

**FISCAL YEAR 2012**  
**2<sup>nd</sup> QUARTER PROPOSED BUDGET AMENDMENT**

**Summary Presentation of 2<sup>nd</sup> Qtr Budget Amendment**

	<b>Current 2012 Budget</b>	<b>2nd Qtr Amendment</b>	<b>Proposed 2012 Budget</b>
<b>Total Revenues</b>	<b>\$ 102,787,500</b>	<b>\$ 1,831,660</b>	<b>\$ 104,619,160</b>
<i>Operating Expense</i>	\$ 78,797,660	\$ 403,060	\$ 79,200,720
<i>Capital Outlay Expense</i>	9,229,480	(329,820)	8,899,660
<i>Transfer-Out Expense</i>	19,472,230	346,050	19,818,280
<b>Total Expenses</b>	<b>\$ 107,499,370</b>	<b>\$ 419,290</b>	<b>\$ 107,918,660</b>
<b>To/(From) Fund Balance</b>	<b>\$ (4,711,870)</b>	<b>\$ 1,412,370</b>	<b>\$ (3,299,500)</b>

***Revenue, Expense, and Fund Balance Impact:***

The FY 2012 2<sup>nd</sup> Quarter Budget Amendment proposes an increase in total revenues of \$1,831,660 and an increase in total expenses of \$419,290. The net increase in revenues less the increase in expenses will have a net positive impact on citywide fund balances and retained earnings of \$1,412,370.

On a Citywide basis, nearly all funds with personnel assigned to them are being requested to be amended due to new wage factors related to Unemployment Insurance. There are two reasons for the increase. First, is an increase to the City's Unemployment Compensation factor as determined by the State of Michigan and is related to the City's recent experience level. Second (and in part due to the increase in the Unemployment factor), the City must also contribute to the reserve account to meet a higher Unemployment Compensation reserve requirement in FY 2012. Grand Total Citywide this cost totals an increase of \$66,910 for FY 2012.

***Summary by Fund***

**101 - General Fund**

General Fund revenues are proposed to increase by \$1,004,690 due to:

- Increase of \$123,890 in Tax Revenue
- Increase of \$201,820 in Cable Permit Revenue
- Increase of \$700,000 in State Shared Revenue
- Increase of \$21,000 in Cemetery Monument Sales (*offsetting expenditure*)
- Decrease of (\$53,810) in Interest Earnings
- Increase of \$11,250 in Contributions & Donations for Museum Fundraising Services (*offsetting expenditure*)
- Increase of \$540 in Transfers-In from the Tree Fund per prior year interest earnings generated by the Tree Fund to support General Fund / Forestry operations.

General Fund expenditures are proposed to increase by \$34,530 due to:

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- Increase of \$85,570 in operating expenditures due to:
  - Increase of \$30,420 in Unemployment Insurance expenditure increases
  - Increase of \$15,000 in Cemetery Monuments (*offsetting revenue*)
  - Increase of \$11,250 in Museum Fundraising Services (*offsetting revenue*)
  - Increase of \$8,000 in Interfund charges for DPS Clerical services
  - Increase of \$20,900 in Parks and Forestry related expenditures related to the Stonewall Pumpkin Festival (pumpkin purchases), increased levels of ball field maintenance, and increased levels of City property tree maintenance
- Decrease of (\$51,040) in transfers-out due to:
  - Decrease of (\$71,710) in Transfers-Out to the Local Street Fund as less funding is required to balance operations
  - Increase of \$670 in Transfers-Out to the Special Police Fund as additional revenue is required to balance operations
  - Increase of \$20,000 in Transfers-Out to the Capital Improvement Fund to amend to projected PEG Cable Permit revenues

The net increase in revenues less the increase in expenditures will have a net impact on fund balance of \$970,160.

