



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

**1000 Rochester Hills Dr.  
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[www.rochesterhills.org](http://www.rochesterhills.org)**

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**Legislative File No: 2008-0451**

**TO:** City Council Members  
**FROM:** Julie Jenuwine, Finance Director 248.841.2535  
**DATE:** August 28, 2008  
**SUBJECT:** FY2008 3rd Quarter Budget Amendments

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**REQUEST:**

To request that City Council approve the Mayor's proposed 2008 budgeted fund totals and/or line-item changes for the following funds: General Fund, Major Road Fund, Local Street Fund, Fire Operating Fund, Special Police Fund, Pathway Maintenance Fund, Drain Fund, Fire Capital Fund, Pathway Construction Fund, Capital Improvement Fund, Water & Sewer Operating Fund, Water & Sewer Capital Fund, Facilities Fund, MIS Fund, Fleet Fund, and Local Development Finance Authority Fund.

**BACKGROUND:**

In accordance with the State's Uniform Budgeting and Accounting Act and City Charter Section 3.7, the Fiscal Office has gathered proposed budget amendments to the current 2008 budget. These 3rd quarter budget amendments reflect the current estimated revenues and departments' requested expenditures by line-item. The amendments reflect changes based on present operating budget information along with capital project updates.

In summary, a (net) total of \$2,333,170 is proposed for amendment. Nearly \$1.6 million for the transfer from the LDFA to the Major Road Fund and Water Capital Fund for capital improvements are proposed. Capital expenditures netting \$1.5 million is proposed (details are attached). Almost \$1.1 million in "lookbacks" for the general (fund) administrative charge, MIS charge and Facilities charge, due to FY2007 actual expenditures coming in less than budget. Operating expenditures are proposed to increase \$336,420 for the Festival of the Hills Fireworks (reimbursed), additional NOHAZ Program funding, Adams/Hamlin remediation monitoring, additional weed cutting (reimbursed), catch basin cleaning, increased fuel costs and some increases with interfund charges (hydrant maintenance, plan review services). *See enclosed graph.*

Only line-items requested to be changed are included on the enclosed schedule, as opposed to providing the budget in its entirety. The enclosed budget amendment schedule reports the "Original Budget", "Current Budget" and *proposed* "Amended Budget" totals for each line-item change requested. A brief description for each request is provided in the "Explanation" column. An "R" represents a revenue account and "E" represents an expenditure/expense account on the enclosed detailed budget amendment schedule to further report whether a revenue or expenditure account is increasing or decreasing. The enclosed resolutions provide the new requested fund totals.

Public Act 2 of 1968, the Uniform Budgeting and Accounting Act Section 19, authorizes the City Council to permit the Mayor to execute *adjustments* to the budget within limits, as discussed during the City Council Financial Policy review session and authorized in the City Council's appropriation act for the 2<sup>nd</sup> quarter budget amendment. Adjustments are intended to reduce the amount of insignificant budget amendments and allows for more efficient and uninterrupted City operations. In no case will total expenditures of a particular fund exceed

that which is appropriated by the City Council without a budget amendment. Budget adjustments shall not conflict with the City Council's expressed programs or policies. The Mayor's adjustments are enclosed.

Should you wish to have further explanation, please do not hesitate to inquire.

**RECOMMENDATION:**

To recommend that City Council approve the Mayor's proposed 2008 budgeted fund totals and/or line-item changes for the following funds: General Fund, Major Road Fund, Local Street Fund, Fire Operating Fund, Special Police Fund, Pathway Maintenance Fund, Drain Fund, Fire Capital Fund, Pathway Construction Fund, Capital Improvement Fund, Water & Sewer Operating Fund, Water & Sewer Capital Fund, Facilities Fund, MIS Fund, Fleet Fund, and Local Development Finance Authority Fund.

**Attachments:**

**Public Hearing Notice**

**Resolution**

**Schedule detailing line-item budget *amendment* changes**

**Schedule detailing line-item budget *adjustments* (in addition to reclassifications)**

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**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
<b>Department Review</b>		
<b>Department Director</b>		
<b>Budget Content: Finance Director</b>		
<b>Mayor</b>		
<b>City Council Liaison</b>		