

RESOLUTION

NO: 804-278

LIVINGSTON COUNTY

DATE: August 23, 2004

RESOLUTION TO APPROVE THE POLICY TO PROVIDE FOR THE ACCOUNTING AND USE OF THE REVENUES OF THE LIVINGSTON COUNTY AIRPORT AND FOR THE REPAYMENT BY THE AIRPORT OF ADVANCES FROM THE GENERAL FUND - Finance

WHEREAS, Livingston County wishes to provide for the accounting and use of the revenues of the Airport and for the repayment by the Airport of advances from the County's General Fund; and

WHEREAS, the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended, does grant a county the authority to enact a Policy establishing funds and accounts for the revenues of a public improvement which includes an airport; and

WHEREAS, the Livingston County Finance Subcommittee, after having reviewed the attached policy, recommends that the Board of Commissioners approves its adoption.

THEREFORE BE IT RESOLVED that the Livingston County Board of Commissioners hereby approves the adoption of the attached policy to provide for the accounting and use of the revenues of the Livingston County Airport and for the repayment by the Airport of advances from the General Fund.

BE IT FURTHER RESOLVED that the attached policy supercedes any and all other ordinances, resolutions, policies or orders, or parts of, in conflict with the provisions of this Policy.

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MOVED: Commissioner Parker
SUPPORTED: Commissioner Chrysler
CARRIED: 9-0-0

COUNTY-OF LIVINGSTON

State of Michigan

A POLICY TO PROVIDE FOR THE ACCOUNTING AND USE
OF THE REVENUES OF THE LIVINGSTON COUNTY
AIRPORT AND FOR THE REPAYMENT BY THE AIRPORT
OF ADVANCES FROM THE GENERAL FUND.

WHEREAS, the County of Livingston, State of Michigan (the "County") operates the Livingston County Airport (the "Airport") through the Livingston County Aeronautical Facilities Board (the "Airport Board") pursuant to the provisions of the Aeronautics Code of the State of Michigan, Act 327, Public Acts of Michigan, 1945, as amended; and

WHEREAS, the County wishes to provide for the accounting and use of the revenues of the Airport and for the repayment by the Airport of advances from the County's general fund; and

WHEREAS, the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended, ("Act 94") grants a county the authority to enact a Policy establishing funds and accounts for the revenues of a public improvement, including an airport.

NOW, THEREFORE, TOWNSHIP OF LIVINGSTON ORDAINS:

Section I. Definitions. Whenever used in this Policy, except when otherwise indicated by the context, the following terms when capitalized shall have the following meanings:

(a) "Airport" means the entire Livingston County Airport as presently owned by the County and operated on behalf of the County by the Airport Board, including such facilities thereof as are now existing and all appurtenances, additions, enlargements, extensions, repairs and improvements thereto hereafter made.

(b) "Debt" shall mean any bonds, notes, installment purchase obligations, or other debt obligations which may be issued by the County for the purpose of making repairs, extensions, enlargements and improvements to the Airport, for the payment of which the County intends to use Net Revenues.

(c) "Rates and Charges" means the charges, fees, rentals and rates charged for the use of the Airport or any of its facilities, services and commodities, including, but not limited to, concession fees and charges, rentals, service charges, airplane landing fees, gasoline fees, and miscellaneous fees, charges and rentals from other Airport facilities and services.

(d) "Revenues" shall be construed to mean the general revenues derived from the operation of the Airport, which shall include all income derived from the charges, fees, rentals and rates charged for services, facilities and commodities furnished by the Airport, regardless of whether such income shall be derived from its function as an Airport, and including, but not by way of limitation, concessions, rentals, airplane landing fees, gasoline fees, and miscellaneous charges and rentals from other facilities and services. The term "revenues" shall not be construed to mean or include specific rentals to be paid in the future by any air transportation company or fixed base operator pursuant to lease or agreement with the County or the Airport Board, which specific rentals are pledged for the payment of debt issued to provide funds to construct special buildings or facilities for the use of said air transportation company or fixed base operator in maintaining or servicing its aircraft or equipment, or carrying out air cargo operations.

(e) "Net Revenues" means the revenues of the Airport remaining after deducting the reasonable expenses of administration, operation and maintenance of the Airport.

Section 2. Fiscal Year. The Fiscal Year for the Airport shall run concurrently with the Fiscal Year of the County.

