

FISCAL YEAR 2014
Final Budget versus Original Budget / Variance Analysis

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
Total Revenues	\$ 110,992,890	\$ 109,633,420	\$ (1,359,470)	-1.2%
<i>Operating Expense</i>	\$ 83,686,270	\$ 80,503,040	\$ (3,183,230)	-3.8%
<i>Capital Outlay Expense</i>	15,470,230	15,636,490	166,260	1.1%
<i>Transfer-Out Expense</i>	22,352,090	22,830,620	478,530	2.1%
Total Expenses	\$ 121,508,590	\$ 118,970,150	\$ (2,538,440)	-2.1%
To/(From) Fund Balance	\$ (10,515,700)	\$ (9,336,730)	\$ 1,178,970	-11.2%

Grand Total Citywide Original Budget versus Final Budget Variance Analysis:

Grand total revenues citywide for FY 2014 are anticipated to end the year (-\$1,359,470) less [or -1.2%] than the original Adopted FY 2014 Budget.

Grand total expenses citywide for FY 2014 are anticipated to end the year (-\$2,538,440) [or -2.1%] less than the original Adopted FY 2014 Budget. Grand total expenses citywide are comprised of:

- Operating Expenses which are anticipated to end the year (-\$3,183,230) [or -3.8%] under the original adopted budget;
- Capital Outlay expenses which are anticipated to end the year +\$166,260 [or +1.1%] over the original adopted budget; and
- Interfund Transfers-Out which are anticipated to end the year +\$478,530 [or +2.1%] over the original adopted budget.

The primary reason for capital outlay expenses ending the year over the originally adopted budget is due to projects that were not completed in FY 2013 and had funding "carried over" into FY 2014.

Variance Analysis by Fund

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
101 - General Fund				
Revenue	\$ 24,648,060	\$ 26,198,750	\$ 1,550,690	6.3%
<i>Expenditure - Operating</i>	\$ 14,942,900	\$ 14,515,770	\$ (427,130)	-2.9%
<i>Expenditure - Capital</i>	-	-	-	-
<i>Expenditure - Transfer-Out</i>	11,532,240	11,699,290	167,050	1.4%
Expenditure	\$ 26,475,140	\$ 26,215,060	\$ (260,080)	-1.0%
To/(From) Fund Balance	\$ (1,827,080)	\$ (16,310)	\$ 1,810,770	-99.1%

General Fund revenues are anticipated to be +\$1,550,690 higher [or +6.3%] due to:

Increase of \$945,720 in operating revenues including:

- Increase of \$722,700 in Building Department related revenues
- Increase of \$277,640 in other various departmental operating revenues
- Increase of \$200,000 in Cable Franchise Fee Revenue
- Increase of \$100,830 in Property Tax Collections
- Decrease of (\$355,450) in General Administration Allocation True-up charges

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Increase of \$604,970 in transfers-in including:

- Increase of \$604,410 in transfers-in from the Retiree Healthcare Trust Fund due to the return of Implicit Rate healthcare funds held by the Retiree Healthcare Trust Fund that are no longer needed as the City of Rochester Hills has moved retired employees off general employee healthcare plans.
- Increase of \$560 in Transfers-In from the Tree Fund (232) due to FY 2012 actual Tree Fund (232) interest earnings [per Tree Fund Policy]

General Fund expenditures are anticipated to be (\$260,080) lower [or -1.0%] due to:

Decrease of (\$427,130) [or -2.9%] in operating expenditures including:

- Decrease of (\$243,020) in operating expenditures
- Decrease of (\$184,110) in various allocation true-up charges

Increase of \$167,050 [or +1.4%] in transfers-out including:

- Increase of \$260,520 in transfers-out to the Local Street Fund for Local Street Construction projects and annual operations
- Increase of \$61,000 due to higher PEG revenues to the Capital Improvement Fund
- Increase of \$20,000 in transfers-out to the Facilities Fund to fund the final phase of the Citywide Radio Changeover Project (IS-11)
- Increase of \$10,000 in transfers-out to the newly established Rochester Hills Museum Foundation Fund, to provide funding for initial activities for the foundation
- Decrease of (\$19,890) to various allocation true-up charges
- Decrease of (\$64,850) in transfers-out to the Special Police fund to balance annual operations
- Decrease of (\$99,730) to the Retiree Healthcare Trust Fund as no transfer is required since the Retiree Healthcare Trust is fully funded

The increase in revenues less the decrease in expenditures is anticipated to have a net impact on fund balance of +\$1,810,770 compared to the original adopted budget.

101 – General Fund / FY 2014 Takeaway:

- Year-end revenues \$1,550,690 [or 6.3%] over original budget
- Year-end operating expenditures (\$427,130) [or -2.9%] under original budget
- General Fund Balance originally projected to be drawn down by \$1.8 million, now anticipated to drawn down by \$16,310
 - Over \$1.8 million net reduction in amount of fund balance used

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
202 - Major Road Fund				
Revenue	\$ 4,036,320	\$ 4,217,280	\$ 180,960	4.5%
Expenditure - Operating	\$ 2,333,530	\$ 2,253,460	\$ (80,070)	-3.4%
Expenditure - Capital	2,172,830	3,702,340	1,529,510	70.4%
Expenditure - Transfer-Out	750,000	750,000	-	0.0%
Expenditure	\$ 5,256,360	\$ 6,705,800	\$ 1,449,440	27.6%
To/(From) Fund Balance	\$ (1,220,040)	\$ (2,488,520)	\$ (1,268,480)	104.0%

