

FISCAL YEAR 2019
2nd QUARTER PROPOSED BUDGET AMENDMENT

	Current 2019 Budget	2nd Qtr Amendment	Proposed 2019 Budget
Total Revenues	\$ 157,074,560	\$ 3,748,650	\$ 160,823,210
<i>Operating Expense</i>	<i>\$ 101,387,830</i>	<i>\$ (390,320)</i>	<i>\$ 100,997,510</i>
<i>Capital Outlay Expense</i>	<i>42,910,540</i>	<i>\$ (1,077,370)</i>	<i>41,833,170</i>
<i>Transfer-Out Expense</i>	<i>42,596,310</i>	<i>\$ 3,762,070</i>	<i>46,358,380</i>
Total Expenses	\$ 186,894,680	\$ 2,294,380	\$ 189,189,060
To/(From) Fund Balance	\$ (29,820,120)	\$ 1,454,270	\$ (28,365,850)

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

The FY 2019 2nd Quarter Budget Amendment proposes an increase in total revenues of \$3,748,650 and an increase in total expenses of \$2,294,380. The proposed increase in revenues less the increase in expenses will have a net impact on citywide fund balances and retained earnings of +\$1,454,270.

Some of the most significant financial items presented as part of this FY 2019 2nd Quarter Budget Amendment include:

- Increase of \$3,748,650 in Total Revenues
- Decrease of (\$390,320) in operating expenditures
- Decrease of (\$1,077,370) in capital project funding due
 - (\$191,400) = Major Road Fund
 - +\$1,112,400 = Local Street Fund
 - +\$18,000 = Capital Improvement Fund
 - (\$1,677,400) = Water & Sewer Capital Fund
 - +\$31,500 = MIS Fund
 - (\$370,470) = Fleet Fund
- Increase of \$3,762,070 in Transfers-Out
 - Primarily due to an increase in the Transfer-Out of +\$2,549,240 from the 101 – General Fund to 420 – Capital Improvement Fund to set the General Fund Balance to 80% per Fund Balance Policy.

Summary by Fund

101 - General Fund

General Fund revenues are proposed to decrease by (\$147,220) due to:

- Increase of +\$72,780 in actual tax revenue
- Increase of +\$20,000 for the Urban & Community Forestry Grant
- Decrease of (\$180,000) in projected cable franchise revenue
- Decrease of (\$60,000) in Waste Collection reclassified to 226 – Solid Waste Fund

General Fund expenditures are proposed to increase by +\$2,467,680 primarily due to:

- Decrease of (\$45,000) in Operating Expenditures
- Increase of +\$2,512,680 in Transfers-Out
 - Decrease of (\$84,180) to the 203 – Local Street Fund to set the 203 – Local Street fund balance at 25% of annual expenditures
 - Increase of +\$47,620 to the 736 – Retiree Healthcare Trust Fund per the OPEB Funding Policy

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- Increase of +\$2,549,240 to the 420 – Capital Improvement Fund to set 101 – General Fund balance at 80% of annual expenditures per Fund Balance Policy

The decrease in revenues plus the decrease in expenditures will have a net impact on fund balance of (\$2,614,900).

202 - Major Road Fund

Major Road Fund revenues are proposed to decrease by (\$31,760) due to:

- Increase of +\$168,240 in Reimbursements for road projects
- Decrease of (\$200,000) in Transfer-In from the 848 – LDFA Fund as there are no LDFA road rehabilitation projects anticipated for FY 2019

Major Road Fund expenditures are proposed to decrease by (\$191,400) due to:

- Decrease of (\$191,400) in capital projects:

Major Road Fund Capital Project Change Summary			
Project Title	2019 Adopted Budget	2nd Qtr Amendmndent	2019 Amended Budget
MR-01B: LDFA Road Rehabilitation	\$ 200,000	\$ (200,000)	\$ -
No CIP: Corridor Analysis Avon/Dequindre/23 Mile	\$ -	\$ 15,000	\$ 15,000
MR-37B: Barclay Circle @ Rochester Road Signal Improvements	\$ 10,000	\$ (10,000)	\$ -
John R Pathway Easements	\$ -	\$ 3,600	\$ 3,600
All Other Major Road Capital Projects	\$ 16,050,190	\$ -	\$ 16,050,190
Capital Project Total	\$ 16,260,190	\$ (191,400)	\$ 16,068,790

The decrease in revenues less the decrease in expenditures will have a net impact on fund balance of +\$159,640.

