management, planning, and control of the financial operation of units of local government; to provide criteria to be used in determining the financial condition of a local government; to permit a declaration of the existence of a local government financial emergency and to prescribe the powers and duties of the governor, other state boards, agencies, and officials, and officials and employees of units of local government; and

On August 8, 2012, the Local Emergency Financial Assistance Loan Board appointed Edward J. Kurtz as the Emergency Financial Manager for the City of Flint; and

Pursuant to Public Act 72, the Emergency Financial Manager exercises the authority and responsibilities of the Mayor and City Council concerning the adoption, amendment, and enforcement of ordinances and resolutions affecting the financial condition of City of Flint; and

Pursuant to Public Act 72, the Emergency Financial Manager has the authority to approve or disapprove all outstanding financial obligations of the City of Flint; and

Pursuant to Public Act 72, the Emergency Financial Manager has the authority to amend, revise, approve, or disapprove the budget of the City of Flint, and limit the total amount appropriated or expended during the balance of the financial emergency; and

Based on the foregoing, it is hereby ordered that all City officials, department heads and division heads shall adhere to the following budgetary guidelines and responsibilities:

1. Budgetary authority is **not** a mandate to spend.
2. Departmental expenses are to be managed within the amounts authorized in the department's budgets.
3. All possible actions are to be taken to keep expenses as low as possible.
4. It is vital that all budgeted revenues are collected.
5. It is extremely important that all are continuously seeking and recommending ways of operating more efficiently and at lesser cost.
6. All budgetary revenues and expenditures must be continually monitored and the Finance Department must be immediately advised of any variances that become apparent, along with recommendations for addressing such variances.

The suspension of the line item budget requirement enacted by order of Emergency Manager Michael K. Brown is continued, with the following procedure to be enacted for budget transfers:

1. Budget Adjustments: A City department may move monies within its departmental budget between line items (within the same fund) by making a request for a budget adjustment to the Finance Department, except in wage, overtime and fringe benefit accounts.
2. Budget Amendments: A budget amendment request for amounts up to \$10,000 must be submitted to the Finance Director for approval. A budget amendment resolution for more than \$10,000 must be submitted to the Finance Director and Emergency Financial Manager for approval.

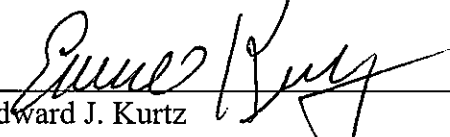
Budget Amendments include:

- a. Transfers to and from wage, overtime and/or fringe benefit accounts
- b. Transfers between funds
- c. Transfers from fund balance
- d. Transfers between departments

This Order may be amended, modified, repealed or terminated by any subsequent order issued by the Emergency Financial Manager.

Dated: 8-21-12

By:



Edward J. Kurtz
Emergency Financial Manager
City of Flint

xc: State of Michigan Department of Treasury
Mayor Dayne Walling
Flint City Council
Inez Brown, City Clerk