Major Road Fund revenues are anticipated to be +\$180,960 higher [or +4.5%] due to:

Increase of \$180,960 [or 4.5%] in operating revenues including:

- Increase of \$225,000 in contributions from the State of Michigan / Act 51 Revenues partially due to a contribution from the State of MI to assist local communities with their 2014 Winter Maintenance costs
- Decrease of (\$44,040) in other net operating revenues

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Major Road Fund expenditures are anticipated to be +\$1,449,440 higher [or +27.6%] due to:

Decrease of (\$80,070) [or -3.4%] in operating expenditures including:

- Increase of \$178,330 in operating expenditures primarily due to 2014 Winter Maintenance costs
- Decrease of (\$258,400) in operating expenditures

Increase of +\$1,529,510 [or +70.4%] in capital projects including:

Major Road Fund Capital Project Change Summary				
Project Title		Original 2014 Project Budget	Final 2014 Project Budget	Final - Original 2014 Budget
MR-02B	Hamlin Road Reconstruction [Hamlin Ct - Dequindre Rd]	\$ 30,000	\$ 192,400	\$ 162,400
MR-02G	Hamlin Boulevard Irrigation [Crooks Rd - Livernois Rd]	\$ -	\$ 38,000	\$ 38,000
MR-03A	Major Road Concrete Replacement Program "2013"	\$ -	\$ 125,000	\$ 125,000
MR-03A	Major Road Concrete Replacement Program "2014"	\$ 411,250	\$ 442,250	\$ 31,000
MR-03B	LDFA Concrete Replacement Program "2013"	\$ -	\$ 140,000	\$ 140,000
MR-03B	LDFA Concrete Replacement Program "2014"	\$ 300,000	\$ 300,000	\$ -
MR-12	Major Road Traffic Calming Program	\$ 20,000	\$ 10,000	\$ (10,000)
MR-13A	Dequindre Road Reconstruction [Auburn Rd - South Blvd]	\$ 23,750	\$ -	\$ (23,750)
MR-27	Major Road Bridge Rehabilitation Program	\$ 10,000	\$ -	\$ (10,000)
MR-31D	John R Rd @ South Blvd / Intersection Improvements	\$ -	\$ 37,600	\$ 37,600
MR-40A	Tienken Road Reconstruction [Livernois - Rochester]	\$ 230,000	\$ 859,090	\$ 629,090
MR-40C	Tienken Road Rehabilitation [Adams - Livernois]	\$ -	\$ 96,000	\$ 96,000
MR-49D	Avon Road Rehabilitation [Adams - Livernois]	\$ 253,200	\$ 126,000	\$ (127,200)
MR-53	Falcon Drive Rehabilitation	\$ -	\$ 110,000	\$ 110,000
MR-54	Firewood Drive Rehabilitation	\$ -	\$ 90,000	\$ 90,000
PW-01	Pathway Rehabilitation Program	\$ 50,000	\$ -	\$ (50,000)
PW-49D	Avon Pathway [Adams - Livernois]	\$ 269,630	\$ 380,000	\$ 110,370
MR-02B	Hamlin Road [Hamlin Ct - Rochester Rd] ROW	\$ 575,000	\$ 675,000	\$ 100,000
MR-40C	Tienken Road [Adams - Livernois] ROW	\$ -	\$ 21,000	\$ 21,000
MR-40A	Tienken Road [Livernois - Rochester] ROW	\$ -	\$ 60,000	\$ 60,000
Capital Project Total		\$ 2,172,830	\$ 3,702,340	\$ 1,529,510

The increase in revenues less the increase in expenditures is anticipated to have a net impact on fund balance of (\$1,268,480) compared to the original adopted budget.

202 – Major Road Fund / FY 2014 Takeaway:

- Year-end operating expenditures (\$80,070) [or -3.4%] under original budget even with adding additional funding of \$178,330 due to 2014 winter maintenance activities
- \$3.7 million (City share) of Major Road Construction utilizing \$2.5 million in Major Road fund balance

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
203 - Local Street Fund				
Revenue	\$ 10,317,880	\$ 10,715,120	\$ 397,240	3.9%
Expenditure - Operating	\$ 4,440,320	\$ 4,413,480	\$ (26,840)	-0.6%
Expenditure - Capital	5,250,320	6,694,300	1,443,980	27.5%
Expenditure - Transfer-Out	627,240	627,240	-	0.0%
Expenditure	\$ 10,317,880	\$ 11,735,020	\$ 1,417,140	13.7%
To/(From) Fund Balance	\$ -	\$ (1,019,900)	\$ (1,019,900)	100.0%

Local Street Fund revenues are anticipated to be +\$397,240 higher [or +3.9%] due to:

Increase of \$136,720 in operating revenues including:

- Increase of \$69,720 in operating revenues
- Increase of \$67,000 in contributions from the State of Michigan / Act 51 Revenues due to a contribution from the State of MI to assist local communities with their 2014 Winter Maintenance costs

Increase of \$260,520 in transfers-in including:

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- Increase of \$260,520 in transfers-in from the General Fund for Local Street Construction projects and annual operations

Local Street Fund expenditures are anticipated to be +\$1,671,140 higher [or +15.7%] due to:

Decrease of (\$26,840) [or -0.6%] in operating expenditures including:

