



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

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org**

Legislative File No: 2010-0405

TO: Mayor and City Council Members

FROM: Keith Sawdon, Director of Finance, Ext 2535

DATE: September 24, 2010

SUBJECT: FY 2010 3rd Quarter Budget Amendments / Appropriation

REQUEST:

We are requesting that City Council approve the Mayor's proposed 3rd quarter budget amendment to the fiscal year 2010 budget for the following funds: General, Major Road, Local Road, Fire, Special Police, Pathway Maintenance, Drain Maintenance, Green Space, OPC Building Debt Fund, OPC Building Refunding Debt Fund, Municipal Building Debt Fund, Municipal Building Refunding Debt Fund, Fire Capital Fund, Pathway Construction Fund, Capital Improvement, Water & Sewer Operating, Water and Sewer Capital, Water & Sanitary Sewer Debt Service Fund, Facilities, MIS, Fleet, the Retiree Health Care Trust Fund and LDFA 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 3rd 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 3rd Quarter Budget Amendment proposes an increase in total revenues of \$14,472,220 and an increase in total expenditures of \$14,911,900. The net increase in revenues less the increase in expenditures will increase the draw from fund balance by \$439,680.

The following summary highlights those amendments by expenditure type:

Summary Presentation of 3rd Qtr Budget Amendment

	Current 2010 Budget	3rd Qtr Amendment	Revised 2010 Budget
Total Revenues	\$ 109,574,860	\$ 14,472,220	\$ 124,047,080
<i>Operating Expense</i>	<i>\$ 86,395,850</i>	<i>\$ 13,562,120</i>	<i>\$ 99,957,970</i>
<i>Capital Outlay Expense</i>	<i>8,411,330</i>	<i>200,430</i>	<i>8,611,760</i>
<i>Transfer-Out Expense</i>	<i>20,090,940</i>	<i>1,149,350</i>	<i>21,240,290</i>
Total Expenses	\$ 114,898,120	\$ 14,911,900	\$ 129,810,020
To/(From) Fund Balance	\$ (5,323,260)	\$ (439,680)	\$ (5,762,940)

Detail Presentation of 3rd Qtr Budget Amendment

	Current 2010 Budget	3rd Qtr Amendment	Revised 2010 Budget
Total Revenues	\$ 109,574,860	\$ 14,472,220	\$ 124,047,080
Operating Expense	\$ 85,470,130	\$ 13,809,140	\$ 99,279,270
Operating Project (Carryover)	\$ 292,000	\$ -	\$ 292,000
Operating (Capital Reclass)	\$ 633,720	\$ (247,020)	\$ 386,700
OPERATING SUB-TOTAL	\$ 86,395,850	\$ 13,562,120	\$ 99,957,970
Capital Outlay Expense	\$ 9,045,050	\$ (46,590)	\$ 8,998,460
Capital (Operating Reclass)	\$ (633,720)	\$ 247,020	\$ (386,700)
CAPITAL SUB-TOTAL	\$ 8,411,330	\$ 200,430	\$ 8,611,760
Transfer-Out Expense	\$ 20,090,940	\$ 1,149,350	\$ 21,240,290
TRANSFER OUT SUB-TOTAL	\$ 20,090,940	\$ 1,149,350	\$ 21,240,290
Total Expense	\$ 114,898,120	\$ 14,911,900	\$ 129,810,020
To/(From) Fund Balance	\$ (5,323,260)	\$ (439,680)	\$ (5,762,940)

The attached Budget Amendment Summary Report goes into great 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 3rd 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 3rd quarter.

RECOMMENDATION:

We recommend that City Council approve the Mayor's proposed FY2010 3rd quarter budget amendment and resulting adjustments to fund totals for the various funds as discussed in the Budget Amendment Summary Report.