

FISCAL YEAR 2012
1st QUARTER PROPOSED BUDGET AMENDMENT

Summary Presentation of 1st Qtr Budget Amendment

| | Current 2012 Budget | 1st Qtr Amendment | Proposed 2012 Budget |
|-------------------------------|--------------------------------|------------------------------|---------------------------------|
| Total Revenues | \$ 101,846,730 | \$ 940,770 | \$ 102,787,500 |
| <i>Operating Expense</i> | \$ 79,496,000 | \$ (698,340) | \$ 78,797,660 |
| <i>Capital Outlay Expense</i> | 6,316,360 | 2,913,120 | 9,229,480 |
| <i>Transfer-Out Expense</i> | 18,634,960 | 837,270 | 19,472,230 |
| Total Expenses | \$ 104,447,320 | \$ 3,052,050 | \$ 107,499,370 |
| To/(From) Fund Balance | \$ (2,600,590) | \$ (2,111,280) | \$ (4,711,870) |

Detail Presentation of 1st Qtr Budget Amendment

| | Current 2012 Budget | 1st Qtr Amendment | Proposed 2012 Budget |
|--------------------------------------|--------------------------------|------------------------------|---------------------------------|
| Revenue | \$ 101,846,730 | \$ 940,770 | \$ 102,787,500 |
| <i>Operating Expense</i> | \$ 79,496,000 | \$ (756,340) | \$ 78,739,660 |
| <i>Operating Project (Carryover)</i> | \$ - | \$ 73,000 | \$ 73,000 |
| <i>Operating (Capital Reclass)</i> | \$ - | \$ (15,000) | \$ (15,000) |
| OPERATING SUB-TOTAL | \$ 79,496,000 | \$ (698,340) | \$ 78,797,660 |
| <i>Capital Outlay Expense</i> | 6,316,360 | (86,870) | 6,229,490 |
| <i>Capital Outlay (Carryover)</i> | - | 2,984,990 | 2,984,990 |
| <i>Capital (Operating Reclass)</i> | - | 15,000 | 15,000 |
| CAPITAL SUB-TOTAL | \$ 6,316,360 | \$ 2,913,120 | \$ 9,229,480 |
| <i>Transfer-Out Expense</i> | 18,634,960 | 837,270 | 19,472,230 |
| TRANSFER OUT SUB-TOTAL | \$ 18,634,960 | \$ 837,270 | \$ 19,472,230 |
| Grand Total Expense | \$ 104,447,320 | \$ 3,052,050 | \$ 107,499,370 |
| To/(From) Fund Balance | \$ (2,600,590) | \$ (2,111,280) | \$ (4,711,870) |

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Revenue, Expenditure, and Fund Balance Impact:

The FY 2012 1st Quarter Budget Amendment proposes an increase in total revenues of \$940,770 and an increase in total expenses of \$3,052,050. The net increase in revenues less the increase in expenses will have a net negative impact on citywide fund balances and retained earnings of (\$2,111,280).

A major component of the FY 2012 1st Quarter Budget Amendment that impacts personnel operating expenditures citywide stems from revised employee healthcare and compensation plans that were agreed to in November of 2011. The Grand Total Citywide for this approved agreement represents a net operating expense reduction of (\$540,480).

Another major component of this FY 2012 1st Quarter Budget Amendment is due to capital projects or purchases which were not completed in FY 2011 that are proposed to be “carried over” into FY 2012:

| Citywide Capital Project Change Summary | | | |
|--|-------------------------------|---------------------------|------------------------------------|
| Project Title | Current Capital Budget | Proposed Amendment | Revised 2012 Capital Budget |
| Major Road Summary | \$ 1,186,700 | \$ 680,000 | \$ 1,866,700 |
| Local Street Summary | \$ 2,000,000 | \$ 2,500 | \$ 2,002,500 |
| Water Resources Summary | \$ - | \$ 48,000 | \$ 48,000 |
| Green Space Summary | \$ - | \$ - | \$ - |
| Fire Capital Summary | \$ 40,000 | \$ - | \$ 40,000 |
| Pathway Construction Summary | \$ 150,480 | \$ 13,500 | \$ 163,980 |
| Capital Improvement Fund Summary | \$ 10,000 | \$ - | \$ 10,000 |
| Water & Sewer Capital Summary | \$ 1,267,000 | \$ 1,235,000 | \$ 2,502,000 |
| Facilities Summary | \$ 250,000 | \$ 200,000 | \$ 450,000 |
| MIS Summary | \$ 159,000 | \$ 64,670 | \$ 223,670 |
| Fleet Summary | \$ 1,253,180 | \$ 669,450 | \$ 1,922,630 |
| LDFA Summary | \$ - | \$ - | \$ - |
| Capital Project Total | \$ 6,316,360 | \$ 2,913,120 | \$ 9,229,480 |

As part of the 2011 4th Quarter Budget Amendment presented in December 2011, \$2,487,990 was projected to be “carried forward” from the FY 2011 Budget and into the FY 2012 Budget to continue projects/purchases that were not completed in FY 2011. The revised amount being requested in FY 2012 Budget is \$2,913,120.

Note: This “carry forward” amount increase from prior 4th Qtr 2011 estimates is due to less work/costs being completed in FY 2011 (due to weather, etc...) than was initially projected, meaning more work/costs are to be performed in FY 2012 than projected.

Summary by Fund

101 - General Fund

General Fund revenues are proposed to increase by \$36,400 due to:

- Increase of \$36,400 in transfers-in from the Fleet Fund due to the refunding of replacement charges collected for the purchase of two (2) Assessing Department vehicles (39-140 & 39-141) which will not be replaced

General Fund expenditures are proposed to decrease by (\$319,890) due to:

- Decrease of (\$274,060) in operating expenditures due to net personnel cost changes
- Decrease of (\$45,830) in transfers-out due to:

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- Decrease of (\$58,610) in Transfers-Out to the Local Street Fund as less funding is required to balance operations
- Increase of \$12,780 in Transfers-Out to the Special Police Fund as additional funding is required to balance operations

The net increase in revenues less the decrease in expenditures will increase the contribution into fund balance by \$356,290.

202 - Major Road Fund

Major Road Fund revenues are proposed to increase by \$18,000 due to:

- Increase of \$18,000 in Grant revenue due to the Radar Speed Signal project

Major Road Fund expenditures are proposed to increase by \$674,790 due to:

- Decrease of (\$5,210) in operating expenditures due to:
 - Decrease of (\$28,210) in operating expenditures due to net personnel cost changes
 - Increase of \$23,000 in operating expenditures due to projects “carried over” into the FY 2012 Budget

| Major Roads Operating Project Change Summary | | | | |
|---|---|---------------------|------------------|----------------------|
| CIP ID# | Project Title | 2012 Current Budget | 2012 Requested | 2012 Proposed Budget |
| | Pavement Management Analysis | \$ - | \$ 5,000 | \$ 5,000 |
| | Radar Speed Signal Project (Offsetting Grant Revenue) | \$ - | \$ 18,000 | \$ 18,000 |
| Major Roads Operating Project Change Summary | | \$ - | \$ 23,000 | \$ 23,000 |

Note: It was projected that \$5,000 would be requested to be “carried over” into the FY 2012 Budget for operating projects not completed in FY 2011 as part of the FY 2011 4th Quarter Budget Amendment

- Increase of \$680,000 in capital projects:

| Major Roads Capital Project Change Summary | | | | |
|---|--|---------------------|-------------------|----------------------|
| CIP ID# | Project Title | 2012 Current Budget | 2012 Requested | 2012 Proposed Budget |
| MR-01A | Crooks Road @ M-59 Interchange | \$ - | \$ 16,000 | \$ 16,000 |
| MR-01E | Crooks Road [Star Batt - Hamlin] P/E | \$ - | \$ 12,000 | \$ 12,000 |
| MR-02A | Hamlin Road [Crooks - Livernois] C/E | \$ - | \$ 10,000 | \$ 10,000 |
| MR-03A | Major Road "2011" Concrete Slab Replacement Program | \$ - | \$ 7,500 | \$ 7,500 |
| MR-05E | Adams Road [South Blvd - Auburn] | \$ - | \$ 30,000 | \$ 30,000 |
| MR-26E | Livernois Bridge Replacement P/E | \$ - | \$ 75,000 | \$ 75,000 |
| MR-27 | Major Road - Bridge Rehabilitation Program | \$ - | \$ 50,000 | \$ 50,000 |
| MR-40A | Tienken Road Corridor Improvements [ROW Acquisition] | \$ - | \$ 400,000 | \$ 400,000 |
| MR-42C | M-59 Rehabilitation [Adams - Crooks] | \$ - | \$ 40,000 | \$ 40,000 |
| MR-42D | M-59 Sound Barriers | \$ - | \$ 22,000 | \$ 22,000 |
| MR-43 | Rain Tree Drive Rehabilitation | \$ - | \$ 17,500 | \$ 17,500 |
| Major Roads Capital Project Change Summary | | \$ - | \$ 680,000 | \$ 680,000 |

Note: It was projected that \$450,000 would be requested to be “carried over” into the FY 2012 Budget for operating projects not completed in FY 2011 as part of the FY 2011 4th Quarter Budget Amendment

The net increase in expenditures will increase the draw from fund balance by (\$656,790).

203 – Local Street Fund

Local Street Fund revenues are proposed to decrease by (\$58,610) due to:

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- Decrease of (\$58,610) in Transfers-In from the General Fund as less funding is required to balance operations

Local Street Fund expenditures are proposed to decrease by (\$58,610) due to:

- Decrease of (\$61,110) in operating expenditures due to net personnel cost changes
- Increase of \$2,500 in capital projects:

| Local Street Capital Project Change Summary | | | | |
|--|---|---------------------|-----------------|----------------------|
| CIP ID# | Project Title | 2012 Current Budget | 2012 Requested | 2011 Proposed Budget |
| LS-03A | Local Street "2011" Concrete Slab Replacement Program | \$ - | \$ 2,500 | \$ 2,500 |
| Local Street Capital Project Change Summary | | \$ - | \$ 2,500 | \$ 2,500 |

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

206 – Fire Fund

Fire Fund expenditures are proposed to decrease by (\$85,500) due to:

- Decrease of (\$85,500) in operating expenditures due to net personnel cost changes

The net decrease in expenditures will increase the contribution into fund balance by \$85,500.

207 – Special Police Fund

Special Police Fund revenues are proposed to increase by \$12,780 due to:

- Increase of \$12,780 in Transfers-In from the General Fund as additional funding is required to balance operations

Special Police Fund expenditures are proposed to increase by \$12,780 due to:

- Increase of \$12,780 in operating expenditures due to personnel benefit changes

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

214 – Pathway Maintenance Fund

Pathway Maintenance Fund expenditures are proposed to change due to:

- Decrease of (\$3,660) in operating expenditures due to net personnel cost changes
- Increase of \$3,660 in transfers-out to the Pathway Construction Fund (403) to balance revenues

There is no impact on fund balance.

244 – Water Resources Fund

Water Resources Fund revenues are proposed to increase by \$38,000 due to:

- Increase of \$38,000 in Federal Grant due to the remainder of the Avon Creek Restoration (Phase II) project anticipated to be completed and reimbursed in FY 2012

Water Resources Fund expenditures are proposed to increase by \$40,940 due to:

- Decrease of (\$7,060) in operating expenditures due to net personnel cost changes
- Increase of \$48,000 in capital projects:

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| Water Resources Capital Project Change Summary | | | | |
|---|-----------------------------------|---------------------|------------------|----------------------|
| CIP ID# | Project Title | 2012 Current Budget | 2012 Requested | 2012 Proposed Budget |
| SW-09A | Avon Creek Restoration (Phase I) | \$ - | \$ 10,000 | \$ 10,000 |
| SW-09B | Avon Creek Restoration (Phase II) | \$ - | \$ 38,000 | \$ 38,000 |
| Water Resources Capital Project Change Summary | | \$ - | \$ 48,000 | \$ 48,000 |

The net increase in revenues less the increase in expenditures will increase the draw from fund balance by (\$2,940).

