

FISCAL YEAR 2022
2nd QUARTER PROPOSED BUDGET AMENDMENT

	Current 2022 Budget	2nd Qtr Amendment	Proposed 2022 Budget
Total Revenues	\$ 146,103,890	\$ 12,663,280	\$ 158,767,170
<i>Operating Expense</i>	<i>\$ 111,293,210</i>	<i>\$ 659,300</i>	<i>\$ 111,952,510</i>
<i>Capital Outlay Expense</i>	<i>38,199,680</i>	<i>\$ (939,730)</i>	<i>50,976,030</i>
<i>Transfer-Out Expense</i>	<i>25,375,920</i>	<i>\$ 8,856,200</i>	<i>35,967,080</i>
Total Expenses	\$ 190,319,850	\$ 8,575,770	\$ 198,895,620
To/(From) Fund Balance	\$ (44,215,960)	\$ 4,087,510	\$ (40,128,450)

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

The FY 2022 2nd Quarter Budget Amendment proposes an increase in total revenues of +\$12,663,280 and an increase in total expenses of +\$8,575,770. The proposed increase in revenues less the increase in expenses will have a net impact on citywide fund balances and retained earnings of +\$4,087,510.

Some of the most significant financial items presented as part of this FY 2022 2nd Quarter Budget Amendment include:

- Increase of +\$12,663,280 in Total Revenues
 - Due to an increase in State Shared Revenue, Act 51 Gasoline Taxes, Investment Income, and Transfers-In to the Capital Improvement Fund and the Fire Capital Fund.
- Increase of +\$659,330 in operating expenditures
 - Primarily due to inflationary cost impacts upon fuel, utilities, and metal products.
- Decrease of (\$939,730) in capital project funding, including:
 - +\$2,056,910 = Major Road Fund
 - +\$268,550 = Local Street Fund
 - (\$193,000) = Fire Capital Fund
 - (\$3,782,210) = Water & Sewer Capital Fund
 - +\$574,050 = Facilities Fund
 - +\$135,970 = Fleet Fund
- Increase of +\$8,856,200 in Transfers-Out
 - Primarily due to Transfers-Out from other funds into the Capital Improvement Fund and the Fire Capital Fund.

Summary by Fund

101 - General Fund

General Fund revenues are proposed to increase by +\$2,460,330 due to:

- Increase of +\$1,950,000 in projected State-Shared revenue
- Increase of +\$266,180 in Fees and Contributions
- Increase of +\$92,210 in Interest & Dividend Earnings
- Increase of +\$150,000 in Transfer-In from ARPA Fund

General Fund expenditures are proposed to increase by +\$3,133,700 primarily due to:

- Increase of +\$375,450 in Operating Expenditures
 - Includes \$100,000 for Not-for-Profit Assistance and \$50,000 for Additional CDBG Contribution from the City's American Rescue Plan Act (ARPA) funding

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- Includes increases in Fuel Costs and Contractual Services involving fuel
- Increase of +\$2,758,250 in Transfers-Out
 - Decrease of (\$2,407,110) to the Local Street Fund to set the Local Street fund balance at 25% of annual expenditures per Fund Balance Policy
 - Increase of +\$5,925,350 to the Capital Improvement Fund to set General Fund balance at 80% of annual expenditures per Fund Balance Policy

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$673,370).

202 - Major Road Fund

Major Road Fund revenues are proposed to increase by +\$1,145,230 due to:

- Increase of +\$756,000 in projected Act 51 revenue
- Increase of +\$367,000 in Transfer-In from the 848 – LDFA Fund to amend MR-60: Waterview Reconstruction to actual cost

Major Road Fund expenditures are proposed to increase by +\$2,291,980 due to:

- Increase of +\$47,570 in operating expenses
 - Includes increases in Fuel Costs and Street Lighting
- Increase of +\$2,056,910 in capital projects:

Major Road Fund Capital Project Change Summary			
Project Title	2022 Adopted Budget	2nd Qtr Amendment	2022 Amended Budget
MR-60: Waterview Reconstruction	\$ 2,326,490	\$ 367,000	\$ 2,693,490
MR-13C Avon/Dequindre/23 Mile Project = From 2021	\$ -	\$ 252,080	\$ 252,080
MR-12: Major Road Traffic Calming	\$ 20,000	\$ 1,890	\$ 21,890
MR-27: Major Road Bridge Rehabilitation	\$ 10,000	\$ 5,000	\$ 15,000
Livernois Rd Rehabilitation [South Blvd to Avon]	\$ -	\$ 137,500	\$ 137,500
MR-62: Old Perch Rehabilitation	\$ 2,474,390	\$ 1,018,440	\$ 3,492,830
MR-01: Major Road Rehabilitation	\$ 1,010,010	\$ (1,010,010)	\$ -
MR-16C: Auburn Road Rehabilitation [Rochester to Culbertston]	\$ 4,406,250	\$ 1,010,010	\$ 5,416,260
MR-61: Drexelgate Rehabilitation P/E - From FY 2023	\$ -	\$ 107,500	\$ 107,500
PK-11: Drexelgate Pathway P/E - From FY 2023	\$ -	\$ 117,500	\$ 117,500
PK-11: Drexelgate Pathway ROW - From FY 2023	\$ -	\$ 50,000	\$ 50,000
All Other Major Road Capital Projects	\$ 1,217,540	\$ -	\$ 1,217,540
Capital Project Total	\$ 11,464,680	\$ 2,056,910	\$ 13,521,590

- Increase of +\$187,500 in Transfer-Out due to:
 - Increase of +\$187,500 in transfer-out to Local Street Fund due to additional Act 51 Revenue

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$1,146,750).

203 – Local Street Fund

Local Street Fund revenues are proposed to decrease by (\$842,770) due to:

- Increase of +\$19,550 in actual tax revenue
- Increase of +\$251,500 in projected Act 51 revenue
- Increase of +\$108,490 in Fees and Reimbursements
- Increase of +\$187,500 in Transfer-In Major Road Fund due to additional Act 51 Revenue
- Decrease of (\$1,409,810) in Transfer-In from General Fund to set Local Street fund balance at 25% of annual expenditures

Local Street Fund expenditures are proposed to increase by +\$278,170 due to:

- Increase of +\$9,620 in operating expenses

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- Increase of +\$268,550 in capital projects:

Local Street Fund Capital Project Change Summary			
Project Title	2022 Adopted Budget	2nd Qtr Amendmdent	2022 Amended Budget
LS-01: Local Street HMA Road Rehabilitation	\$ 4,900,000	\$ 293,550	\$ 5,193,550
LS-12: Local Street Traffic Calming	\$ 50,000	\$ (25,000)	\$ 25,000
All Other Local Street Capital Projects	\$ 273,990	\$ -	\$ 273,990
Capital Project Total	\$ 5,223,990	\$ 268,550	\$ 5,492,540

The decrease in revenues less the increase in expenditures will have a net impact on fund balance of (\$1,120,940).

206 – Fire Fund

Fire Fund revenues are proposed to decrease by (\$79,910) due to:

- Decrease of (\$101,910) in actual tax revenue
- Increase of +\$24,000 in Interest & Dividend Earnings

Fire Fund expenditures are proposed to increase by +\$442,990 due to:

- Increase of +\$15,600 in operating expenses
- Increase of +\$427,390 in Transfer Out:
 - Increase of Transfer-Out to Fire Capital Fund to set Fire Operating Fund Balance at 25% of annual operating expenditures per Fund Balance Policy

The decrease in revenues less the increase in expenditures will have a net impact on fund balance of (\$552,900).

207 – Special Police Fund

Special Police Fund revenues are proposed to decrease by (\$85,500) due to:

- Decrease of (\$88,550) in actual tax revenue
- Decrease of (\$20,670) in charges for services and fees
- Increase of +\$23,720 in Interest & Dividend Earnings

Special Police Fund expenditures are proposed to increase by +\$5,000 due to:

- Increase of +\$5,000 in Operating Expenses

The decrease in revenues less the increase in expenditures will have a net impact on fund balance of (\$90,500).

208 – Parks Millage Fund

Parks Millage Fund revenues are proposed to decrease by (\$5,680) due to:

- Decrease of (\$5,680) in actual tax revenue

The decrease in revenues will have a net impact on fund balance of (\$5,680).

213 – RARA Millage Fund

RARA Millage Fund revenues are proposed to increase by +\$3,790 due to:

- Increase of +\$3,790 in actual tax revenue

RARA Millage Fund expenditures are proposed to increase by +\$3,790 due to:

- Increase of +\$3,790 in Transfers-Out to RARA to balance

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

214 – Pathway Maintenance Fund

Pathway Maintenance Fund revenues are proposed to increase by +\$4,950 due to:

- Increase of +\$4,950 in actual tax revenue

Pathway Maintenance Fund expenditures are proposed to increase by +\$56,530 due to:

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- Increase of +\$2,080 in operating expenses
- Increase of +\$54,450 in Transfers-Out to the Pathway Construction Fund to set Pathway Maintenance fund balance at 25% of annual operating expenditures per Fund Balance Policy

The increase in revenues less the increase in expenditures has a net impact on fund balance of (\$51,580).

