



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

**1000 Rochester Hills Dr.
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Legislative File No: 2010-0235

TO: City Council Members

FROM: Keith Sawdon, Director of Finance, Ext 2535

DATE: May 14, 2010

SUBJECT: FY 2010 2nd Quarter Budget Amendment

REQUEST:

We are requesting that City Council approve the Mayor's proposed amendments to the 2010 Budget for the following funds: General Fund, Major Road Fund, Local Street Fund, Fire Fund, Pathway Maintenance Fund, Tree Fund, Street Improvements Debt Fund (2001 Series), SAD Street Improvements Debt Fund (2001 Series), Street Improvements Debt Fund (2002 Series), Drain Debt Millage Fund, OPC Building Debt Fund, 1998 Refunding Debt Fund, Fire Capital Fund, Pathway Construction Fund, Capital Improvement Fund, W&S Operating Fund, W&S Capital Fund, Facilities Fund, Retiree Healthcare Trust Fund and the LDFA Fund.

BACKGROUND:

As required by the State's Uniform Budgeting and Accounting Act and City Charter Section 3.7, the Mayor's Office has prepared recommended budget amendments to the original adopted 2010 budget.

The FY 2010 2nd Quarter Budget Amendment proposes a decrease in total expenses of (\$4,047,340) and an increase in total revenues of \$341,170. The reduction in expenditures combined with the increase in revenues will allow the City to reduce the need to draw from its fund balance by (\$4,388,510).

Capital accounts represent (\$4,017,120) of the change with operating accounts representing (\$74,550). Inter-fund transfers-out represents an increase of \$44,330. In addition to these changes to expenditures, \$341,170 of additional revenue will be added with the 2nd Quarter Amendment.

The attached Budget Amendment Summary Report shows the requested budget amendments at the Total Budget level which includes an overview. The Report then presents the requested changes at the Fund level. A description of the requested changes is also provided in the Tables used throughout the attached report. We have also attached a line item detail report to help with your understanding of the requested budget amendments.

In addition to the budget amendment, the Uniform Budgeting and Accounting Act authorize City Council to permit the Mayor to execute *adjustments* to the budget within limits. Adjustments are intended to reduce the amount of insignificant budget amendments and allow for more efficient and uninterrupted City operations. Administrative adjustments are not intended to increase a Fund's total expenditures previously approved by the City Council. We have enclosed a list of administrative adjustments that were made in the second quarter.

RECOMMENDATION:

We recommend that City Council approve the Mayor's proposed 2nd Quarter Budget Amendment to the 2010 budget as proposed.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		

Attachments:

Public Hearing Notice

Resolution

Budget Amendment Summary Report