325 – Street Improvements (2002 Series)

325-Debt Fund expenditures are proposed to increase by \$952,490 due to:

- Decrease of (\$94,210) in Debt Service expenditures as some activity is to move to new Debt Fund (394) due to debt issue restructuring
- Increase of \$1,046,700 in Transfers-Out to the 394-Debt due to debt issue restructuring to close 325-Debt Fund

The net increase in expenditures will close the 325-Debt Fund

394 – Refunding Debt Fund / 2011 Series

394-Local Street Refunding Fund revenues are proposed to increase by \$1,046,700 due to:

- Increase of \$1,046,700 in Transfers-In from the Street Improvement (2002 Series) Debt Fund (325) to close the fund

394-Local Street Refunding Fund expenditures are proposed to increase by \$82,010 due to:

- Increase of \$82,010 in debt service expenditures

The net increase in revenues less the increase in expenditures will contribute \$964,690 into fund balance.

403 – Pathway Construction Fund

Pathway Construction Fund revenues are proposed to increase by \$3,660 due to:

- Increase of \$3,660 in transfers-in from the Pathway Maintenance Fund (214)

Pathway Construction Fund expenditures are proposed to increase by \$13,500 due to:

- Increase of \$13,500 in capital projects:

| Pathway Construction Capital Project Change Summary | | | | |
|--|---------------------------------------|---------------------|------------------|----------------------|
| CIP ID# | Project Title | 2012 Current Budget | 2012 Requested | 2012 Proposed Budget |
| PW-01 | "2011" Pathway Rehabilitation Program | \$ - | \$ 11,000 | \$ 11,000 |
| PW-43 | Rain Tree Pathway Construction | \$ - | \$ 2,500 | \$ 2,500 |
| Pathway Construction Capital Project Change Summary | | \$ - | \$ 13,500 | \$ 13,500 |

The net increase in revenues less the increase in expenditures will decrease the contribution to fund balance by (\$9,840).

510 - Sanitary Sewer Division

Sanitary Sewer Division expenses are proposed to decrease by (\$223,150) due to:

- Decrease of (\$19,490) in operating expenses due to net personnel cost changes

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- Decrease of (\$203,660) in transfers-out to the W&S Debt Fund due to updated information regarding the Oakland-Macomb interceptor Drain (2011 Series)

The net decrease in expenses will increase the contribution into retained earnings by \$223,150.

530 - Water Division

Water Division expenses are proposed to decrease by (\$27,570) due to:

- Decrease of (\$27,570) in operating expenses due to net personnel cost changes

The net decrease in expenses will increase the contribution into retained earnings by \$27,570.

593 - Water & Sanitary Sewer Capital Fund

Water & Sewer Capital Fund expenses are proposed to increase by \$1,240,000 due to:

- Increase of \$5,000 in operating expenses due to projects “carried over” into the FY 2012 Budget

| Water & Sewer Operating Project Change Summary | | | 2012 Requested | 2012 Proposed Budget |
|---|-----------------------------|---------------------|-----------------|----------------------|
| CIP ID# | Project Title | 2012 Current Budget | | |
| FA-04C | Salt Storage Facility Study | \$ - | \$ 5,000 | \$ 5,000 |
| Water & Sewer Operating Project Change Summary | | \$ - | \$ 5,000 | \$ 5,000 |

- Increase of \$1,235,000 in capital projects

| Water & Sewer Capital Project Change Summary | | | 2012 Requested | 2012 Proposed Budget |
|---|--|---------------------|---------------------|----------------------|
| CIP ID# | Project Title | 2012 Current Budget | | |
| SS-02B | "2011" Sanitary Sewer Rehabilitation Program | \$ - | \$ 60,000 | \$ 60,000 |
| SS-22B | Grant Pump Station Replacement P/E | \$ 650,000 | \$ 120,000 | \$ 770,000 |
| WS-25B | South Boulevard Water Main Replacement | \$ - | \$ 615,000 | \$ 615,000 |
| FA-04C | DPS Salt Storage Facility | \$ - | \$ 440,000 | \$ 440,000 |
| Water & Sewer Capital Project Change Summary | | \$ 650,000 | \$ 1,235,000 | \$ 1,885,000 |

Note: It was projected that \$1,175,000 would be requested to be “carried over” into the FY 2012 Budget for operating projects not completed in FY 2011 as part of the FY 2011 4th Quarter Budget Amendment

The net increase in expenses will increase the draw from retained earnings by (\$1,240,000).

