

FISCAL YEAR 2023
1st QUARTER PROPOSED BUDGET AMENDMENT

	Current 2023 Budget	1st Qtr Amendment	Proposed 2023 Budget
Total Revenues	\$ 156,331,550	\$ 6,258,710	\$ 162,590,260
<i>Operating Expense</i>	<i>\$ 115,482,210</i>	<i>\$ 3,178,250</i>	<i>\$ 118,660,460</i>
<i>Capital Outlay Expense</i>	<i>34,751,030</i>	<i>17,375,180</i>	<i>52,126,210</i>
<i>Transfer-Out Expense</i>	<i>30,750,870</i>	<i>2,498,630</i>	<i>33,249,500</i>
Total Expenses	\$ 180,984,110	\$ 23,052,060	\$ 204,036,170
To/(From) Fund Balance	\$ (24,652,560)	\$ (16,793,350)	\$ (41,445,910)

Grand Total Citywide Revenue, Expense, and Fund Balance Impact:

The FY 2023 1st Quarter Budget Amendment proposes an increase in total revenues of +\$6,258,710 and an increase in total expenses of +\$23,052,060. The proposed increase in revenues less the increase in expenses will have a net impact on citywide fund balances and retained earnings of (\$16,793,350).

Some of the most significant financial items presented as part of this FY 2023 1st Quarter Budget Amendment include:

- Increase of \$6,258,710 in Total Revenues due to:
 - Revenue recognition of ARPA dollars planned to be expended in FY 2023 from the ARPA Fund (285)
 - Avondale Schools revenue from the new Police School Liaison Contract in the Special Police Fund (207)
 - Drinking Water Asset Management Grant (DWAM) in the Water & Sewer Capital Fund (593)
 - Transfers-in of funding with corresponding transfers-out from other funds
- Increase of \$3,178,250 in Operating Expenditures due to:
 - Carryover of operating equipment, community promotions, and professional/contractual services in the General Fund (101)
 - TIA membership increase in the Major Road Fund (202)
 - Professional Services increase in the Fire Fund (206)
 - Carryover of operating equipment in the Fire Capital Fund (402)
 - Carryover of operating equipment in the Capital Improvement Fund (420)
 - Carryover of Water Meters and Remote Reading Supplies in the Water & Sewer Operating Fund (510 & 530)
 - Drinking Water Asset Management (DWAM) Consultant in the Water & Sewer Capital Fund (593)
 - Carryover of operating equipment, professional services, and maintenance and repair projects in the Facilities Fund (631)
 - Carryover of the Economic Development Strategy Implementation in the LDFA Fund (848)
 - Carryover of Hamlin Road site development agreement in the LDFA Fund (848)
- Increase of \$17,375,180 million in Capital Projects due to:

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- Primarily due to the carryover of \$13.9M in capital projects not fully completed in FY 2022
- Additional budgeted funding for Fire Engine #3 in the Fire Capital Fund (402)
- Additional budgeted funding for Oakland Macomb Interceptor Assessment in the W/S Capital Fund (593)
- Additional budgeted funding for Dutton Bridge Replacement W/S Relocation in the W/S Capital Fund (593)
- Additional budgeted funding for Drexelgate Watermain Replacement in the W/S Capital Fund (593)
- Additional budgeted funding for Bloomer Park Parking Lot Reconstruction in the Facilities Fund (631)
- Additional budgeted funding for Cricket Pitch Redevelopment in the Facilities Fund (631)
- Additional budgeted funding for the Municipal Tractor in the Fleet Fund (661)

Major Road Fund	\$ 1,601,680
Fire Capital Fund	\$ 1,700,900
Pathway Construction Fund	\$ 458,750
Capital Improvement Fund	\$ 72,000
W&S Capital Fund	\$ 7,057,600
Facilities Fund	\$ 4,728,590
MIS Fund	\$ 220,000
Fleet Fund	\$ 1,535,660
TOTAL	\$ 17,375,180