232 – Tree Fund

Tree Fund revenues are proposed to increase by +\$5,290 due to:

- Increase of +\$5,290 in Interest & Dividend Earnings

The increase in revenues will have a net impact on fund balance of +\$5,290.

244 – Water Resources Fund

Water Resources Fund expenditures are proposed to increase by +\$32,800 due to:

- Increase of +\$32,800 in operating expenses due to recent storm water system repair

The increase in expenditures will have a net impact on fund balance of (\$32,800).

265 – OPC Millage Fund

OPC Millage Fund revenues are proposed to increase by +\$8,290 due to:

- Increase of +\$8,290 in actual tax revenue

OPC Millage Fund expenditures are proposed to increase by +\$8,290 due to:

- Increase of +\$8,290 in Transfers-Out OPC to balance

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

285 – ARPA Fund

ARPA Fund expenditures are proposed to increase by +\$1,140,000 due to:

- Increase of +\$1,140,000 in transfers out:
 - +\$150,000 Transfer-Out to General Fund for CDBG and Non-Profit Assistance
 - +\$990,000 Transfer-Out to Fire Capital Fund for the purchase of three (x3) new ambulances

The increase in expenditures will have a net impact on fund balance of (\$1,140,000).

299 – Green Space Operating Fund

Green Space Operating Fund revenues are proposed to decrease by (\$10,780) due to:

- Decrease of (\$10,900) in Transfer In from Green Space Perpetual Care Trust Fund to set the Green Space Operating Fund Balance at 25% of annual operating expenditures per Fund Balance Policy

The decrease in revenues will have a net impact on fund balance of (\$10,780)

331 – Drain Debt Millage Fund

Drain Debt Millage Fund revenues are proposed to increase by +\$3,640 due to:

- Increase of +\$3,550 in actual tax revenue

The increase in revenues will have a net impact on fund balance of +\$3,640.

402 – Fire Capital Fund

Fire Capital Fund revenues are proposed to increase by +\$1,449,070 due to:

- Increase of +\$31,680 in Interest & Dividend Earnings
- Increase of +\$427,390 transferred in from 206 – Fire Operating Fund to set Fire Operating Fund Balance at 25% of annual operating expenditures per Fund Balance Policy

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- Increase of +\$990,000 transferred in from 285 – ARPA Fund for the purchase of three (x3) new ambulances

Fire Capital Fund expenditures are proposed to decrease by (\$483,580) due to:

- Decrease of (\$193,000) in capital projects:

Fire Capital Fund Project Change Summary			
Project Title	2022 Adopted Budget	2nd Qtr Amendmdent	2022 Amended Budget
Fire Training Simulator	\$ 93,000	\$ (93,000)	\$ -
Public Safety Education Trailer	\$ 100,000	\$ (100,000)	\$ -
All Other Fire Capital Projects	\$ 1,284,050	\$ -	\$ 1,284,050
Capital Project Total	\$ 1,477,050	\$ (193,000)	\$ 1,284,050

- Decrease of (\$290,580) in Transfer-Out due to less funding to Facilities Fund for projects

The increase in revenues less the decrease in expenditures will have a net impact on fund balance of +\$1,932,650.

403 – Pathway Construction Fund

Pathway Construction Fund revenues are proposed to increase by +\$58,100 due to:

- Increase of +\$54,450 transferred in from 214 – Pathway Maintenance Fund to set Pathway Maintenance fund balance at 25% of annual operating expenditures per Fund Balance Policy
- Increase of +\$3,650 in Interest & Dividend Earnings

The increase in revenues will have a net impact on fund balance of +\$58,100.

420 – Capital Improvement Fund

Capital Improvement Fund revenues are proposed to increase by +\$4,213,850 due to:

- Increase of +45,790 in Interest & Dividend Earnings
 - Increase of +\$4,168,060 in Transfer In from General Fund to set General Fund balance at 80% of annual expenditures per Fund Balance Policy

Capital Improvement Fund expenditures are proposed to increase by +\$3,635,160 due to:

- Increase of +\$3,635,160 in Transfers-Out to the Facilities Fund to reconcile the actual amount of project costs incurred by the Facilities Fund

The increase in revenues less the increase in expenditures will have a net impact on fund balance of +\$578,690.