595 – Water & Sanitary Sewer Debt Fund

Water & Sanitary Sewer Debt Fund revenues are proposed to decrease by (\$203,660) due to:

- Decrease of (\$203,660) in transfers-in from the Sanitary Sewer Fund due to updated information regarding the Oakland-Macomb interceptor Drain (2011 Series)

Water & Sanitary Sewer Debt Fund expenses are proposed to decrease by (\$203,660) due to:

- Decrease of (\$203,660) in debt service payments due to updated information regarding the Oakland-Macomb interceptor Drain (2011 Series)

The net decrease in revenues less the decrease in expenses will have no impact on retained earnings.

631 - Facilities Fund

Facilities Fund revenues are proposed to increase by \$45,000 due to:

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- Increase of \$45,000 in contributions and donations for the Stoney Creek Schoolhouse ADA Compliance project

Facilities Fund expenses are proposed to increase by \$187,800 due to:

- Decrease of (\$12,200) in operating expenses due to:
 - Decrease of (\$17,200) in net personnel cost changes
 - Reclassification of (\$15,000) from operating expenses (repairs & maintenance) to capital projects due to the revised project scope of the Bloomer Park Ticket Booth Repairs which has been determined to be more cost effective to entirely replace the structure rather than attempt to perform all of the repairs necessary to bring up to code standards
 - Increase of \$20,000 in operating expenses due to due to projects “carried over” into the FY 2012 Budget

| Facilities Operating Project Change Summary | | | | |
|--|-------------------------|---------------------|------------------|----------------------|
| CIP ID# | Project Title | 2012 Current Budget | 2012 Requested | 2012 Proposed Budget |
| | Demolition: Precinct #5 | \$ - | \$ 20,000 | \$ 20,000 |
| Facilities Operating Project Change Summary | | \$ - | \$ 20,000 | \$ 20,000 |

- Increase of \$200,000 in capital projects due to:

| Facilities Capital Project Change Summary | | | | |
|--|--|---------------------|-------------------|----------------------|
| CIP ID# | Project Title | 2012 Current Budget | 2012 Request | 2012 Proposed Budget |
| FA-02G | Fire Station #1 / Parking Lot Drainage | \$ - | \$ 28,000 | \$ 28,000 |
| FA-11 | Citywide ADA Compliance Implementation | \$ - | \$ 45,000 | \$ 45,000 |
| FA-13J | Fire Station #4 / Cement Apron Drive | \$ - | \$ 27,000 | \$ 27,000 |
| FA-11 | Stoney Creek Schoolhouse ADA Compliance Implementation | \$ - | \$ 45,000 | \$ 45,000 |
| | City Hall Entrance Sign | \$ - | \$ 40,000 | \$ 40,000 |
| | Bloomer Park Ticket Booth Reconstruction | \$ - | \$ 15,000 | \$ 15,000 |
| Facilities Capital Project Change Summary | | \$ - | \$ 200,000 | \$ 200,000 |

Note: It was projected that \$100,000 would be requested to be “carried over” into the FY 2012 Budget for capital projects not completed in FY 2011 as part of the FY 2011 4th Quarter Budget Amendment

The net increase revenues less the increase in expenses will increase the draw from retained earnings by (\$142,800).