- Increase of \$2,498,630 in Transfers-Out due to:
 - ARPA Fund (285) to General Fund (101) for Carryover of Not-For-Profit-Assistance and Economic Development Strategy Implementation
 - LDFA Fund (848) to Pathway Construction Fund (403) for Carryover of Adams Road Pathway Crossing
 - Capital Improvement Fund (420) to the Facilities Fund (631) for capital projects
 - Offset by a reduction in funding from the General Fund (101) to the Capital Improvement Fund (420)

Summary by Fund

101 - General Fund

General Fund revenues are proposed to increase by +\$202,500 due to:

- Carryover of \$37,500 for the MEDC Grant
- Carryover of \$165,000 transferred in from ARPA Fund (285)

General Fund expenditures are proposed to increase by +\$202,500 due to:

- Increase of \$852,000 in operating expenditures due to:
 - City Council / Interlocal Agreements = +\$100,000
 - Not-For-Profit Assistance (ARPA) (carryover from FY 2022)
 - City Council / Misc. Expense – Youth Council = +\$2,200
 - Youth Council Programs/Supplies (carryover from FY 2022)

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- Mayor / Professional Services = +\$20,000
 - Resident Opinion Survey (carryover from FY 2022)
- Mayor / Professional Services = +\$50,400
 - Budget Software (carryover from FY 2022)
- Mayor / Community Promotions = +\$13,100
 - Community Promotions Supplies (carryover from FY 2022)
- Elections / Operating Equipment = +\$20,000
 - Five (5) New Election Drop Boxes
- Clerks / Professional Services = +\$400,000
 - Document Management System (carryover from FY 2022)
- Human Resources / Professional Services = +\$50,000
 - Compensation Study (carryover from FY 2022)
- Cemetery / Professional Services = +\$40,000
 - Cemetery Marker Project (\$22,500 carryover from FY 2022)
- Planning / Professional Services = +71,300
 - Gateway and Streetscape Plan (carryover from FY 2022)
- Planning / Professional Services = +65,000
 - Economic Development Strategy Implementation (carryover from FY 2022)
- Parks / Professional Services = +\$20,000
 - Innovation Hills Holiday Lighting
- Decrease of (\$649,500) in transfers-out due to:
 - Decrease of (\$649,500) to Capital Improvement Fund to balance

The increase in revenues less the increase in expenditures has no impact on fund balance.

202 - Major Road Fund

Major Road Fund expenditures are proposed to increase by +\$1,605,980 due to:

- Increase of +\$4,300 in operating expenditures due to:
 - Increased TIA Membership Fees
- Increase of +\$1,601,680 in capital projects:

Major Road Fund Capital Project Change Summary			
Project Title	2023 Adopted Budget	1st Qtr Amenddment	2023 Amended Budget
MR-17: Avon Industrial Drive Rehabilitation PE [Carryover]	\$ -	\$ 66,000	\$ 66,000
MR-27: Major Road Bridge Rehabilitation [Carryover]	\$ -	\$ 15,000	\$ 15,000
MR-05H: Adams Road Widening (Hamlin to Walton) [Carryover]	\$ -	\$ 125,000	\$ 125,000
MR-37A: Barclay Circle Rehabilitation PE [Carryover]	\$ -	\$ 130,000	\$ 130,000
MR-13C: Avon/Dequindre/23 Mile Project [Carryover]	\$ -	\$ 695,420	\$ 695,420
MR-16C: Auburn Road [Rochester - Culbertson] [Carryover]	\$ -	\$ 128,010	\$ 128,010
MR-60: Waterview Drive Reconstruction [Carryover]	\$ -	\$ 100,000	\$ 100,000
MR-62: Old Perch Reconstruction [Carryover]	\$ -	\$ 35,000	\$ 35,000
MR-61/PK-11: Drexelgate Road Rehab & Pathway [Carryover]	\$ -	\$ 142,090	\$ 142,090
PK-11: Drexelgate Pathway ROW [Carryover]	\$ -	\$ 50,000	\$ 50,000
PW-01: 2022 Pathway Rehab [Major Road Portion] [Carryover]	\$ -	\$ 115,160	\$ 115,160
All Other Major Road Capital Projects	\$ 5,538,750	\$ -	\$ 5,538,750
Capital Project Total	\$ 5,538,750	\$ 1,601,680	\$ 7,140,430

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The increase in expenditures will have a net impact on fund balance of (\$1,605,980).