510 – Sanitary Sewer Division

Sanitary Sewer Division revenues are proposed to decrease by (\$28,730) due to:

- Increase of +\$11,270 in Interest & Dividend Earnings
- Decrease of (\$40,000) in charges for services

Sanitary Sewer Division expenses are proposed to increase by +\$392,690 due to:

- Increase of +\$3,650 in operating expenses
- Increase of +\$389,040 in Transfers-Out:
 - Increase of +\$389,040 to the W&S Capital Fund for the prior year (FY 2021) depreciation and capital and lateral fees

The decrease in revenues less the increase in expenses will have a net impact on retained earnings of (\$421,420).

530 – Water Division

Water Division revenues are proposed to increase by +\$19,170 due to:

- Increase of +\$9,170 in Interest & Dividend Earnings
- Increase of +\$10,000 in charges for services

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Water Division expenses are proposed to increase by +\$455,160 due to:

- Increase of +\$268,350 in operating expenses
 - Primarily due to increased Fuel Costs
- Increase of +\$186,810 in Transfers-Out:
 - Increase of +\$186,810 to the W&S Capital Fund for the prior year (FY 2021) depreciation and capital and lateral fees

The increase in revenues less the increase in expenses will have a net impact on retained earnings of (\$435,990).

593 – Water & Sewer Capital Fund

Water & Sewer Capital Fund revenues are proposed to increase by +\$637,690 due to:

- Increase of +\$389,040 in Transfer-In from the Sanitary Sewer Division for the prior year (FY 2021) depreciation and capital and lateral fees
- Increase of +\$186,810 in Transfer-In from the Water Division for the prior year (FY 2021) depreciation and capital and lateral fees
- Increase of +\$61,840 in Interest & Dividend Earnings

Water & Sewer Capital Fund expenses are proposed to decrease by (\$3,692,060) due to:

- Increase of +\$90,150 in operating expenses
 - Due to revised annual system depreciation estimates
- Decrease of (\$3,782,210) in capital projects including:

Water & Sewer Capital Fund Project Change Summary			
Project Title	2022 Adopted Budget	2nd Qtr Amendment	2022 Amended Budget
SS-02B: Sanitary Sewer Rehabilitation	\$ 2,538,980	\$ (1,900,000)	\$ 638,980
SS-11: Oakland Macomb Interceptor Drain District	\$ 3,513,210	\$ (1,963,210)	\$ 1,550,000
WS-38: Spring Hill Subdivision Water Main Replacement	\$ 5,312,500	\$ 81,000	\$ 5,393,500
All Other Water & Sewer Capital Projects	\$ 7,432,420	\$ -	\$ 7,432,420
Capital Project Total	\$ 18,797,110	\$ (3,782,210)	\$ 15,014,900

The increase in revenues less the decrease in expenses will have a net impact on retained earnings of +\$4,329,750.

631 - Facilities Fund

Facilities Fund revenues are proposed to increase by +\$3,367,960 due to:

- Increase of +\$23,380 in Interest & Dividend Earnings
- Decrease of (\$290,580) in Transfer-In from Fire Capital Fund for Fire projects
 - Increase of +\$3,635,160 in Transfer-In from Capital Improvement Fund for City projects to reconcile the actual amount of project costs incurred by the Facilities Fund

Facilities Fund expenses are proposed to increase by +\$345,080 due to:

- Decrease of (\$228,970) in operating expenses
 - Primarily due to reclassification of Repair & Maintenance projects to Capital projects
- Increase of +\$574,050 in capital projects:

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Facilities Fund Project Change Summary			
Project Title	2022 Adopted Budget	2nd Qtr Amendmdnt	2022 Amended Budget
PK-13: Innovation Hills Playground Phase II - From 2021	\$ 56,250	\$ 650,000	\$ 706,250
FA-17: Electric Vehicle Charging Stations	\$ 125,000	\$ (125,000)	\$ -
FA-02L: Fire Station 1 Carports	\$ 376,020	\$ (376,020)	\$ -
Fire Station 1 Overhead Doors	\$ -	\$ 140,000	\$ 140,000
FA-02N: Fire Station 1 Restroom/Locker Room Renovations P/E	\$ 15,000	\$ (15,000)	\$ -
FA-07C: Citywide HVAC Replacements	\$ -	\$ 192,200	\$ 192,200
FA-12A: OCSO Water Heater	\$ -	\$ 41,800	\$ 41,800
Innovation Hills Equipment	\$ -	\$ 5,520	\$ 5,520
Auditorium Furniture	\$ 55,570	\$ 3,050	\$ 58,620
City Hall: Floor Burnisher/Scrubber	\$ 6,000	\$ (6,000)	\$ -
OCSO Interview Room Equipment Upgrade	\$ -	\$ 78,500	\$ 78,500
PK-01H: Bloomer Park Pinegrove & Hilltop Shelter Restroom Upgrades	\$ 15,000	\$ (15,000)	\$ -
All Other Facilities Capital Projects	\$ 10,052,690	\$ -	\$ 10,052,690
Capital Project Total	\$ 10,701,530	\$ 574,050	\$ 11,275,580