203 – Local Street Fund

Local Street Fund revenues are proposed to increase by +\$726,600 due to:

- Increase of +\$72,370 in actual tax revenue
- Increase of +\$132,410 in Oakland County Local Road Improvement Matching Fund [PILOT Program]
- Increase of +\$606,000 in Transfer-In from 420 – Capital Improvement Fund for Auburn Corridor and School Road Paving
- Decrease of (\$84,180) in Transfer-In from 101 – General Fund to set 203 – Local Street fund balance at 25% of annual expenditures

Local Street Fund expenditures are proposed to increase by +\$1,112,400 due to:

- Increase of +\$1,112,400 in capital projects:

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Local Street Capital Project Change Summary			
Project Title	2019 Adopted Budget	2nd Qtr Amendment	2019 Amended Budget
Auburn Corridor Alleyway Construction	\$ 1,750,000	\$ 350,000	\$ 2,100,000
Auburn Corridor Alleyway C/E	\$ 275,000	\$ 10,000	\$ 285,000
LS-06: Reuther Middle School Sidewalks P/E	\$ 30,000	\$ (30,000)	\$ -
LS-01: 2018 Local Street Rehab Program	\$ 149,000	\$ (109,000)	\$ 40,000
Bedford Square Apts / Tienken Ct Street Repair	\$ 300,000	\$ (300,000)	\$ -
LS-01: 2019 Local Street Concrete Program	\$ 1,500,000	\$ 1,105,000	\$ 2,605,000
LS-01: 2019 Local Street Concrete Program CE	\$ 130,000	\$ 90,000	\$ 220,000
Reclassify: 2019 Local Street Rehab to School Road	\$ 385,000	\$ (385,000)	\$ -
Reclassify: School Road from 2019 Local Street Rehab	\$ 325,000	\$ 385,000	\$ 710,000
School Road Pathway Easements	\$ 10,000	\$ (3,600)	\$ 6,400
All Other Local Street Capital Projects	\$ 2,953,000	\$ -	\$ 2,953,000
Capital Project Total	\$ 7,807,000	\$ 1,112,400	\$ 8,919,400

o Please Note:

- Bedford Square Apartments / Tienken Court Local Street Repair is deferred to FY 2020.

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$385,800).

206 – Fire Fund

Fire Fund revenues are proposed to increase by +\$61,030 due to:

- Increase of +\$52,530 in actual tax revenue
- Increase of +\$8,500 in Charge for Service: EMS Service

Fire Fund expenditures are proposed to increase by +\$696,040 due to:

- Increase of +\$18,500 in Operating Expenses
- Increase of +\$677,540 in Transfer Out:
 - o Increase of \$668,150 to 402 – Fire Capital Fund to set 206 – Fire Operating fund balance at 25% of annual operating expenditures per Fund Balance Policy
 - o Increase of +\$9,390 to the 736 – Retiree Healthcare Trust Fund per the OPEB Funding Policy

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$635,010).

207 – Special Police Fund

Special Police Fund revenues are proposed to increase by +\$61,480 due to:

- Increase of +\$61,480 in actual tax revenue

The increase in revenues will have a net impact on fund balance of +\$61,480.

213 – RARA Millage Fund

RARA Millage Fund revenues are proposed to increase by +\$12,010 due to:

- Increase of +\$12,010 in actual tax revenue

RARA Millage Fund expenditures are proposed to increase by +\$12,010 due to:

- Increase of +\$12,010 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 +\$11,730 due to:

- Increase of +\$11,730 in actual tax revenue

Pathway Maintenance Fund expenditures are proposed to increase by +\$68,380 due to:

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- Increase of +\$68,380 in Transfers-Out to the 403 – Pathway Construction Fund to set 214 – 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 (\$56,650).

265 – OPC Millage Fund

OPC Millage Fund revenues are proposed to increase by +\$21,230 due to:

- Increase of +\$21,230 in actual tax revenue

OPC Millage Fund expenditures are proposed to increase by +\$21,230 due to:

- Increase of +\$21,230 in Transfers-Out OPC to balance

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

299 – Green Space Operating Fund

Green Space Operating Fund revenues are proposed to decrease by (\$3,520) due to:

- Decrease of (\$3,520) in Transfer In from 761 – Green Space Trust Fund to set the 299 – 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 (\$3,520)

331 – Drain Debt Millage Fund

Drain Debt Millage Fund revenues are proposed to increase by +\$6,070 due to:

- Increase of +\$6,070 in actual tax revenue

The increase in revenues will have a net impact on fund balance of +\$6,070.

369 – OPC Building Refunding Millage Fund

OPC Building Refunding Millage Fund revenues are proposed to increase by +\$33,690 due to:

- Increase of +\$33,690 in actual tax revenue

The increase in revenues will have a net impact on fund balance of +\$33,690.

402 – Fire Capital Fund

Fire Capital Fund revenues are proposed to increase by +\$668,150 due to:

- Increase of +\$668,150 transferred in from 206 – Fire Operating Fund

The increase in revenues will have a net impact on fund balance of +\$668,150.