206 – Fire Fund

Fire Fund expenditures are proposed to change due to:

- Increase of +\$5,500 in Professional Services
- Decrease of (\$5,500) in Transfer-Out to Fire Capital Fund

The change in expenditures will have no impact on fund balance.

207 – Special Police Fund

Special Police Fund revenues are proposed to increase by +\$54,430 due to:

- Increase in Avondale Schools contributions due to new Police School Liaison Agreement

The increase in revenues will have a net impact on fund balance of +\$54,430.

285 – ARPA Fund

ARPA Fund revenues are proposed to increase by +\$3,010,970 due to:

- Recognizing the revenue of ARPA funds planned to be expensed in FY 2023

ARPA Fund expenditures are proposed to increase by +\$1,353,000 due to:

- Transfer-Out to General Fund (101) and Fire Capital Fund (402) for projects carried over from FY 2022

The increase in revenues less the increase in expenditures will have a net impact on fund balance of +\$1,657,970, so that projected revenues will equal projected expenditures.

402 – Fire Capital Fund

Fire Capital Fund revenues are proposed to increase by +\$1,182,500 due to:

- Increase of +\$1,188,000 in transfer in from the ARPA Fund (285) for the purchase of three (3) Ambulances
- Decrease of (\$5,550) in transfer in from the Fire Fund (206)

Fire Capital Fund expenditures are proposed to increase by +\$1,788,450 due to:

- Increase of +\$87,550 in operating expenditures due to:
 - Operating equipment carried over from FY 2022
- Increase of \$1,700,900 in capital projects:

Fire Capital Project Change Summary			
Project Title	2023 Adopted Budget	1st Qtr Amendmdent	2023 Amended Budget
Heart Monitors [Carryover]	\$ -	\$ 15,000	\$ 15,000
Ladder #5 Refurb [Carryover]	\$ -	\$ 222,900	\$ 222,900
Fire Engine #3 [Increase]	\$ 600,000	\$ 275,000	\$ 875,000
Ambulance [Carryover]	\$ -	\$ 396,000	\$ 396,000
Ambulance [Carryover]	\$ -	\$ 396,000	\$ 396,000
Ambulance [Carryover]	\$ -	\$ 396,000	\$ 396,000
All Other Fire Capital Projects	\$ 569,210	\$ -	\$ 569,210
Capital Project Total	\$ 1,169,210	\$ 1,700,900	\$ 2,870,110

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The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$605,950).

403 – Pathway Construction Fund

Pathway Construction Fund revenues are proposed to increase by +\$295,000 due to:

- Increase Transfer-In from LDFA Fund for Adams Road @ CRT Pathway Crossing (carryover from FY 2022)

Pathway Construction Fund expenditures are proposed to increase by +\$458,750 due to:

- Increase of +\$458,750 in capital projects:

Pathway Capital Project Change Summary			
Project Title	2023 Adopted Budget	1st Qtr Amendmdent	2023 Amended Budget
PW-01 / 2022 Pathway Rehabilitation Program [Carryover]	\$ -	\$ 87,500	\$ 87,500
PW-07C / Adams Pathway [Powderhorn Ridge - Tienken] [Carryover]	\$ -	\$ 35,000	\$ 35,000
PW-07D / Adams @ CRT Pathway Crossing [Carryover]	\$ -	\$ 295,000	\$ 295,000
PW-49A / Avon Road Pathway [LeGrande - Cider Mill Village] [Carryover]	\$ -	\$ 33,750	\$ 33,750
PW-49A / Avon Road Pathway [LeGrande - Cider Mill Village] ROW [Carryover]	\$ -	\$ 7,500	\$ 7,500
All Other Pathway Capital Projects	\$ 175,000	\$ -	\$ 175,000
Capital Project Total	\$ 175,000	\$ 458,750	\$ 633,750

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$163,750).