The increase in revenues less the increase in expenses will have a net impact on retained earnings of +\$3,022,880.

636- MIS Fund

MIS Fund revenues are proposed to increase by +\$11,320 due to:

- Increase of +\$11,320 in Interest & Dividend Earnings

MIS Fund expenses are proposed to decrease by (\$66,440) due to:

- Decrease of (\$66,440) in operating expenses

The increase in revenues less the decrease in expenses will have a net impact on retained earnings of +\$77,760.

661 - Fleet Fund

Fleet Fund revenues are proposed to increase by +\$325,020 due to:

- Increase of +\$316,000 for Interfund charges and charge for services
 - Primarily due to increased Fuel costs
- Increase of +\$9,020 in Interest & Dividend Earnings

Fleet Fund expenses are proposed to increase by +\$240,410 due to:

- Increase of +\$104,440 in operating expenses
 - Due to revised depreciation estimates
- Increase of +\$135,970 in capital equipment:

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Fleet Fund Project Change Summary			
Project Title	2022 Adopted Budget	2nd Qtr Amendmdent	2022 Amended Budget
6" Trash Pump [Fleet]	\$ 65,630	\$ (65,630)	\$ -
Concrete Saw [DPS]	\$ 26,470	\$ (26,470)	\$ -
Pressure Washer [Fleet]	\$ 11,380	\$ (11,380)	\$ -
Rotary Broom [Parks]	\$ 7,170	\$ (7,170)	\$ -
Municipal Tractor	\$ 171,670	\$ 1,840	\$ 173,510
Equipment Trailer	\$ 20,000	\$ 2,910	\$ 22,910
Equipment Trailer	\$ 20,000	\$ (10,190)	\$ 9,810
Equipment Trailer	\$ 20,000	\$ 27,700	\$ 47,700
Equipment Trailer	\$ 10,050	\$ (10,050)	\$ -
Utility Vehicle	\$ 18,000	\$ (2,070)	\$ 15,930
Utility Vehicle	\$ 9,410	\$ 2,770	\$ 12,180
Sewer Camera Truck [DPS]	\$ 190,000	\$ 108,190	\$ 298,190
Pickup w/Plow [Parks]	\$ -	\$ 31,460	\$ 31,460
4yd Dump w/Plow	\$ 44,020	\$ 31,140	\$ 75,160
Pickup w/Plow [Parks]	\$ 13,080	\$ 31,460	\$ 44,540
Pickup w/Plow [Parks]	\$ 43,540	\$ 31,460	\$ 75,000
All Other Fleet Capital Projects	\$ 1,935,980	\$ -	\$ 1,935,980
Capital Project Total	\$ 2,606,400	\$ 135,970	\$ 2,742,370

The increase in revenues less the increase in expenses will have a net impact on retained earnings of +\$84,610.

761 – Green Space Trust Fund

Green Space Trust Fund expenditures are proposed to decrease by (\$10,900) due to:

- Decrease of (\$10,900) in Transfer-Out to Green Space Operating Fund to set Green Space Operating fund balance at 25% of annual operating expenditures per Fund Balance Policy

The decrease in expenses will have a net impact on fund balance of +\$10,900.

848 – LDFA Fund

LDFA Fund revenues are proposed to increase by +\$2,950 due to:

- Decrease of (\$1,930) in actual tax revenue and contributions
- Increase of +\$4,880 in Interest & Dividend Earnings

LDFA Fund expenditures are proposed to increase by +\$367,000 due to:

- Increase of +\$367,000 in Transfer-Out to Major Road Fund for MR-60 Waterview Reconstruction

The increase in revenues less the increase in expenses will have a net impact on fund balance of (\$364,050).