- Increase of \$489,080 in operating expenditures primarily due to 2014 Winter Maintenance costs
- Decrease of (\$515,920) in operating expenditures

Increase of \$1,443,980 [or +27.5%] in capital projects including:

Local Street Fund Capital Project Change Summary				
Project Title		Original 2014 Project Budget	Final 2014 Project Budget	Final - Original 2014 Budget
LS-01	Local Street Asphalt Rehabilitation Program "2014"	\$ 1,701,500	\$ 779,000	\$ (922,500)
LS-03	Local Street Concrete Replacement Program "2014"	\$ 3,298,500	\$ 4,211,000	\$ 912,500
LS-03	Local Street Concrete Replacement Program "2013"	\$ -	\$ 775,000	\$ 775,000
LS-06	Bloomer Road Paving	\$ -	\$ 132,500	\$ 132,500
LS-10	Crestline Street Paving	\$ -	\$ 20,800	\$ 20,800
LS-11	Sheldon Road Paving [Placid Ct - Mead Rd]	\$ 25,320	\$ 749,240	\$ 723,920
No CIP	Local Street Gravel-to-Asphalt SAD Program	\$ 200,000	\$ -	\$ (200,000)
LS-11	Sheldon Road [Placid Ct - Mead Rd] ROW	\$ 25,000	\$ 26,760	\$ 1,760
Capital Project Total		\$ 5,250,320	\$ 6,694,300	\$ 1,443,980

The increase in revenues less the increase in expenditures is anticipated to have a net impact on fund balance of (\$1,019,900) compared to the original adopted budget.

203 – Local Street Fund / FY 2014 Takeaway:

- Year-end operating expenditures (\$26,840) or [or -0.6%] under original budget even with adding additional funding of \$489,080 due to 2014 winter maintenance activities
- \$6.7 million in Local Street Construction completed in FY 2014
 - More local street construction in FY 2014 than 2009-13 (prior 5-years) cumulative
 - \$5.0 million in concrete slab replacement
 - \$1.7 million in asphalt paving / rehabilitation

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
206 - Fire Fund				
Revenue	\$ 7,462,770	\$ 7,581,370	\$ 118,600	1.6%
Expenditure - Operating	\$ 7,371,000	\$ 7,435,510	\$ 64,510	0.9%
Expenditure - Capital	-	-	-	-
Expenditure - Transfer-Out	91,770	145,860	54,090	58.9%
Expenditure	\$ 7,462,770	\$ 7,581,370	\$ 118,600	1.6%
To/(From) Fund Balance	\$ -	\$ -	\$ -	-

Fire Fund revenues are anticipated to be +\$118,600 higher [or +1.6%] due to:

Decrease of (\$54,480) in operating revenues including:

- Decrease of (\$54,480) in operating revenues

Increase of \$173,080 in transfers-in including:

- Increase of \$173,080 in transfers-in from the Retiree Healthcare Trust Fund due to the return of Implicit Rate healthcare funds held by the Retiree Healthcare Trust Fund that are no longer needed as the City of Rochester Hills has moved retired employees off general employee healthcare plans.

- **Fire Fund expenditures are anticipated to be +\$118,600 higher [or +1.6%] due to:**

Increase of \$64,510 [or +0.9%] in operating expenditures including:

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- Increase of \$206,680 in operating expenditures primarily due to #3472 Union contract settlement impacts
- Decrease of (\$142,170) in operating expenditures due to various allocation true-up charges

Increase of \$54,090 [or +58.9%] in transfers-out including:

- Increase of \$87,210 in transfers-out to the Fire Capital Fund (402) to balance
- Decrease of (\$33,120) to the Retiree Healthcare Trust Fund as no transfer is required since the Retiree Healthcare Trust is fully funded

The increase in revenues less the increase in expenditures is anticipated to have no net impact on fund balance compared to the original adopted budget.

206 – Fire Department Fund / FY 2014 Takeaway:

- Year-end operating expenditures \$64,510 [or 0.9%] over original budget primarily due to new Fire Union contract impacts
- Total Revenues – Total Expenditures = \$145,860 to be transferred out to Fire Capital Fund (402)
 - Had the \$173,080 in one-time transfers-in from Retiree Healthcare not been received in FY 2014, there would have been no operational transfer-out to Fire Capital Fund (402) and the Fire Fund would have needed to draw \$27,220 from fund balance to balance operations.
 - FYI, new Fire millage beginning in FY 2015.

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
207 - Special Police Fund				
Revenue	\$ 9,197,870	\$ 9,180,080	\$ (17,790)	-0.2%
Expenditure - Operating	\$ 8,867,690	\$ 8,849,900	\$ (17,790)	-0.2%
Expenditure - Capital	-	-	-	-
Expenditure - Transfer-Out	330,180	330,180	-	0.0%
Expenditure	\$ 9,197,870	\$ 9,180,080	\$ (17,790)	-0.2%
To/(From) Fund Balance	\$ -	\$ -	\$ -	-

Special Police Fund revenues are anticipated to be (\$17,790) lower [or -0.2%] due to:

Increase of \$47,060 in operating revenues
 Decrease of (\$64,850) in transfers-in including:

- Decrease of (\$64,850) in transfers-in from the General Fund to balance Special Police operations

Special Police Fund expenditures are anticipated to be (\$17,790) lower [or -0.2%] due to:

- Decrease of (\$17,790) [or -0.2%] in operating expenditures

The decrease in revenues less the decrease in expenditures is anticipated to have no net impact on fund balance compared to the original adopted budget.