Section 3. Budget. Every year the Airport Board shall prepare a budget showing in detail the estimated costs of administration, operation and maintenance of the Airport for the next ensuing Fiscal Year in compliance with the requirements of Section 15 of the Uniform Budgeting and Accounting Act, Act 2 of 1968, as amended. The budget shall be approved by the Airport Board by August 1 of the preceding Fiscal Year and forwarded to the County Administrator.

Section 4. Rates and Charges. The Rates and Charges for the services, facilities and commodities of the Airport shall be those established by the Airport Board and approved by the County Board of Commissioners, as such Rates and Charges may from time to time be revised.

Section 5. Advances from County. The County Board of Commissioners has, in the past, and may, in the future, vote to advance money to the Airport from the County's general fund. The Airport shall pay the County interest on each principal installment advanced by the County from the date such principal is advanced at such rate of interest as the Board of Commissioners shall determine, and such interest shall accrue until such advance is repaid to the County. Nothing in this Policy shall be construed to require the Board of Commissioners to advance money to the Airport.

On each date that the County advances money to the Airport the County Administrator shall prepare and deliver to the Airport Board and the Board of Commissioners a schedule containing the information shown on Exhibit A of this Policy in such format as the County Administrator shall determine to be appropriate.

Section 6. Funds and Accounts: Flow of Funds. The Revenues of the Airport shall be set aside as collected and credited to a separate depository account to be designated as the AIRPORT RECEIVING FUND (the "Receiving Fund"). The Revenues credited to the Receiving Fund are pledged for the purpose of the following accounts and shall be transferred or debited

from the Receiving Fund periodically in the manner, at the times, and in the order of priority hereinafter specified, provided that no transfer shall be required to be made to an account on any date if the amount on deposit in the account is sufficient to meet the requirements of this Policy.

A. DEBT PAYMENT ACCOUNT:

In the event the County issues Debt payable from Net Revenues, there shall be established and maintained a separate depository account designated as the DEBT PAYMENT ACCOUNT (the "Debt Payment Account"), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the Debt. The Debt Payment Account may be divided into separate accounts.

Out of the Revenues credited to the Receiving Fund there shall be first set aside in the Debt Payment Account the amount necessary to provide for the payment when due of the principal of and interest on Debt including any amounts necessary to maintain any reserve account.

B. REPAYMENT ACCOUNT:

The Airport shall maintain a separate account designated as the REPAYMENT ACCOUNT (the "Repayment Account"). Out of the Revenues and moneys of the Airport remaining in the Receiving Fund, after provision has been made for the transfer of moneys to the Debt Payment Account, the Airport shall deposit funds into the Repayment Account to be used to repay the County for any moneys advanced to the Airport under Section 5 of this Policy and interest accrued thereon. The County Administrator shall determine the amount of the Revenues and moneys of the Airport to be periodically transferred from the Receiving Fund to the Repayment Account by providing a payment schedule to the Airport or by consulting periodically with the Airport. The moneys in the Repayment Account shall be applied first to payment of interest accrued on the moneys advanced and then to payment (in whole or in part) of the earliest installment or installments of the principal advanced.

C. OPERATION AND MAINTENANCE ACCOUNT:

The Airport shall maintain a separate account designated as the OPERATION AND MAINTENANCE ACCOUNT (the "Operation and Maintenance Account"). Out of the Revenues and moneys of the Airport remaining in the Receiving Fund, after provision has been made for the transfer of moneys to the Debt Payment Account and the Repayment Account, the Airport shall deposit any remaining funds into the Operation and Maintenance Account to provide for the payment of expenses of administration and operation of the Airport and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

D. IMPROVEMENT ACCOUNT:

If the Airport generates sufficient Revenues to provide for the transfer of moneys to fulfill the requirements of the Debt Payment Account and the Operation and Maintenance Account., and if the Airport does not owe money to the County in repayment for advances made to the Airport under Section 5 of this Policy. then the Airport Board may. with the approval of the County Board of Commissioners. establish and maintain a separate account, pursuant to Section 8 of this Policy, designated as the IMPROVEMENT ACCOUNT (the "Improvement Account"), the money credited thereto to be used for the purpose of making improvements, additions, extensions, repairs, and replacements to the Airport including its equipment and facilities.

In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Debt Payment Account or the Operation and Maintenance Account, the Airport shall transfer the moneys in the Improvement Account to the Debt Payment Account or the Operation and Maintenance Account before requesting the County to advance moneys from its general fund.