420 – Capital Improvement Fund

Capital Improvement Fund revenues are proposed to decrease by (\$649,500) due to:

- Decrease of funding transferred in from General Fund (101)

Capital Improvement Fund expenditures are proposed to increase by +\$1,607,630 due to:

- Increase of +\$30,000 in operating expenditures due to:
 - Operating equipment carried over from FY 2022
- Increase of +\$72,000 in capital projects:

Capital Improvement Fund Project Change Summary			
Project Title	2023 Adopted Budget	1st Qtr Amendmdent	2023 Amended Budget
Plan Review Table [Carryover]	\$ -	\$ 30,000	\$ 30,000
Media Capital Equipment [Carryover]	\$ -	\$ 32,000	\$ 32,000
Microfilm Reader [Carryover]	\$ -	\$ 10,000	\$ 10,000
All Other Capital Projects	\$ 27,000	\$ -	\$ 27,000
Capital Project Total	\$ 27,000	\$ 72,000	\$ 99,000

- Increase of +\$1,505,630 in transfers out due to:
 - Increase of +\$1,505,630 to the Facilities Fund (631) for capital projects, primarily projects carried over from FY 2022

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The decrease in revenues less the increase in expenditures will have a net impact on fund balance of (\$2,257,130).

510 – Sanitary Sewer Division

Sanitary Sewer Division expenses are proposed to increase by +\$225,750 due to:

- Increase of +\$225,750 in operating expenditures due to:
 - Carryover of water meters and MXU carried over from FY 2022

The increase in expenses will have a net impact on retained earnings of (\$225,750).

530 – Water Division

Water Division expenses are proposed to increase by +\$225,750 due to:

- Increase of +\$225,750 in operating expenditures due to:
 - Carryover of water meters and MXU carried over from FY 2022

The increase in expenses will have a net impact on retained earnings of (\$225,750).

593 – Water & Sewer Capital Fund

Water & Sewer Capital Fund revenues are proposed to increase by +\$657,180 due to:

- Carryover of +\$657,180 for the State of Michigan Drinking Water Asset Management (DWAM) Grant

Water & Sewer Capital Fund expenses are proposed to increase by +\$7,714,780 due to:

- Increase of +\$657,180 in operating expenses due to:
 - Drinking Water Asset Management (DWAM) Consultant (carryover from FY 2022)
- Increase of +\$7,057,600 in capital projects including:

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Water & Sewer Capital Fund Project Change Summary			
Project Title	2023 Adopted Budget	1st Qtr Amendmdent	2023 Amended Budget
SS-02B: RedZone Project [Carryover]	\$ -	\$ 50,000	\$ 50,000
SS-10B: Wimberly Drive Sanitary Sewer Repairs [Carryover]	\$ -	\$ 200,000	\$ 200,000
SS-11: OMID Improvements / NIEA Rehab Phase III [Carryover]	\$ -	\$ 1,550,000	\$ 1,550,000
SS-11: OMID Improvements / Odor Control System [Increase]	\$ 750,000	\$ 250,000	\$ 1,000,000
WS-08: Tienken Manor / WS-57: Grosse Pines Sub WM Replacement [Carryover]	\$ -	\$ 25,000	\$ 25,000
WS-38: Springhill Sub WM Replacement [Carryover]	\$ -	\$ 250,000	\$ 250,000
WS-43: Ascension Providence Rochester WM PE [Carryover]	\$ -	\$ 87,500	\$ 87,500
WS-50: Rochester Knolls Sub WM PE [Carryover]	\$ -	\$ 259,250	\$ 259,250
WS-59: Auburn Road WM [Rochester - Culbertson] [Carryover]	\$ -	\$ 1,161,970	\$ 1,161,970
Dutton Bridge Replacement W/S Relocation [Increase]	\$ -	\$ 100,000	\$ 100,000
Drexelgate WM Replacement [Increase]	\$ -	\$ 1,600,000	\$ 1,600,000
FA-04E: DPS Garage Ventilation [Carryover]	\$ -	\$ 90,000	\$ 90,000
WS-02B: Booster Station #1 Generator [Carryover]	\$ -	\$ 50,000	\$ 50,000
WS-39: Valve Turner (x2) [Carryover]	\$ -	\$ 75,000	\$ 75,000
SS-01B: SCADA System Upgrade Radio System [Carryover]	\$ -	\$ 415,000	\$ 415,000
SS-01B: SCADA System Upgrade Server/Hardware/Software [Carryover]	\$ -	\$ 733,880	\$ 733,880
DPS Garage ERV #1 & #2 Replacement [Carryover]	\$ -	\$ 160,000	\$ 160,000
All Other Water & Sewer Capital Projects	\$ 10,458,410	\$ -	\$ 10,458,410
Capital Project Total	\$ 11,208,410	\$ 7,057,600	\$ 18,266,010