207 – Special Police Fund / FY 2014 Takeaway:

- Decrease of (\$64,850) in transfers-in from the General Fund needed to balance Special Police operations
- Final Year of General Fund subsidy to Special Police Fund

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	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
214 - Pathway Maintenance				
Revenue	\$ 554,950	\$ 563,340	\$ 8,390	1.5%
Expenditure - Operating	\$ 296,960	\$ 367,650	\$ 70,690	23.8%
Expenditure - Capital	-	-	-	-
Expenditure - Transfer-Out	257,990	259,690	1,700	0.7%
Expenditure	\$ 554,950	\$ 627,340	\$ 72,390	13.0%
To/(From) Fund Balance	\$ -	\$ (64,000)	\$ (64,000)	100.0%

Pathway Maintenance Fund revenues are anticipated to be +\$8,390 higher [or +1.5%] due to:

Increase of \$8,390 in operating revenues

- Increase of \$1,650 in operating revenues
- Increase of \$6,740 in Reimbursement from the Cities of Rochester & Auburn Hills for the Clinton River Trailway Cost Participation Agreement

Pathway Fund expenditures are anticipated to be +\$72,390 higher [or +13.0%] due to:

Increase of \$70,690 [or +23.8%] in operating expenditures

- Increase of \$80,490 in operating expenditures primarily due to pathway winter maintenance activities
- Decrease of (\$9,800) in operating expenditures due to various allocation true-up charges

Increase of \$1,700 [or 1.7%] in transfers-out to the Pathway Construction Fund (403)

- Increase of \$1,700 in transfers-out to the Pathway Construction Fund (403) to balance

The increase in revenues less the increase in expenditures is anticipated to have a net impact on fund balance of (\$64,000) as compared to the original adopted budget which will leave the FY 2014 year-end Pathway Maintenance Fund Balance at just over 20% of annual operating expenditures (keeping the fund in compliance with the City's adopted Fund Balance Policy).

214 – Pathway Maintenance Fund / FY 2014 Takeaway:

- Year-end revenues \$8,390 [or +1.5%] over original budget
- Year-end operating expenditures \$70,690 [or +23.8%] primarily due to additional funding needed due to 2014 Winter Maintenance costs

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
244 - Water Resources				
Revenue	\$ 39,200	\$ 358,110	\$ 318,910	813.5%
Expenditure - Operating	\$ 531,240	\$ 643,240	\$ 112,000	21.1%
Expenditure - Capital	-	10,500	10,500	100.0%
Expenditure - Transfer-Out	-	-	-	-
Expenditure	\$ 531,240	\$ 653,740	\$ 122,500	23.1%
To/(From) Fund Balance	\$ (492,040)	\$ (295,630)	\$ 196,410	-39.9%

Water Resource Fund are anticipated to be +\$318,910 higher [or +813.5%] due to:

Increase of \$105,640 in operating revenues

Increase of \$198,270 in other revenues including

- Increase of \$64,520 in grant revenues related to Avon Creek (Phase III)
- Increase of \$133,750 in land sales due to sale of 2.18 acres of storm water detention basin

Increase of \$15,000 in transfers-in including

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- Increase of \$15,000 in transfers-in from the Capital Improvement Fund for the FY 2014 portion of SAW Grant expenditures anticipated

Water Resources Fund expenditures are anticipated to be \$122,500 higher [or +23.1%] due to:

Increase of \$112,000 [or 21.1%] in operating expenditures

- Increase of \$81,780 in operating expenditures primarily due to contracted Construction Inspection services for private development (offsetting revenue)
- Increase of \$15,220 in operating expenditures primarily due to the purchase of Storm Water Grates
- Increase of \$15,000 for the FY 2014 portion of SAW Grant expenditures anticipated

Increase of \$10,500 [or 100%] in capital projects including:

Water Resources Fund Capital Project Change Summary				
Project Title	Original 2014 Project Budget	Final 2014 Project Budget	Final - Original 2014 Budget	
SW-09C	Avon Creek Restoration (Phase III)	\$ -	\$ 10,500	\$ 10,500
Capital Project Total		\$ -	\$ 10,500	\$ 10,500

The increase in revenues less the increase in expenditures is anticipated to have a net impact on fund balance of +\$196,410 as compared to the original adopted budget.

244 – Water Resources Fund / FY 2014 Takeaway:

- 01/01/2014 Beginning Fund Balance = \$2,451,509
- FY 2014 Activity (From Fund Balance) = (\$ 295,630)
- **12/31/2014** **Est. Ending Fund Balance** = **\$2,155,879**

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
299 - Green Space Fund				
Revenue	\$ 908,460	\$ 896,210	\$ (12,250)	-1.3%
Expenditure - Operating	\$ 32,820	\$ 44,330	\$ 11,510	35.1%
Expenditure - Capital	-	1,050,000	1,050,000	100.0%
Expenditure - Transfer-Out	-	-	-	-
Expenditure	\$ 32,820	\$ 1,094,330	\$ 1,061,510	3234.3%
To/(From) Fund Balance	\$ 875,640	\$ (198,120)	\$ (1,073,760)	-122.6%

Green Space Fund revenues are anticipated to be (\$12,250) lower [or -1.3%] due to:

- Decrease of (\$12,250) in operating revenues

Green Space Fund expenditures are anticipated to be \$1,061,510 higher [or +3,234%] due to:

- Increase of \$11,510 [or +35.1%] in operating expenditures due to Green Space consultant
- Increase of \$1,050,000 [or +100%] in land purchases

The decrease in revenues less the increase in expenditures is anticipated to have a net impact on fund balance of (\$1,073,760) as compared to the original adopted budget.