E. SURPLUS MONEYS:

Thereafter, any Revenues in the Receiving Fund after satisfying all the foregoing requirements of this Section 6 may, at the discretion of the County Board of Commissioners, be used for any other purpose permitted by law and in conformity with standards established by the Governmental Accounting Standards Board (GASB).

Section 7. Priority of Funds and Accounts. In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Debt Payment Account, the Repayment Account., or the Operation and Maintenance Account, any moneys or securities in other funds or accounts of the Airport, except the proceeds of sale of any Debt, shall be credited or transferred, first, to the Debt Payment Account, and second, if the moneys on deposit in the Debt Payment Account are sufficient to meet the requirements of the Debt Payment Account, shall be credited or transferred to the Repayment Account, and third, if the Airport has deposited funds into the Repayment Account to the extent required by the County Administrator, to the Operation and Maintenance Account, and finally, if the Airport has provided for the payment of expenses of administration and operation of the Airport and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order, then to the Improvement Account, if any.

Section 8. Depository and Funds on Hand. Moneys in the several funds and the accounts established pursuant to this Policy, except moneys in the Debt Payment Account (including any reserve account which may be established on a future date) and moneys derived from the proceeds of sale of any Debt, may be kept in one bank account at a bank or banks designated by the County Treasurer, and if kept in one bank account the moneys shall be allocated among the several funds and accounts on the books and records of the Aiipport in the manner and at the times provided in this Policy.

Section 9. Investments. Moneys in the funds and accounts established herein may be invested by the County Treasurer in United States of America obligations or in obligations the principal of and interest on which is fully guaranteed by the United States of America and any other investments hereafter permitted by law. If the moneys invested are kept in one account, as provided in Section 8 of this Policy, then the moneys shall be allocated among the several funds and accounts on the books and records of the Airport in the manner and at the times provided in this Policy.

In the event investments are made, any securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or account from which the purchase was made. Gains realized or interest income earned on investment of funds in the Receiving Fund, the Operation and Maintenance Account, and the Improvement Account shall be deposited in or credited to the Receiving Fund at the end of each fiscal year. Gains realized on interest income earned on investment of moneys in the Debt Payment Account (including income derived from any reserve account), shall be credited as received to such account, provided that any reserve account therein is fully funded.

Section 10. Repeal of Prior Ordinances. Ordinance No. 490-084 and all other ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Policy are repealed.

Section 11. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this Policy shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Policy. The paragraph headings in this Policy are furnished for convenience of reference only and shall not be considered to be part of this Policy.

Section 12. Publication and Recordation. In accordance with the provisions of Section 6 of Act 94, this Policy shall be published once in full in the Livingston County Daily Press & Argus, a newspaper of general circulation in the County of Livingston qualified under State of Michigan law to publish legal notices, promptly after its adoption, and shall be recorded in the Policy Book of the County and such recording authenticated by the signatures of the Chairman of the County Board of Commissioners and the County Clerk.

Section 13. Effective Date. As provided in Act 94, this Policy shall be effective upon its adoption.

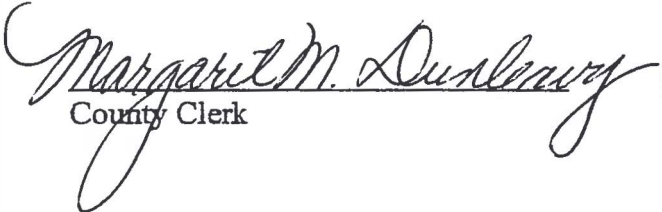
I hereby certify that the foregoing is a true and complete copy of a policy enacted by the County Board of Commissioners of Livingston, State of Michigan, at a Regular Meeting held on August 23, 2004, 7:30 p.m. prevailing Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to the Open Meetings Act, being Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

I further certify that the following County Board members were present at said meeting Chrysler, Belser, Palazzolo, Dolan and that the following County Board members were absent Andersen, Parker, Reader, Rogers, LaBelle 0.

I further certify that County Board member Parker moved adoption of said Policy, and that said motion was supported by County Board member Chrysler.

I further certify that the following County Board members voted for adoption of said Policy Chrysler, Belser, Parker, Reader, Rogers, Palazzolo, Andersen, Labelle, Dolan following County Board members voted against adoption of said Policy -0-.

I further certify that said Policy has been recorded in the Policy Book and that such recording has been authenticated by the signature of the County Clerk.


County Clerk

