



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

1000 Rochester Hills Dr.
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Legislative File No: 2008-0669

TO: City Council Members
FROM: Julie Jenuwine, Finance Director 248.841.2535
DATE: December 9, 2008
SUBJECT: Budget Amendment Policy

REQUEST:

To request that City Council and the administration discuss Councilman Yalamanchi's proposal to resolve that any changes (increases) to the *operating* budget by the administration be presented with an offset of another *operating* line-item, so that the City's overall *operating* budget does not increase. Councilman Yalamanchi's resolution excludes capital expenditures.

BACKGROUND:

During the FY2009 budget workshops, Councilman Yalamanchi made a recommendation to resolve that the administration not increase the FY2009 budget beyond \$118.5 million for *operating* budget/cost purposes. Councilman Yalamanchi indicated that amendments for *capital* costs are expected and should be proposed, if necessary. He recommended that the administration take from another area of the *operating* budget, as opposed to increasing the overall budget. The administration has discussed this proposal and feels that this additional resolution is unnecessary. Several directors would like to discuss the potential operational difficulties that this proposal may bring.

RECOMMENDATION:

To recommend that City Council and the administration discuss Councilman Yalamanchi's proposal.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Mayor		
City Council Liaison		