299 – Green Space Fund / FY 2014 Takeaway:

- 01/01/2014 Beginning Fund Balance = \$5,591,206
- FY 2014 Activity (From Fund Balance) = (\$ 198,120)
- **12/31/2014** **Est. Ending Fund Balance** = **\$5,393,086**

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	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
402 - Fire Capital Fund				
Revenue	\$ 125,090	\$ 181,030	\$ 55,940	44.7%
Expenditure - Operating	\$ 32,500	\$ 57,500	\$ 25,000	76.9%
Expenditure - Capital	765,770	117,180	(648,590)	-84.7%
Expenditure - Transfer-Out	50,000	-	(50,000)	-100.0%
Expenditure	\$ 848,270	\$ 174,680	\$ (673,590)	-79.4%
To/(From) Fund Balance	\$ (723,180)	\$ 6,350	\$ 729,530	-100.9%

Fire Capital Fund revenues are anticipated to be +\$55,940 higher [or +44.7%] due to:

- Decrease of (\$31,270) in operating revenues
- Increase of \$87,210 in transfers-in from the Fire Operating Fund (206)

Fire Capital Fund expenditures are anticipated to be (\$673,590) lower [or -79.4%] due to:

- Increase of \$25,000 [or +76.9%] in operating expenditures due to the purchase of replacement fire hose
- Decrease of (\$648,590) [or -84.7%] in capital expenditures

Fire Capital Project Change Summary				
Project Title		Original 2014 Project Budget	Final 2014 Project Budget	Final - Original 2014 Budget
No CIP	Various Fire Capital Equipment	\$ 11,000	\$ 11,000	\$ -
No CIP	Mobile Data Computers	\$ 29,000	\$ 64,000	\$ 35,000
IS-08	Ladder Truck #5	\$ 652,780	\$ -	\$ (652,780)
IS-08	Air Tender	\$ 35,000	\$ -	\$ (35,000)
IS-08	Sport Utility 4wd	\$ 37,990	\$ 21,090	\$ (16,900)
IS-08	Sport Utility 4wd	\$ -	\$ 21,090	\$ 21,090
Capital Project Total		\$ 765,770	\$ 117,180	\$ (648,590)

- Decrease of (\$50,000) [or -100%] in transfers-out to the Facilities Fund for Fire Station #1 Sign

The increase in revenues less the decrease in expenditures is anticipated to have a net impact on fund balance of +\$729,530 as compared to the original adopted budget.

402 – Fire Capital Fund / FY 2014 Takeaway:

- 01/01/2014 Beginning Fund Balance = \$8,731,559
- FY 2014 Activity To Fund Balance = \$ 6,350
- 12/31/2014 Est. Ending Fund Balance = \$8,737,909

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
403 - PW Construction Fund				
Revenue	\$ 262,510	\$ 263,720	\$ 1,210	0.5%
Expenditure - Operating	\$ -	\$ -	\$ -	-
Expenditure - Capital	392,700	281,720	(110,980)	-28.3%
Expenditure - Transfer-Out	-	-	-	-
Expenditure	\$ 392,700	\$ 281,720	\$ (110,980)	-28.3%
To/(From) Fund Balance	\$ (130,190)	\$ (18,000)	\$ 112,190	-86.2%

Pathway Construction Fund revenues are anticipated to be +\$1,210 higher [or +0.5%] due to:

- Decrease of (\$490) in Operating Revenue
- Increase of \$1,700 in transfers-in from the Pathway Maintenance Fund (214)

Pathway Construction Fund expenditures are anticipated to be (\$110,980) lower [or -28.3%] due to:

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- Decrease of (\$110,980) [or -28.3%] in capital expenditures

Pathway Construction Fund Capital Project Change Summary				
Project Title		Original 2014 Project Budget	Final 2014 Project Budget	Final - Original 2014 Budget
PW-01	"2013" Pathway Rehabilitation Program	\$ -	\$ 86,000	\$ 86,000
PW-01	"2014" Pathway Rehabilitation Program	\$ 200,000	\$ -	\$ (200,000)
PW-02B	Hamlin Pathway [Hamlin Ct - Dequindre]	\$ -	\$ 23,400	\$ 23,400
PW-07C	Adams Pathway [Powderhorn - Tienken]	\$ 3,000	\$ -	\$ (3,000)
PW-08B	Tienken Pathway [Livernois - Rochester]	\$ 21,000	\$ 58,820	\$ 37,820
PW-19	Firewood Pathway	\$ -	\$ 45,000	\$ 45,000
PW-31B	John R Pathway [Auburn - 2,300' SB]	\$ 153,700	\$ -	\$ (153,700)
PW-07C	Adams Pathway [Powderhorn - Tienken] ROW	\$ 15,000	\$ -	\$ (15,000)
PW-31B	John R Pathway [Auburn - 2,300' SB] ROW	\$ -	\$ 65,000	\$ 65,000
No CIP	Auburn Pathway Gaps ROW	\$ -	\$ 3,500	\$ 3,500
Capital Project Total		\$ 392,700	\$ 281,720	\$ (110,980)

The increase in revenues less the decrease in expenditures is anticipated to have a net impact on fund balance of +\$112,190 as compared to the original adopted budget.