The increase in revenues less the increase in expenditures will have a net impact on retained earnings of (\$7,057,600).

631 - Facilities Fund

Facilities Fund revenues are proposed to increase by +\$1,505,630 due to:

- Transfers In from Capital Improvement Fund (420) for capital projects, primarily projects carried over from FY 2022

Facilities Fund expenses are proposed to increase by +\$5,265,810 due to:

- Increase of +\$537,220 in operating expenses due to:
 - Carryover of Operating Equipment, Professional Services and Maintenance and Repair projects from 2022
- Increase of +\$4,728,590 in capital projects:

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Facilities Fund Project Change Summary			
Project Title	2023 Adopted Budget	1st Qtr Amendmment	2023 Amended Budget
PK-13: Innovation Hills Development [Carryover]	\$ 650,000	\$ 1,110,300	\$ 1,760,300
PK-13: Innovation Hills Ranger Station [Carryover]	\$ -	\$ 147,100	\$ 147,100
Auburn Road Corridor / South Parking Lot [Carryover]	\$ -	\$ 582,100	\$ 582,100
PK-04H: Spencer Park Entrance Pathway PE [Carryover]	\$ -	\$ 19,290	\$ 19,290
Bloomer Park Cricket Pitch Drainage Improvements [Increase]	\$ -	\$ 150,000	\$ 150,000
Park Roof Replacements [Carryover]	\$ -	\$ 72,930	\$ 72,930
PK-05M: Borden Park Materials Storage Building [Carryover]	\$ -	\$ 80,000	\$ 80,000
PK-01J: Bloomer Park Stone Shelter Upgrades PE [Carryover]	\$ -	\$ 30,000	\$ 30,000
FA-10B: Borden Park Parking Lot Rehabilitation [Carryover]	\$ -	\$ 517,200	\$ 517,200
FA-10B: Bloomer Park Parking Lot Rehabilitation PE [Carryover]	\$ -	\$ 162,930	\$ 162,930
FA-10B: Bloomer Park Parking Lot Rehabilitation [Increase]	\$ 3,250,000	\$ 1,000,000	\$ 4,250,000
PK-05H: Borden Park Restroom & Office Building [Carryover]	\$ -	\$ 178,190	\$ 178,190
PK-05G: Parks Court Rehabilitation [Carryover]	\$ -	\$ 232,500	\$ 232,500
PK-01L: Bloomer Park Brick House Sanitary Drain [Carryover]	\$ -	\$ 55,000	\$ 55,000
CRT @ Leach - Drinking Fountain [Carryover]	\$ -	\$ 6,000	\$ 6,000
City Hall HVAC / Air Handler #1 & #2 [Carryover]	\$ -	\$ 67,200	\$ 67,200
OCSO Boiler [Carryover]	\$ -	\$ 125,000	\$ 125,000
FA-12A: OCSO Water Heater [Carryover]	\$ -	\$ 41,800	\$ 41,800
Fire Station #1 Overhead Doors [Carryover]	\$ -	\$ 140,000	\$ 140,000
OCSO Gate Replacement [Carryover]	\$ -	\$ 11,050	\$ 11,050
All Other Facilities Capital Projects	\$ 3,777,000	\$ -	\$ 3,777,000
Capital Project Total	\$ 7,677,000	\$ 4,728,590	\$ 12,405,590

The increase in revenues less the increase in expenses will have a net impact on retained earnings of (\$3,760,180).