403 – Pathway Construction Fund

Pathway Construction Fund revenues are proposed to increase by +\$68,380 due to:

- Increase of +\$68,380 transferred in from 214 – Pathway Maintenance Fund

The increase in revenues will have a net impact on fund balance of +\$68,380.

420 – Capital Improvement Fund

Capital Improvement Fund revenues are proposed to increase by +\$2,549,240 due to:

- Increase in Transfer In from 101 – General Fund

Capital Improvement Fund expenditures are proposed to increase by +\$341,000 due to:

- Increase of +\$18,000 in capital projects:

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Capital Improvement Fund Project Change Summary			
Project Title	2019 Adopted Budget	2nd Qtr Amendmdent	2019 Amended Budget
Media Video & Audio Storage System	\$ 37,000	\$ 3,000	\$ 40,000
Reclassify Capital Equipment from General Fund	\$ -	\$ 15,000	\$ 15,000
Capital Project Total	\$ 37,000	\$ 18,000	\$ 55,000

- Increase of +\$323,000 in Transfers-Out:
 - Increase of +\$606,000 to 203 – Local Street Fund
 - Decrease of (\$283,000) to 631 – Facilities Fund

The increase in revenues less the increase in expenditures will have a net impact on fund balance of +\$2,208,240.

510 – Sewer Division

Sewer Department expenditures are proposed to decrease by (\$73,480) due to:

- Decrease of (\$73,480) in Transfers-Out:
 - Increase of +\$11,250 to amend 2018 sewer depreciation to actual
 - Decrease of (\$93,780) to amend 2018 sewer capital and lateral to actual
 - Increase of +\$9,050 to the 736 – Retiree Healthcare Trust Fund per OPEB Funding Policy

The decrease in expenses will have a net impact on retained earnings of +\$73,480.

530 – Water Department

Water Department expenditures are proposed to decrease by (\$115,260) due to:

- Decrease of (\$115,260) in Transfers-Out:
 - Decrease of (\$55,750) to amend 2018 water depreciation to actual
 - Decrease of (\$68,560) to amend 2018 water capital and lateral to actual
 - Increase of +\$9,050 to the 736 – Retiree Healthcare Trust Fund per OPEB Funding Policy

The decrease in expenses will have a net impact on retained earnings of +\$115,260.

593 – Water & Sewer Capital Fund

Water & Sewer Capital Fund revenues are proposed to decrease by (\$206,840) due to:

- Decrease of (\$206,840) in Transfers-In:
 - Increase of +\$11,250 transferred in from Sewer Department for 2018 sewer depreciation
 - Decrease of (\$93,780) transferred in from Sewer Department for 2018 sewer capital and lateral
 - Decrease of (\$55,750) transferred in from Water Department for 2018 water depreciation
 - Decrease of (\$68,560) transferred in from Water Department for 2018 water capital and lateral

Water & Sewer Capital Fund expenses are proposed to decrease by (\$1,677,400) due to:

- Decrease of (\$1,677,400) in capital projects including:

Water & Sewer Capital Fund Project Change Summary			
Project Title	2019 Adopted Budget	2nd Qtr Amendmdent	2019 Amended Budget
WS-15: Michelson Road Watermain Extension	\$ 750,000	\$ (737,400)	\$ 12,600
SS-02B: Sanitary Sewer Rehab	\$ 350,000	\$ (350,000)	\$ -
SS-10B: Wimberly Drive Sanitary Sewer Repairs	\$ 175,000	\$ (175,000)	\$ -
SS-01B: SCADA System Upgrade	\$ 415,000	\$ (415,000)	\$ -
All Other Water & Sewer Capital Projects	\$ 3,243,900	\$ -	\$ 3,243,900
Capital Project Total	\$ 4,933,900	\$ (1,677,400)	\$ 3,256,500

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- Please note:
 - All projects deferred to FY 2020

The decrease in revenues less the decrease in expenditures will have a net impact on retained earnings of +\$1,470,560.

631 - Facilities Fund

Facilities Fund revenues are proposed to decrease by (\$283,000) due to:

- Decrease of (\$283,000) in Transfer-In from 420 – Capital Improvement Fund for City projects that are deferred to FY 2020

Facilities Fund expenses are proposed to decrease by (\$433,000) due to:

- Decrease of (\$433,000) in operating expenses
 - Due to maintenance projects deferred to FY 2020
- Reclassification change in capital projects:

Facilities Fund Project Change Summary			
Project Title	2019 Adopted Budget	2nd Qtr Amendment	2019 Amended Budget
Reclassify Innovation Hills Comfort Station from Land Improvement	\$ 150,000	\$ (150,000)	\$ -
Reclassify Innovation Hills Comfort Station to Building	\$ -	\$ 150,000	\$ 150,000
All Other Facilities Capital Projects	\$ 9,319,460	\$ -	\$ 9,319,460
Capital Project Total	\$ 9,469,460	\$ -	\$ 9,469,460

The decrease in revenues less the decrease in expenses will have a net impact on retained earnings of +\$150,000.