636 – MIS Fund

MIS Fund revenues are proposed to increase by \$2,500 due to:

- Increase of \$2,500 anticipated from the Rochester Community Schools for their portion of the Pictometry Upgrade Project

MIS Fund expenses are proposed to increase by \$82,660 due to:

- Increase of \$17,990 in operating expenses due to:
 - Decrease of (\$7,010) in net personnel cost changes
 - Increase of \$25,000 in operating expenses due to due to projects “carried over” into the FY 2012 Budget

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| MIS Operating Project Change Summary | | | | |
|---|----------------------------|---------------------|------------------|----------------------|
| CIP ID# | Project Title | 2012 Current Budget | 2012 Requested | 2012 Proposed Budget |
| | Pictometry Upgrade Project | \$ - | \$ 25,000 | \$ 25,000 |
| MIS Operating Project Change Summary | | \$ - | \$ 25,000 | \$ 25,000 |

Note: It was projected that \$25,000 would be requested to be "carried over" into the FY 2012 Budget for operating projects not completed in FY 2011 as part of the FY 2011 4th Quarter Budget Amendment

- Increase of \$64,670 in capital projects due to:

| MIS Capital Project Change Summary | | | | |
|---|-------------------------------|---------------------|------------------|---------------------|
| CIP ID# | Project Title | 2012 Current Budget | 2012 Request | 2012 Revised Budget |
| IS-02B | City Website Upgrade Schedule | \$ - | \$ 11,670 | \$ 11,670 |
| IS-10B | Network Upgrade Schedule | \$ - | \$ 53,000 | \$ 53,000 |
| MIS Capital Project Change Summary | | \$ - | \$ 64,670 | \$ 64,670 |

Note: It was projected that \$11,670 would be requested to be "carried over" into the FY 2012 Budget for operating projects not completed in FY 2011 as part of the FY 2011 4th Quarter Budget Amendment

The net increase in revenues less the increase in expenses will increase the draw from retained earnings by (\$80,160).

661 – Fleet Fund

Fleet Fund expenses are proposed to increase by \$683,700 due to:

- Decrease of (\$22,150) in operating expenses due to net personnel cost changes
- Increase of \$36,400 in transfers-out to the General Fund due to the refunding of replacement charges collected for the purchase of two (2) Assessing Department vehicles (39-140 & 39-141) which will not be replaced
- Increase of \$669,450 in capital projects due to:

| Fleet Capital Project Change Summary | | | | |
|---|--|---------------------|-------------------|---------------------|
| CIP ID# | Project Title | 2012 Current Budget | 2012 Request | 2012 Revised Budget |
| IS-05 | 39-087 / Sign/Guardrail Truck [DPS] | \$ - | \$ 173,070 | \$ 173,070 |
| IS-05 | 39-090 / Tandem-Axle Dump Truck | \$ - | \$ 173,150 | \$ 173,150 |
| IS-05 | 39-091 / Tandem-Axle Dump Truck | \$ - | \$ 205,050 | \$ 205,050 |
| IS-05 | 39-092 / Tandem-Axle Dump Truck | \$ - | \$ 205,050 | \$ 205,050 |
| IS-05 | 39-130 / Passenger Car [Assessing] / Defer Replacement | \$ 20,360 | \$ (20,360) | \$ - |
| IS-05 | 39-140 / Passenger Car [Assessing] / No Replacement | \$ 23,400 | \$ (23,400) | \$ - |
| IS-05 | 39-141 / Passenger Car [Assessing] / No Replacement | \$ 23,400 | \$ (23,400) | \$ - |
| IS-05 | 39-218 / Equipment Trailer [Fleet] / No Replacement | \$ 19,710 | \$ (19,710) | \$ - |
| Fleet Capital Project Change Summary | | \$ 86,870 | \$ 669,450 | \$ 756,320 |

Note: It was projected that \$756,320 would be requested to be "carried over" into the FY 2012 Budget for operating projects not completed in FY 2011 as part of the FY 2011 4th Quarter Budget Amendment

The net increase in expenses will increase the draw from retained earnings by (\$683,700).

848 – LDFA Fund

LDFA Fund expenditures are proposed to decrease by (\$240) due to:

- Decrease of (\$240) in operating expenses due to personnel benefit changes

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The decrease in expenditures will increase the contribution to fund balance by \$240.