### **202 - Major Road Fund**

Major Road Fund revenues are proposed to increase by \$228,200 due to:

- Increase of \$277,500 on Act 51 Gasoline Tax revenue
- Decrease of (\$49,300) in Interest Earnings

Major Road Fund expenditures are proposed to increase by \$234,480 due to:

- Increase of \$3,230 in operating expenditures due to:
  - Increase of \$3,230 in Unemployment Insurance expenditure increases
- Increase of \$231,250 in capital projects:

Major Roads Capital Project Change Summary				
CIP ID#	Project Title	2012 Current Budget	2012 Requested	2012 Proposed Budget
MR-27	Major Road Bridge Rehabilitation Program	\$ 50,000	\$ 70,000	\$ 120,000
MR-27	Major Road Bridge Rehabilitation Program (C/E)	\$ -	\$ 17,000	\$ 17,000
MR-49G	Avon @ Livernois - Intersection Enhancement (City Share)	\$ -	\$ 140,000	\$ 140,000
PW-49F	Avon Pathway [Livernois - 500' EB]	\$ 28,750	\$ 4,250	\$ 33,000
<b>Major Roads Capital Project Change Summary</b>		<b>\$ 78,750</b>	<b>\$ 231,250</b>	<b>\$ 310,000</b>

The net increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$6,280).

### **203 – Local Street Fund**

Local Street Fund revenues are proposed to increase by \$3,230 due to:

- Increase of \$100,600 in Act 51 Gasoline Tax revenue
- Decrease of (\$25,660) in Interest Earnings
- Decrease of (\$71,710) in Transfers-In from the General Fund as less funding is required to balance operations

Local Street Fund expenditures are proposed to increase by \$3,230 due to:

- Increase of \$3,230 in operating expenditures due to:
  - Increase of \$3,230 in Unemployment Insurance expenditure increases

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

**206 – Fire Fund**

Fire Fund expenditures are proposed to increase by \$10,510 due to:

- Increase of \$10,510 in operating expenditures due to:
  - Increase of \$10,510 in Unemployment Insurance expenditure increases

The net increase expenditures will have a net impact on fund balance of (\$10,510).

**207 – Special Police Fund**

Special Police Fund revenues are proposed to increase by \$670 due to:

- Increase of \$670 in Transfers-In from the General Fund as additional revenue is required to balance operations

Special Police Fund expenditures are proposed to increase by \$670 due to:

- Increase of \$670 in operating expenditures due to:
  - Increase of \$670 in Unemployment Insurance expenditure increases

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

**211 – Perpetual Care Fund**

Perpetual Care Fund expenditures are proposed to increase by \$5,860 due to:

- Increase of \$5,860 in Transfers-Out to Fleet Fund for the purchase of a new Cemetery Trailer

The net increase in expenditures will have a net impact on fund balance of (\$5,860).

**213 – RARA Millage Fund**

RARA Millage Fund revenues are proposed to increase by \$2,060 due to:

- Increase of \$2,060 in Tax revenues

RARA Millage Fund expenditures are proposed to increase by \$2,060 due to:

- Increase of \$2,060 in transfers-out to RARA to balance revenues

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

**214 – Pathway Maintenance Fund**

Pathway Maintenance Fund revenues are proposed to decrease by (\$1,190) due to:

- Decrease of (\$1,190) in Interest earnings

Pathway Maintenance Fund expenditures are proposed to decrease by (\$1,190) due to:

- Increase of \$40 in operating expenditures due to:
  - Increase of \$40 in Unemployment Insurance expenditure increases
- Decrease of (\$1,230) in transfers-out to the Pathway Construction Fund (403) to balance revenues

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

**232 – Tree Fund**

Tree Fund revenues are proposed to decrease by (\$3,410) due to:

- Decrease of (\$3,410) in Interest Earnings

Tree Fund expenditures are proposed to increase by \$540 due to:

- Increase of \$540 in Transfers-Out to the General Fund per prior year interest earnings generated by the Tree Fund to support General Fund / Forestry operations.

The net decrease in revenues less the increase in expenditures will have a net impact on fund balance of (\$3,950).

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**244 – Water Resources Fund**

Water Resources Fund revenues are proposed to decrease by (\$27,050) due to:

- Decrease of (\$27,050) in Interest Earnings

Water Resources Fund expenditures are proposed to increase by \$1,190 due to:

- Increase of \$1,190 in operating expenditures due to:
  - Increase of \$1,190 in Unemployment Insurance expenditure increases

The net decrease in revenues offset by the increase in expenditures will have a net impact on fund balance of (\$28,240).

**265 – OPC Millage Fund**

OPC Millage Fund revenues are proposed to increase by \$3,460 due to:

- Increase of \$3,460 in Tax revenues

OPC Millage Fund expenditures are proposed to increase by \$3,460 due to:

- Increase of \$3,460 in transfers-out to OPC to balance revenues

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

**299 – Green Space Fund**

Green Space Fund revenues are proposed to decrease by (\$7,220) due to:

- Decrease of (\$7,220) in Interest Earnings

Green Space Fund expenditures are proposed to increase by \$50 due to:

- Increase of \$50 in operating expenditures due to:
  - Increase of \$50 in Unemployment Insurance expenditure increases

The net decrease in revenues less the increase in expenditures will have a net impact on fund balance of (\$7,270).