636 - MIS Fund

MIS Fund expenses are proposed to change due to:

- Decrease of (\$31,500) in operating expenses
 - Reclassified to capital projects
- Increase of +\$31,500 in capital projects:

MIS Fund Project Change Summary			
Project Title	2019 Adopted Budget	2nd Qtr Amendment	2019 Amended Budget
Backup & Recovery Equipment	\$ 60,000	\$ 27,500	\$ 87,500
Website Development	\$ 35,000	\$ 4,000	\$ 39,000
All Other MIS Capital Projects	\$ 2,000,000	\$ -	\$ 2,000,000
Capital Project Total	\$ 2,095,000	\$ 31,500	\$ 2,126,500

The change in expenses will have no impact on retained earnings.

661 - Fleet Fund

Fleet Fund expenses are proposed to decrease by (\$367,220) due to:

- Increase of +\$3,250 in operating expenses
- Decrease of (\$370,470) in capital equipment:

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Fleet Fund Project Change Summary			
Project Title	2019 Adopted Budget	2nd Qtr Amendmdent	2019 Amended Budget
Equipment Trailer [PKS] - Bought out of Operating Equipment	\$ 5,230	\$ (5,230)	\$ -
Wheeled Excavator [DPS]	\$ 273,560	\$ (112,060)	\$ 161,500
Water System Truck [DPS]	\$ 239,600	\$ 7,350	\$ 246,950
Pickup 4wd [NR]	\$ 32,330	\$ (32,330)	\$ -
Pickup 2wd [DPS]	\$ 17,760	\$ (17,760)	\$ -
Pickup 4wd w/Plow [DPS]	\$ 34,630	\$ (34,630)	\$ -
Pickup 4wd w/Plow [DPS]	\$ 33,300	\$ (33,300)	\$ -
Pickup 4wd w/Plow [FAC]	\$ 37,380	\$ (37,380)	\$ -
Pickup 4wd w/Plow [DPS]	\$ 35,940	\$ (35,940)	\$ -
Pickup 4wd w/Plow [DPS]	\$ 35,940	\$ (35,940)	\$ -
Pickup 4wd w/Plow [DPS]	\$ 33,250	\$ (33,250)	\$ -
All Other Fleet Capital Projects	\$ 1,008,070	\$ -	\$ 1,008,070
Capital Project Total	\$ 1,786,990	\$ (370,470)	\$ 1,416,520

- o Please note:
 - All equipment & vehicles are deferred to FY 2020

The decrease in expenses will have a net impact on retained earnings of +\$367,220.

736 – Retiree Health Trust

Retiree Health Trust revenues are proposed to increase by +\$75,110 due to:

- Increase of +\$75,110 in Transfers-In from 101 – General Fund, 206 – Fire Operating Fund, and 592 – Water & Sewer Operating Fund per OPEB Funding Policy

The increase in revenues will have a net impact on fund balance of +\$75,110.

761 – Green Space Trust Fund

Green Space Trust Fund expenditures are proposed to decrease by (\$3,520) due to:

- Decrease of (\$3,520) in Transfer-Out to 299 – Green Space Operating Fund to set 299 – 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 +\$3,520.

843 – Brownfield Redevelopment Fund: Madison Park

Brownfield Redevelopment Fund: Madison Park expenditures are proposed to increase by +\$539,490 due to:

- Increase of +\$539,490 in Misc. Expense – Collected Disbursement to close Madison Park BRA and return captured funds to the original entities

The increase in expenses will have a net impact on fund balance of (\$539,490) and will close the 843 – Madison Park Brownfield Fund

844 – Brownfield Redevelopment Fund: Legacy

Brownfield Redevelopment Fund: Legacy revenues are proposed to increase by +\$97,430 due to:

- Increase of +\$97,430 in actual Summer 2019 tax captures

Brownfield Redevelopment Fund: Legacy expenses are proposed to increase by +\$97,430 due to:

- Increase of +\$10,000 in BRA administrative costs
- Increase of +\$87,430 in BRA remediation contribution

The increase in revenues less the increase in expenses will have no impact on fund balance.

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848 – LDFA Fund

LDFA Fund revenues are proposed to increase by +\$28,840 due to:

- Increase of +\$28,840 in actual tax revenue

LDFA Fund expenditures are proposed to decrease by (\$200,000) due to:

- Decrease of (\$200,000) in Transfer-Out to 202 – Major Road Fund as no LDFA road rehabilitation projects are expected for FY 2019

The increase in revenues less the decrease in expenses will have a net impact on fund balance of +\$228,840.