



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2016-0146

TO: Mayor and City Council Members
FROM: Dale A. Hetrick, Council Member
DATE: April 4, 2016
SUBJECT: Approval to amend the OPC Interlocal Agreement

REQUEST:

Approval to amend the OPC Interlocal Agreement

BACKGROUND:

At the March 3, 2016 OPC Governing Board Meeting Tim Soave, OPC Finance Director, presented a proposed amendment to the Interlocal Agreement. Mr. Soave's proposed amendment would allow the OPC Governing Board to set the fiscal year rather than the current agreement which requires a January to December fiscal year.

Mr. Soave recommended the contract language amendment to allow for an OPC fiscal year from October to September. Reasons to change the OPC's fiscal year include:

1. Grants are generally allocated on an October to September fiscal year. Spanning grant funds over two fiscal years in a January to December scenario provides no programmatic benefits and increases administrative burden.
2. Shifting to an October to September fiscal year will support time sensitive reporting issues such as grants and will not impact other financial reporting processes.
3. Shifting the fiscal year allows property tax revenues to be recorded in the same fiscal year. This move eliminates the need to record tax revenues in multiple fiscal years, which has been the norm.

Should this change be adopted, the OPC finance team would create a 9 month budget for 2017 to transition to an October to September fiscal year.

The OPC Governing Board agreed with Mr. Soave's assessment and recommends a change to Article V – Finance, Section 1 – Fiscal Year. The board recommends this section of the Interlocal Agreement be amended to state, "The fiscal year of the Commission shall be determined by a majority vote of the Commission."

RECOMMENDATION:

The OPC Governing Board recommends City Council approve an amendment to Article V, Section 1 of the Interlocal Agreement and that the Mayor be authorized to execute the amended agreement on behalf of the City.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
Deputy Clerk		