**313 – Street Improvements (2001 Series) Debt Fund**

313-Debt Fund revenues are proposed to decrease by (\$4,870) due to:

- Decrease of (\$4,870) in Interest Earnings

The net decrease in revenues will have a net impact on fund balance of (\$4,870).

**314 – SAD Street Improvements (2001 Series) Debt Fund**

314-Debt Fund revenues are proposed to decrease by (\$3,000) due to:

- Decrease of (\$3,000) in Interest Earnings

The net decrease in revenues will have a net impact on fund balance of (\$3,000).

**331 – Drain Debt Fund**

331-Debt Fund revenues are proposed to increase by \$17,530 due to:

- Increase of \$17,530 in Tax revenues

The net increase in revenues will have a net impact on fund balance of \$17,530.

**369 – OPC Building Refunding Debt Fund**

369-Debt Fund revenues are proposed to increase by \$13,240 due to:

- Increase of \$13,040 in Tax revenues
- Increase of \$200 in Interest Earnings

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The net increase in revenues will have a net impact on fund balance of \$13,240.

### **402 – Fire Capital Fund**

Fire Capital Fund revenues are proposed to decrease by (\$29,020) due to:

- Decrease of (\$29,020) in Interest Earnings

The net decrease in revenues will have a net impact on fund balance of (\$29,020).

### **403 – Pathway Construction Fund**

Pathway Construction Fund revenues are proposed to increase by \$156,800 due to:

- Decrease of (\$970) in Interest Earnings
- Decrease of (\$1,230) in transfers-in from the Pathway Maintenance Fund (214)
- Increase of \$159,000 in transfers-in from the Capital Improvement Fund (420) to fund the Paint Creek Trailway Bridge Rehabilitation project (PK-06C)

Pathway Construction Fund expenditures are proposed to increase by \$313,520 due to:

- Increase of \$313,520 in capital projects:

Pathway Constrcution: Capital Project Change Summary				
CIP ID#	Project Title	2012 Current Budget	2012 Requested	2012 Proposed Budget
PW-01	Pathway Bridge Rehabilitation Program	\$ 150,480	\$ 113,520	\$ 264,000
PW-01	Pathway Bridge Rehabilitation Program (C/E)	\$ -	\$ 41,000	\$ 41,000
PK-06C	Paint Creek Trailway Bridge Replacement	\$ -	\$ 140,000	\$ 140,000
PK-06C	Paint Creek Trailway Bridge Replacement (C/E)	\$ -	\$ 19,000	\$ 19,000
<b>Pathway Constrcution: Capital Project Change Summary</b>		<b>\$ 150,480</b>	<b>\$ 313,520</b>	<b>\$ 464,000</b>

The net increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$156,720).

### **420 – Capital Improvement Fund**

Capital Improvement Fund revenues are proposed to increase by \$11,030 due to:

- Decrease of (\$8,970) in Interest Earnings
- Increase of \$20,000 in Transfers-In from the General Fund to amend to projected PEG Cable Permit revenues

Capital Improvement Fund expenditures are proposed to increase by \$149,270 due to:

- Increase of \$159,000 in transfers-out to the Pathway Construction Fund (403) to fund the Paint Creek Trailway Bridge Rehabilitation project (PK-06C)
- Decrease of (\$9,730) in transfers-Out to the Fleet Fund (661) to decrease to actual vehicle costs

The net decrease in revenues less the increase in revenue will have a net impact on fund balance of (\$138,240).

### **510 - Sanitary Sewer Division**

Sanitary Sewer Division Fund revenues are proposed to increase by \$88,450 due to:

- Increase of \$68,000 in Interfund charges for clerical services
- Increase of \$39,360 in Commercial Surcharge
- Decrease of (\$18,910) in Customer Charge due to reduction in 2012-13 Water & Sewer rate charged

Sanitary Sewer Division expenses are proposed to increase by \$54,590 due to:

- Increase of \$3,520 in operating expenditures due to:
  - Increase of \$3,520 in Unemployment Insurance expenditure increases

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- Increase of \$51,070 in transfers-out to the W&S Capital Fund due to actual amounts of Sanitary Sewer Capital & Lateral charges and Depreciation expenses in FY 2011

The net increase in revenues less the increase in expenses will have a net impact on retained earnings of \$33,860.

