



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2011-0555

TO: Mayor and City Council Members

FROM: Keith Sawdon, Director of Finance, Ext 2535

DATE: December 5, 2011

SUBJECT: FY 2011 4th Quarter Budget Amendments / Appropriation

REQUEST:

We are requesting that City Council approve the Mayor's proposed 4th quarter budget amendment to the fiscal year 2011 budget for the following funds: General, Major Road, Local Road, Fire, Special Police, Perpetual Care Fund, RARA Millage Fund, Pathway Maintenance, Tree Fund, Water Resource (Drain), OPC Millage Fund, Green Space, Street Improvements (2001 Series), Street Improvements (2001 SAD Series), Street Improvements (2002 Series), Drain Debt Fund, OPC Building Refunding Fund, Refunding Debt Fund / 2011 Series, Fire Capital Fund, Pathway Construction Fund, Capital Improvement, Water & Sewer Operating, Water & Sanitary Sewer Capital Fund, Water & Sanitary Sewer Debt Service Fund, Facilities, MIS, Fleet, Insurance Fund, Retiree Health Care Trust Fund, Brownfield Redevelopment Fund, LDFA Fund, SmartZone Fund and the Economic Development Corporation (EDC) 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 2011 budget. These 4th 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 2011 4th Quarter Budget Amendment proposes an increase in total revenues of \$3,965,660 and a decrease in total expenditures of \$3,758,920. The net increase in revenues less the decrease in expenditures will positively effect citywide fund balances or retain earnings by \$7,724,580.

Summary Presentation of 4th Qtr Budget Amendment

	Current 2011 Budget	4th Qtr Amendment	Proposed 2011 Budget
Total Revenues	\$ 101,112,920	\$ 3,965,660	\$ 105,078,580
<i>Operating Expense</i>	\$ 79,180,590	\$ (602,910)	\$ 78,577,680
<i>Capital Outlay Expense</i>	9,889,190	(3,619,400)	6,269,790
<i>Transfer-Out Expense</i>	16,130,520	463,390	16,593,910
Total Expenses	\$ 105,200,300	\$ (3,758,920)	\$ 101,441,380
To/(From) Fund Balance	\$ (4,087,380)	\$ 7,724,580	\$ 3,637,200

It should also be noted that there are several projects which will not be completed in FY 2011 and are anticipated to be requested or to be “carried over” into the FY 2012 Budget.

Citywide Capital Project Change Summary				
Project Title	Current Project Budget	Proposed Amendment	Revised 2011 Project Budget	2012 Project "Carry Over"
Major Road Summary	\$ 3,989,650	\$ (1,239,210)	\$ 2,750,440	\$ 445,000
Local Street Summary	\$ 806,230	\$ (16,230)	\$ 790,000	\$ -
Water Resources Summary	\$ 285,000	\$ -	\$ 285,000	\$ -
Fire Capital Summary	\$ 230,000	\$ (40,000)	\$ 190,000	\$ -
Pathway Construction Summary	\$ 512,350	\$ (144,800)	\$ 367,550	\$ -
Capital Improvement Fund Summary	\$ 10,000	\$ -	\$ 10,000	\$ -
Water & Sewer Capital Summary	\$ 1,810,000	\$ (1,314,160)	\$ 495,840	\$ 1,175,000
Facilities Summary	\$ 340,500	\$ (100,000)	\$ 240,500	\$ 100,000
MIS Summary	\$ 390,000	\$ (36,670)	\$ 353,330	\$ 11,670
Fleet Summary	\$ 1,515,460	\$ (747,500)	\$ 767,960	\$ 756,320
LDFA Summary	\$ -	\$ 19,170	\$ 19,170	\$ -
Capital Project Total	\$ 9,889,190	\$ (3,619,400)	\$ 6,269,790	\$ 2,487,990

It is currently estimated that of the combined citywide Capital Project decreases proposed for FY 2011 of (\$3,619,400), \$2,487,990 is projected to be requested to be “carried forward” into the FY 2012 Budget (as part of the 1st Quarter Budget Amendment) to continue projects/purchases that were not completed in FY 2011.

Please note: There is a potential for this estimated “carry forward” amount to increase (or decrease) due to the actual work/costs completed in FY 2011 (due to weather, etc...) than is currently projected, meaning more/less work/costs to be performed in FY 2012 than is projected here.

We have also attached the amendments that OPC and RARA Board’s have made to their FY 2011 Budget(s) for your information.

RECOMMENDATION:

We recommend that City Council approve the Mayor’s proposed FY 2011 4th quarter budget amendment and resulting adjustments to fund totals for the various funds as discussed in the Budget Amendment Summary Report.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		