403 – Pathway Construction Fund / FY 2014 Takeaway:

- 01/01/2014 Beginning Fund Balance = \$1,471,173
- FY 2014 Activity (From Fund Balance) = (\$ 18,000)
- 12/31/2014 Est. Ending Fund Balance = \$1,453,173**

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$	Final - Original Budget %
510 - Sewer Division				
Revenue	\$ 14,381,860	\$ 14,052,070	\$ (329,790)	-2.3%
Expense - Operating	\$ 11,808,510	\$ 11,343,760	\$ (464,750)	-3.9%
Expense - Capital	-	-	-	-
Expense - Transfer-Out	3,129,780	2,731,710	(398,070)	-12.7%
Expenses	\$ 14,938,290	\$ 14,075,470	\$ (862,820)	-5.8%
To/(From) Fund Balance	\$ (556,430)	\$ (23,400)	\$ 533,030	-95.8%

Sanitary Sewer Division revenues are anticipated to be (\$329,790) lower [or -2.3%] due to:

Decrease of (\$409,730) in operating revenues including:

- Decrease of (\$214,650) in operating revenues
- Decrease of (\$195,080) in Interfund – DPS Facility Charges as it is proposed to reclassify these charges to go from the user divisions directly to the 593-W&S Capital Fund instead of being transferred first to the 592-W&S Operating Fund, and then in-turn transferred to the 593-W&S Capital Fund

Increase of \$79,940 in transfers in including

- Increase of \$79,940 in transfers-in from the Retiree Healthcare Trust Fund due to the return of Implicit Rate healthcare funds held by the Retiree Healthcare Trust Fund that are no longer needed as the City of Rochester Hills has moved retired employees off general employee healthcare plans.

Sanitary Sewer Division expenses are anticipated to be (\$862,820) lower [or -5.8%] due to:

Decrease of (\$464,750) [or -3.9%] in operating expenses including:

- Decrease of (\$316,590) in operating expenses
- Decrease of (\$148,160) in operating expenditures due to various allocation true-up charges

Decrease of (\$398,070) [or -12.7%] in transfers-out

- Decrease of (\$415,960) in transfers-out primarily due to less Sanitary Sewer debt service payments required in FY 2014

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- Decrease of (\$195,080) in Transfers-Out to W&S Capital Fund as it is proposed to reclassify these charges to go from the user divisions directly to the 593-W&S Capital Fund instead of being transferred first into the 592-W&S Operating Fund, and then in-turn transferred to the 593-W&S Capital Fund
- Decrease of (\$13,300) to the Retiree Healthcare Trust Fund as no transfer is required since the Retiree Healthcare Trust is fully funded
- Increase of \$38,990 due to actual sanitary sewer depreciation in FY 2013
- Increase of \$187,280 due to actual sanitary sewer capital & lateral charges in FY 2013

The decrease in revenues less the decrease in expenses is anticipated to have a net impact on retained earnings of +\$533,030 as compared to the original adopted budget.

510 – Sanitary Sewer Division / FY 2014 Takeaway:

- Sanitary Sewer Division Retained Earnings originally projected to be drawn down by \$556,430, now anticipated to drawn down by \$23,400 = Nearly Breakeven
 - Over \$533,030 net reduction in amount of retained earnings anticipated to be used

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
530 - Water Division				
Revenue	\$ 18,430,630	\$ 15,702,820	\$ (2,727,810)	-14.8%
Expense - Operating	\$ 15,528,650	\$ 14,008,320	\$ (1,520,330)	-9.8%
Expense - Capital	-	-	-	-
Expense - Transfer-Out	2,683,940	2,611,680	(72,260)	-2.7%
Expenditure	\$ 18,212,590	\$ 16,620,000	\$ (1,592,590)	-8.7%
To/(From) Fund Balance	\$ 218,040	\$ (917,180)	\$ (1,135,220)	-520.6%

Water Division revenues are anticipated to be (\$2,729,810) lower [or -14.8%] due to:

Decrease of (\$2,809,750) in operating revenues including:

- Decrease of (\$2,614,670) in operating revenues primarily due to lower water volumes sold in FY 2014
- Decrease of (\$195,080) in Interfund – DPS Facility Charges as it is proposed to reclassify these charges to go from the user divisions directly to the 593-W&S Capital Fund instead of being transferred first to the 592-W&S Operating Fund, and then in-turn transferred to the 593-W&S Capital Fund

Increase of \$79,940 in transfers in including

- Increase of \$79,940 in transfers-in from the Retiree Healthcare Trust Fund due to the return of Implicit Rate healthcare funds held by the Retiree Healthcare Trust Fund that are no longer needed as the City of Rochester Hills has moved retired employees off general employee healthcare plans.