**530 - Water Division**

Water Division Fund revenues are proposed to decrease by (\$28,750) due to:

- Decrease of (\$11,870) in Interest Earnings
- Decrease of (\$16,880) in Customer Charge due to reduction in 2012-13 Water & Sewer rate charged

Water Division expenses are proposed to increase by \$193,620 due to:

- Increase of \$7,560 in operating expenditures due to:
  - Increase of \$7,560 in Unemployment Insurance expenditure increases
- Increase of \$186,060 in transfers-out to the W&S Capital Fund due to actual amounts of Water Capital & Lateral charges and Depreciation expenses in FY 2011

The net decrease in revenues less the increase in expenses will have a net impact on retained earnings of (\$222,370).

**593 - Water & Sanitary Sewer Capital Fund**

Water & Sanitary Sewer Capital Fund revenues are proposed to increase by \$189,360 due to:

- Decrease of (\$47,770) in Interest Earnings
- Increase of \$51,070 in transfers-in from the Sanitary Sewer Division due to actual amounts of Sanitary Sewer Capital & Lateral charges and Depreciation expenses in FY 2011
- Increase of \$186,060 in transfers-in from the Water Division due to actual amounts of Water Capital & Lateral charges and Depreciation expenses in FY 2011

Water & Sewer Capital Fund expenses are proposed to decrease by (\$517,000) due to:

- Decrease of (\$517,000) in capital projects

Water & Sewer Capital Project Change Summary				
CIP ID#	Project Title	2012 Current Budget	2012 Requested	2012 Proposed Budget
WS-49F	Avon Road Bridge: Water Main Replacement	\$ 200,000	\$ (200,000)	\$ -
WS-01E	Crooks Road Water Main Replacement [Star Batt - Hamlin]	\$ 317,000	\$ (317,000)	\$ -
<b>Water &amp; Sewer Capital Project Change Summary</b>		<b>\$ 517,000</b>	<b>\$ (517,000)</b>	<b>\$ -</b>

The net increase in revenues less the decrease in expenses will have a net impact on retained earnings of \$706,360.

**631 - Facilities Fund**

Facilities Fund revenues are proposed to increase by \$200,040 due to:

- Increase of \$206,000 in Federal Grant – EECBG Stimulus funding (off-setting expense)
- Decrease of (\$25,960) in Interest Earnings
- Increase of \$20,000 in contributions and donations for the Calf Barn Restoration project (Architect portion)

Facilities Fund expenses are proposed to increase by \$287,660 due to:

- Increase of \$267,660 in operating expenses due to:
  - Increase of \$206,000 related to EECBG funded projects
    - Increase of \$64,000 in UV Window Protection & Storm Windows
    - Increase of \$61,000 in HVAC/Mechanical Services & Energy Efficiency Upgrades

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- Increase of \$81,000 in Electrical Contractor Services & Energy Efficiency Upgrades
  - Increase of \$1,660 in Unemployment Insurance expenditure increases
  - Increase of \$60,000 in Interfund charges for Clerical services
- Increase of \$20,000 in capital projects due to:

Facilities Capital Project Change Summary				
CIP ID#	Project Title	2012 Current Budget	2012 Request	2012 Proposed Budget
PK-03E	Museum: Calf Barn Restoration (Architect Services)	\$ -	\$ 20,000	\$ 20,000
<b>Facilities Capital Project Change Summary</b>		<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>

The net increase in revenues less the increase in expenses will have a net impact on retained earnings of (\$87,620).

**636 – MIS Fund**

MIS Fund revenues are proposed to decrease by (\$13,790) due to:

- Decrease of (\$13,790) in Interest Earnings

MIS Fund expenses are proposed to decrease by (\$25,000) due to:

- Increase of \$2,810 in operating expenses due to:
  - Increase of \$2,810 in Unemployment Insurance expenditure increases
- Decrease of (\$25,000) in capital projects due to:

MIS Capital Project Change Summary				
CIP ID#	Project Title	2012 Current Budget	2012 Request	2012 Revised Budget
IS-10C	AS/400 Upgrade/Replacement	\$ 25,000	\$ (25,000)	\$ -
<b>MIS Capital Project Change Summary</b>		<b>\$ 25,000</b>	<b>\$ (25,000)</b>	<b>\$ -</b>

The net decrease in revenues less the decrease in expenses will have a net impact on retained earnings of \$8,400.

