



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

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Legislative File No: 2010-0528

TO: Mayor and City Council Members

FROM: Keith Sawdon, Director of Finance, Ext 2535

DATE: November 24, 2010

SUBJECT: FY 2010 4th Quarter Budget Amendments / Appropriation

REQUEST:

We are requesting that City Council approve the Mayor's proposed 4th quarter budget amendment to the fiscal year 2010 budget for the following funds: General, Major Road, Local Road, Fire, Special Police, Perpetual Care Fund, Pathway Maintenance, Tree Fund, Drain Maintenance, Green Space, OPC Building Refunding Debt Fund, 1998 Refunding Debt Fund, Fire Capital Fund, Pathway Construction Fund, Capital Improvement, Water & Sewer Operating, Water and Sewer Debt Fund, Water and Sewer Capital, Facilities, MIS, Fleet, Insurance Fund, Retiree Health Care Trust Fund, LDFA Fund and Smart Zone Fund.

BACKGROUND:

The State's Uniform Budgeting and Accounting Act (Public Act 2 of 1968) Section 19 along with the City's Charter (Section 3.7), require that from time to time we adjust (amend) our budget. The City has chosen to amend its budgets on a quarterly basis. On the advice of the Mayor, Fiscal Services has prepared the attached suggested budget amendments to amend the adopted 2010 budget. These 4th quarter budget amendments reflect current updates regarding operating revenue and expenditures, adjustments to capital projects and changes needed related to transfers between funds.

The FY 2010 4th Quarter Budget Amendment proposes a decrease in total revenues of \$1,819,700 and decrease total expenditures of \$8,592,270. The net impact is now we will contribute \$1,009,630 into citywide fund balances and retained earnings for fiscal year end 2010, whereas before the 4th quarter amendment (\$5,762,940) was projected to be drawn from citywide fund balances and retained earnings.

The following summary presentation highlights those amendments by expenditure type.

Summary Presentation of 4th Qtr Budget Amendment

	Current 2010 Budget	4th Qtr Amendment	Revised 2010 Budget
Total Revenues	\$ 124,047,080	\$ (1,819,700)	\$ 122,227,380
<i>Operating Expense</i>	\$ 99,957,970	\$ (3,264,370)	\$ 96,693,600
<i>Capital Outlay Expense</i>	8,611,760	(2,963,610)	5,648,150
<i>Transfer-Out Expense</i>	21,240,290	(2,364,290)	18,876,000
Total Expenses	\$ 129,810,020	\$ (8,592,270)	\$ 121,217,750
To/(From) Fund Balance	\$ (5,762,940)	\$ 6,772,570	\$ 1,009,630

Detail Presentation of 4th Qtr Budget Amendment

	Current 2010 Budget	4th Qtr Amendment	Revised 2010 Budget
Total Revenues	\$ 124,047,080	\$ (1,819,700)	\$ 122,227,380
<i>Operating Expense</i>	\$ 99,279,270	\$ (3,221,870)	\$ 96,057,400
<i>Operating Project (Carryover)</i>	\$ 292,000	\$ -	\$ 292,000
<i>Operating (Capital Reclass)</i>	\$ 386,700	\$ (42,500)	\$ 344,200
OPERATING SUB-TOTAL	\$ 99,957,970	\$ (3,264,370)	\$ 96,693,600
<i>Capital Outlay Expense</i>	\$ 8,998,460	\$ (3,006,110)	\$ 5,992,350
<i>Capital (Operating Reclass)</i>	\$ (386,700)	\$ 42,500	\$ (344,200)
CAPITAL SUB-TOTAL	\$ 8,611,760	\$ (2,963,610)	\$ 5,648,150
<i>Transfer-Out Expense</i>	\$ 21,240,290	\$ (2,364,290)	\$ 18,876,000
TRANSFER OUT SUB-TOTAL	\$ 21,240,290	\$ (2,364,290)	\$ 18,876,000
Total Expense	\$ 129,810,020	\$ (8,592,270)	\$ 121,217,750
To/(From) Fund Balance	\$ (5,762,940)	\$ 6,772,570	\$ 1,009,630

The attached Budget Amendment Summary (Overview) Report goes into greater detail, by Fund, related to the requested budget amendment. We have also attached a line item detail report that shows the changes being requested with this 4th quarter budget amendment.

In addition, as requested in the past, we have attached a detail report that shows, by line item, all budget amendments including the 4th quarter.

We have also attached the FY 2010 Amended Budgets that both the Older Persons Commission and the RARA Boards have adopted for your acknowledgement.

RECOMMENDATION:

We recommend that City Council approve the Mayor's proposed FY2010 4th quarter budget amendment and resulting adjustments to fund totals for the various funds as discussed in the Budget Amendment Summary Report.