Water Division expenses are anticipated to be (\$1,592,590) lower [or -8.7%] due to:

Decrease of (\$1,520,330) [or -9.8%] in operating expenses

- Decrease of (\$1,332,710) in operating expenses primarily due to lower water volumes purchased
- Decrease of (\$187,620) in operating expenditures due to various allocation true-up charges

Decrease of (\$72,260) [or -2.7%] in transfers-out

- Decrease of (\$195,080) in Transfers-Out to W&S Capital Fund as it is proposed to reclassify these charges to go from the user divisions directly to the 593-W&S Capital Fund instead of being transferred first into the 592-W&S Operating Fund, and then in-turn transferred to the 593-W&S Capital Fund
- Decrease of (\$13,300) to the Retiree Healthcare Trust Fund as no transfer is required since the Retiree Healthcare Trust is fully funded

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- Increase of \$43,910 due to actual water depreciation in FY 2013
- Increase of \$92,210 due to actual water capital & lateral charges in FY 2013

The decrease in revenues less the decrease in expenses is anticipated to have a net impact on retained earnings of (\$1,135,220) as compared to the original adopted budget.

530 – Water Division / FY 2014 Takeaway:

- Water Division revenues (\$2,727,810) [or -14.8%] under original budget
- Water Division expenses (\$1,592,590) [or -8.7%] under original budget
- Water Division Retained Earnings originally projected to be increase by +\$218,040, now anticipated to be drawn down by -\$917,180

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
593 - W&S Capital Fund				
Revenue	\$ 4,679,920	\$ 5,012,690	\$ 332,770	7.1%
Expense - Operating	\$ 3,809,360	\$ 3,900,000	\$ 90,640	2.4%
Expense - Capital	3,879,470	905,830	(2,973,640)	-76.7%
Expense - Transfer-Out	-	14,500	14,500	100.0%
Expenditure	\$ 7,688,830	\$ 4,820,330	\$ (2,868,500)	-37.3%
To/(From) Fund Balance	\$ (3,008,910)	\$ 192,360	\$ 3,201,270	-106.4%

Water & Sewer Capital Fund revenues are anticipated to be +\$332,770 higher [or +7.1%] due to:

- Increase of \$225,570 in transfers-in from the Sanitary Sewer Division (510)
 - Increase of \$38,990 due to actual sanitary sewer depreciation in FY 2013
 - Increase of \$187,280 due to actual sanitary sewer capital & lateral charges in FY 2013
- Increase of \$135,420 in transfers-in from the Water Division (530)
 - Increase of \$43,910 due to actual water depreciation in FY 2013
 - Increase of \$92,210 due to actual water capital & lateral charges in FY 2013
- Decrease of (\$28,220) in operating revenues

Water & Sewer Capital Fund expenses are anticipated to be (\$2,868,500) lower [or -37.3%] due to:

- Increase of \$90,640 [or 2.4%] in operating expenses due to system depreciation
- Decrease of (\$2,973,640) in capital projects including:

Water & Sewer Capital Fund Capital Project Change Summary				
Project Title	Original 2014 Project Budget	Final 2014 Project Budget	Final - Original 2014 Budget	
SS-01B SCADA System Upgrades	\$ -	\$ 18,000	\$ 18,000	
SS-02B Sanitary Sewer Rehabilitation Program	\$ -	\$ 350,000	\$ 350,000	
SS-22B Grant Pump Station Replacement	\$ -	\$ 230,000	\$ 230,000	
SS-24 Sewer Televising Camera	\$ 80,500	\$ 53,000	\$ (27,500)	
WS-02B Hamlin Road Water Main Replacement	\$ -	\$ 36,400	\$ 36,400	
WS-25 South Boulevard Water Main Replacement	\$ -	\$ 40,000	\$ 40,000	
WS-33 Christian Hills Water Main Replacement	\$ 3,698,970	\$ -	\$ (3,698,970)	
No CIP Tienken Road Water & Sewer Improvements	\$ -	\$ 78,430	\$ 78,430	
No CIP Avon Road Water & Sewer Improvements	\$ -	\$ 32,000	\$ 32,000	
No CIP Urgent Underground Utility Repairs	\$ 100,000	\$ 50,000	\$ (50,000)	
FA-04C Salt Storage Facility	\$ -	\$ 18,000	\$ 18,000	
Capital Project Total	\$ 3,879,470	\$ 905,830	\$ (2,973,640)	

- Increase of \$14,500 in transfers-out to the Fleet Fund to install shelving into the recently replaced Water & Sewer Cube Van.

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The increase in revenues less the decrease in expenses is anticipated to have a net impact on retained earnings of +\$3,201,270 as compared to the original adopted budget.

593 – Water & Sewer Capital Fund / FY 2014 Takeaway:

- Water & Sewer Capital revenues +\$332,770 [or +7.1%] over original budget due primarily to capital & lateral connection fees
- Water & Sewer Capital expenses (\$2,868,500) [or -37.3%] under original budget primarily due to deferring (WS-33) Christian Hills Water Main Replacement project to FY 2015

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
595 - W&S Debt Fund				
Revenue	\$ 1,184,820	\$ 786,790	\$ (398,030)	-33.6%
Expense - Operating	\$ 1,184,820	\$ 786,790	\$ (398,030)	-33.6%
Expense - Capital	-	-	-	-
Expense - Transfer-Out	-	-	-	-
Expenditure	\$ 1,184,820	\$ 786,790	\$ (398,030)	-33.6%
To/(From) Fund Balance	\$ -	\$ -	\$ -	-

Water & Sewer Debt Service Fund revenues are anticipated to be (\$398,030) lower [or -33.6%] due to:

- Increase of \$17,930 in operating revenues
- Decrease of (\$415,960) in transfers-in primarily due to less Sanitary Sewer debt service payments required in FY 2014

Water & Sewer Debt Service Fund expenses are anticipated to be (\$398,030) lower [or -33.6%] due to:

- Decrease of (\$398,030) in operating expenses due to debt service schedules delays by OCWRC

The decrease in revenues less the decrease in expenses is anticipated to have no net impact on retained earnings as compared to the original adopted budget.