**661 – Fleet Fund**

Fleet Fund revenues are proposed to decrease by (\$37,280) due to:

- Decrease of (\$33,410) in Interest Earnings
- Increase of \$5,860 in Transfers-In from the Perpetual Care Fund for the purchase of a new Cemetery Trailer
- Decrease of (\$9,730) in transfers-In from the Capital Improvement Fund (420) to decrease to actual vehicle costs

Fleet Fund expenses are proposed to decrease by (\$350,750) due to:

- Increase of \$1,840 in operating expenses due to:
  - Increase of \$1,840 in Unemployment Insurance expenditure increases
- Decrease of (\$352,590) in capital projects due to:

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Fleet Capital Project Change Summary				
CIP ID#	Project Title	2012 Current Budget	2012 Request	2012 Revised Budget
IS-05	Wheel Load Weigher x2 [OCSO]	\$ 9,460	\$ (9,460)	\$ -
IS-05	Trailer: Cemetery	\$ -	\$ 5,860	\$ 5,860
IS-05	3 x Lawn Mowers	\$ 35,610	\$ (3,720)	\$ 31,890
IS-05	39-311: Tractor/Loader/Backhoe	\$ 35,030	\$ 2,240	\$ 37,270
IS-05	39-087: Sign/Guardrail Truck	\$ 173,070	\$ (173,070)	\$ -
IS-05	39-180: Pickup 4wd w\ Plow	\$ 30,790	\$ (30,790)	\$ -
IS-05	39-183: Pickup 4wd w\ Plow	\$ 30,790	\$ (30,790)	\$ -
IS-05	39-158: Cargo Van [Sewer Camera Truck]	\$ 42,970	\$ (42,970)	\$ -
IS-05	39-103: Sanitary Sewer Truck [DPS-W&S]	\$ 375,920	\$ 24,080	\$ 400,000
IS-05	39-081: Road Grader	\$ 241,890	\$ (24,890)	\$ 217,000
IS-05	39-155: Station Wagon [Media]	\$ 28,020	\$ (9,720)	\$ 18,300
IS-05	39-160: Pickup 4wd [Forestry]	\$ 23,750	\$ (23,750)	\$ -
IS-05	39-036: Pickup 4wd [Parks]	\$ 35,610	\$ (35,610)	\$ -
<b>Fleet Capital Project Change Summary</b>		<b>\$ 1,062,910</b>	<b>\$ (352,590)</b>	<b>\$ 710,320</b>

The net decrease in revenues less the decrease in will have a net impact on retained earnings of \$313,470.

**736 – Retiree Healthcare Trust Fund**

Retiree Healthcare Trust Fund expenditures are proposed to increase by \$20 due to:

- Increase of \$20 in operating expenditures due to:
  - Increase of \$20 in Unemployment Insurance expenditure increases

The net increase in expenditures has will have a net impact on fund balance of (\$20).

**843 – Brownfield Redevelopment Fund**

Brownfield Redevelopment Fund revenues are proposed to decrease by (\$1,040) due to:

- Decrease of (\$1,040) in Interest Earnings

The net decrease in revenues will have a net impact on fund balance of (\$1,040).

**848 – Local Development Finance Authority (LDFA) Fund**

LDFA Fund revenues are proposed to increase by \$69,140 due to:

- Increase of \$69,140 in Taxes and Municipal Contributions

LDFA Fund expenditures are proposed to increase by \$15,160 due to:

- Increase of \$15,160 in operating expenditures due to:
  - Increase of \$160 in Unemployment Insurance expenditure increases
  - Increase of \$15,000 in Tax Tribunals

The increase in revenues less the increase in expenditures will have a net impact on fund balance of \$53,980.

**851 – Smart Zone Fund**

Smart Zone Fund revenues are proposed to increase by \$400 due to:

- Increase of \$400 in Interest Earnings

The net increase in revenues will have a net impact on fund balance of \$400.

**893 – Economic Development Corporation (EDC) Fund**

EDC Fund revenues are proposed to decrease by (\$20) due to:

- Decrease of (\$20) in Interest Earnings



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The net decrease in revenues will have a net impact on fund balance of (\$20).