636 - MIS Fund

MIS Fund expenses are proposed to increase by +\$220,000 due to:

- Increase of +\$220,000 in capital projects

MIS Fund Project Change Summary			
Project Title	2023 Adopted Budget	1st Qtr Amendmment	2023 Amended Budget
IS-06B: Asset Management Upgrade [Carryover]	\$ -	\$ 160,000	\$ 160,000
IS-10B: Computer Network Upgrade [Carryover]	\$ -	\$ 60,000	\$ 60,000
All Other MIS Capital Projects	\$ 250,000	\$ -	\$ 250,000
Capital Project Total	\$ 250,000	\$ 220,000	\$ 470,000

The increase in expenses will have a net impact on retained earnings of (\$220,000).

661 - Fleet Fund

Fleet Fund expenses are proposed to increase by +\$1,535,660 due to:

- Increase of +\$1,535,660 in capital projects:

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Fleet Fund Project Change Summary			
Project Title	2023 Adopted Budget	1st Qtr Amendment	2023 Amended Budget
39-317: Stump Grinder [Natural Resources] [Carryover]	\$ -	\$ 69,100	\$ 69,100
Dump Body Insert [Parks] [Carryover]	\$ -	\$ 6,900	\$ 6,900
Compact Loader [Parks] [Carryover]	\$ -	\$ 32,800	\$ 32,800
39-217: Equipment Trailer [DPS] [Carryover]	\$ -	\$ 22,910	\$ 22,910
39-226: Equipment Trailer [DPS] [Carryover]	\$ -	\$ 9,810	\$ 9,810
39-229: Equipment Trailer [DPS] [Carryover]	\$ -	\$ 47,700	\$ 47,700
39-337: Radar Smart Cart [OCSO] [Carryover]	\$ -	\$ 17,960	\$ 17,960
Utility Vehicle [Parks-IH] [Carryover]	\$ -	\$ 15,930	\$ 15,930
Utility Vehicle [Parks] [Carryover]	\$ -	\$ 12,180	\$ 12,180
Wheel Load Scale x2 [OCSO] [Carryover]	\$ -	\$ 15,500	\$ 15,500
Municipal Tractor [Increase]	\$ 200,000	\$ 10,000	\$ 210,000
39-158: Sewer Camera Truck [DPS] [Carryover]	\$ -	\$ 298,190	\$ 298,190
39-179: Crew Truck [DPS] [Carryover]	\$ -	\$ 254,100	\$ 254,100
39-294: Tandem-Axle Dump Truck [DPS] [Carryover]	\$ -	\$ 361,290	\$ 361,290
39-295: Tandem-Axle Dump Truck [DPS] [Carryover]	\$ -	\$ 361,290	\$ 361,290
All Other Fleet Capital Projects	\$ 2,684,910	\$ -	\$ 2,684,910
Capital Project Total	\$ 2,884,910	\$ 1,535,660	\$ 4,420,570

The increase in expenses will have a net impact on retained earnings of (\$1,535,660).

848 – LDFA Fund

LDFA Fund expenses are proposed to increase by +\$848,000 due to:

- Increase of +\$553,000 in operating expenditures due to:
 - Carryover of +\$403,000 for Hamlin site development agreement work in LDFA District
 - Carryover of +\$150,000 for Economic Development Strategy Implementation
- Increase of +\$295,000 in transfer out due to:
 - Transfer out of +\$295,000 to the Pathway Construction Fund (403) for PW-07D: Adams @ CRT Trailway Crossing

The increase in expenses will have a net impact on fund balance of (\$848,000).