



Rochester Hills Minutes Financial Services Committee

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*Donald Atkinson, Bryan Barnett, David Byrne, John Dalton, Kurt Dawson,
Melinda Hill, Julie Jenuwine, Jillian Rataj, Lee Zendel*

Thursday, December 9, 2004

5:00 PM

1000 Rochester Hills Drive

DRAFT MINUTES

CALL TO ORDER

Chairperson Melinda Hill called the Financial Services Committee meeting to order at 5:05 p.m.

ROLL CALL

Present: Melinda Hill, Bryan Barnett, John Dalton, Donald Atkinson and Lee Zendel

Non-Voting Members Present: Kurt Dawson, Julie Jenuwine, David Byrne

Non-Voting Members Absent: Jillian Rataj

Member Rataj provided previous notice of her absence and requested to be excused.

APPROVAL OF MINUTES

None Presented

COMMUNICATIONS

None Presented

UNFINISHED BUSINESS

2004-0541

Auditing Services Discussion - Potential RFP

Attachments: Auditor RFP Memo.pdf; Memo Jenuwine 101504.pdf

Committee members agreed to forego discussion regarding Auditing Services due to the December 8, 2004, City Council meeting approval to retain the Auditing Services provided by Plante Moran for the next three (3) to five (5) years.

Discussed

2004-1233

Fourth Quarter 2004 Budget Amendments

Attachments: Agenda Summary.pdf; 4th Quarter Budget Amendment Memo.pdf; 4th Qtr Budget Amendment Component Units-REVISED.pdf; 4th Qtr Budget Amendment.pdf; 2004 4th Qtr Public Hearing Notice.pdf; 2004 Projected Fund Balance.pdf; 4th Quarter Budget Amendment Resolution.

Committee members discussed the Fourth Quarter Budget Amendments provided by Julie Jenuwine, Finance Director.

- * *The Budget Amendments reflect conservative revenue.*
- * *The following have significant dollar adjustments:*
 - * *Building Department - License and Permits increased by approximately \$400,000.*
 - * *Plan Review fees increased from \$160,000 to \$325,000 (projected).*
 - * *Wetland increased \$175,000 to \$225,000 (projected)- offset revenue is collected from individuals escrow.*
 - * *Elections increased by \$13,000 in wages*
 - * *Accounting reduced operating supplies.*
 - * *Legal some increases due to John Staran's work with REI.*
 - * *City Clerk reduction in MIS and occupancy charges.*
 - * *Human Resources all reductions.*
 - * *Treasury show employee health insurance increasing due to budget is based on what employees currently have.*
 - * *Cemetery increase to salaries due to 3 1/2 payrolls in December.*
 - * *Crossing Guards remained the same with decreased operating supplies.*
 - * *Communications had reductions in all accounts.*
 - * *Ordinance remained the same.*
 - * *Planning Commission had all reductions.*
 - * *Planning Department shows a mix with Professional Services for Westfall/Gateway contract increased by \$49,000.*
 - * *ZBA has reductions.*
 - * *City BG reflects all reimbursements.*
 - * *Parks reflects a mix of reductions and increases.*

Mr. Lee Zendel, Citizen Representative, asked for clarification regarding the Inter Funded Administrative one-third (1/3) decrease.

Ms. Jenuwine explained the original Administration Charge allocation was \$3.9 million. The original budget came in at \$2.7 million. An over allocation of \$1.2 million was not spent as follows:

- * *City Clerk's Office, Mayor's Office and City Council under budget by \$500,000.*
- * *Accounting under budget by \$100,000.*
- * *Human Resources under budget by \$162,000.*
- * *Treasurer under budget by \$175,000.*
- * *Communications under budget by \$70,000*
- * *Youth program was not implemented*

Mr. Zendel inquired what Administrative Overhead Allocation are considered Capital Expenditures and what is distributed to other Funds?

Ms. Jenuwine responded that if you have higher capital costs, you receive a higher allocation. The Fund will receive a bigger allocation based on the Capital Expenditures. She further explained the three (3) ways the General Administrative Charge is allocated as follows:

- * *Consider Personnel costs in the General Fund.*
- * *Consider size of Fund Balance in a Particular Fund.*
- * *Consider amount of Expenditures.*

Ms. Hill inquired as to pushing the budget forward sooner instead of waiting the full year to allocate the monies back.

Ms. Jenuwine stated this can be done once the 2004 numbers are confirmed by auditors in March.

Ms Jenuwine reviewed the changes to the following funds:

- * Major Roads
- * Local Roads
- * Fire Administration
- * Fire Apparatus
- * Fire Operating Fund
- * Special Police
- * Extra Police Protection
- * RARA no significant changes
- * Pathways
- * Solid Waste
- * Tree Fund
- * Drain Fund
- * Debt Funds
- * Water and Sewer Fund

Ms. Jenuwine will provide Susan Galeczka, City Council Liaison, revised resolution to reflect appropriate changes.

Ms. Jenuwine further explained to Committee Members that the Water and Sewer Budget was developed from the Black and Veach Software Program in Excel Spreadsheets. She looked at the past ten (10) months of data and projected the last two (2) months of the year. She then explained that she inflates for the difference and cost between this year and last year to obtain a number.

Discussed

YOUTH COMMENTS

None Presented

ANY OTHER BUSINESS

Committee members discussed the Emerald Ash Borer destruction of City trees, noting approximately 1800 right-of-way street trees have been cut down throughout the City.

Committee members agreed to look into the cost of hiring a contractor to grind the tree stumps.

** Tree Fund is set-up to replace trees with the residents splitting the cost one-half with the City.*

** Tree Replacement Fund is to be used only for trees removed from right-of-ways in front of people's homes.*

Ms. Jenuwine referred to the language which says "maintenance" noting it is considered "maintenance" to remove tree stumps. She further noted that the number of trees cut down by the City is at 1000 and to have Mike Hartner, Director of Parks and Forestry put together information so that they can make an informed decision.

Mr. Dalton stated that tree stumps should be removed this winter so that residents can replant in the Spring.

NEXT MEETING DATE

Committee members agreed to change the 2005 Financial Services Committee Meeting date to the second Thursday of the month beginning at its regular time of 5:00 p.m.

ADJOURNMENT

There being no further business to discuss, Chairperson Hill adjourned the meeting at 6:22 p.m.

Minutes prepared by Sue Busam.