595 – Water & Sewer Debt Fund / FY 2014 Takeaway:

- Decrease of (\$398,030) in operating expenses due to debt service schedules delays by OCWRC

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
631 - Facilities Fund				
Revenue	\$ 3,601,270	\$ 3,490,350	\$ (110,920)	-3.1%
Expense - Operating	\$ 4,103,540	\$ 3,867,780	\$ (235,760)	-5.7%
Expense - Capital	411,500	754,050	342,550	83.2%
Expense - Transfer-Out	718,540	718,540	-	0.0%
Expenditure	\$ 5,233,580	\$ 5,340,370	\$ 106,790	2.0%
To/(From) Fund Balance	\$ (1,632,310)	\$ (1,850,020)	\$ (217,710)	13.3%

Facilities Fund revenues are anticipated to be (\$110,920) lower [or -3.1%] due to:

Decrease of (\$147,220) in operating revenues including

- Decrease of (\$89,210) in Facilities Allocation True-up charges
- Decrease of (\$58,010) in other operating revenues

Increase of \$216,300 in other revenues including

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- Increase of \$100,000 in Contributions & Donations reflecting the assessed value of assets contributed for Riverbend Park
- Increase of \$116,300 in Contributions & Donations related to the Calf Barn (Phase II)

Decrease of (\$180,000) in transfers-in including:

- Decrease of (\$150,000) in transfers-in from the Capital Improvement Fund (420) due to deferment and potential deletion of the Spencer Park Storage Building Addition project
- Decrease of (\$50,000) in transfers-in for Fire Station #1 Sign
- Increase of \$20,000 in transfers-in from the General Fund to fund the final phase of the Citywide Radio Changeover Project (IS-11)

Facilities Fund expenses are anticipated to be +\$106,790 higher [or +2.0%] due to:

Decrease of (\$235,760) [or -5.7%] in operating expenses due to:

- Decrease of (\$270,260) in operating expenses
- Decrease / Reclassification of (\$10,500) for the replacement of the Cemetery Gate as a capital expense which should be coded to a capital project account
- Increase / Carryover of \$20,000 for the final phase of Citywide Radio Changeover project (IS-11)
- \$25,000 for a Fire Department Facilities Assessment Study

Increase of +\$342,550 [or +83.2%] in capital projects due to:

Facilities Fund Capital Project Change Summary				
Project Title		Original 2014 Project Budget	Final 2014 Project Budget	Final - Original 2014 Budget
FA-01G	City Hall: UPS System Upgrades	\$ 93,500	\$ 10,250	\$ (83,250)
FA-01H	City Hall: Energy Management Upgrades	\$ -	\$ 6,000	\$ 6,000
FA-02D	Fire Station #1: Entryway Roof Repairs	\$ -	\$ 15,000	\$ 15,000
FA-02E	Fire Station #1: Entrance Sign	\$ 50,000	\$ -	\$ (50,000)
FA-11	ADA Compliance	\$ 40,000	\$ -	\$ (40,000)
FA-13J	Fire Station #3: Kitchen & Bunkroom Improvements	\$ 44,000	\$ -	\$ (44,000)
FA-13K	Fire Station #4: Kitchen Improvements	\$ 34,000	\$ -	\$ (34,000)
IS-19	City Hall: Auditorium Media Upgrades	\$ -	\$ 192,000	\$ 192,000
No CIP	Fire Station #1-5 Improvements: Architect Services	\$ -	\$ 315,000	\$ 315,000
No CIP	Citywide Telephone Replacement	\$ -	\$ 54,000	\$ 54,000
No CIP	Cemetery Front Gate Replacement	\$ -	\$ 10,500	\$ 10,500
PK-03E	Calf Barn Renovations (Phase II): Architect Services	\$ -	\$ 116,300	\$ 116,300
PK-04B	Spencer Park Storage Building Improvements	\$ 150,000	\$ -	\$ (150,000)
PK-13	Riverbend Park Development	\$ -	\$ 35,000	\$ 35,000
Capital Project Total		\$ 411,500	\$ 754,050	\$ 342,550

The decrease in revenues less the increase in expenses is anticipated to have a net impact on retained earnings of (\$217,710) as compared to the original adopted budget.

631 – Facilities Fund / FY 2014 Takeaway:

- Facilities capital expenses +\$342,550 [or 156%] over original budget primarily due to
 - No CIP Fire Station #1-5 Improvements
 - IS-19 City Hall: Auditorium Media Upgrades / Carryover from FY 2013
 - PK-03E Calf Barn Renovations (Phase II)

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Final Budget versus Original Budget / Variance Analysis

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
636 - MIS Fund				
Revenue	\$ 2,146,380	\$ 1,980,460	\$ (165,920)	-7.7%
Expense - Operating	\$ 2,060,390	\$ 1,953,530	\$ (106,860)	-5.2%
Expense - Capital	1,685,990	979,420	(706,570)	-41.9%
Expense - Transfer-Out	-	-	-	-
Expenditure	\$ 3,746,380	\$ 2,932,950	\$ (813,430)	-21.7%
To/(From) Fund Balance	\$ (1,600,000)	\$ (952,490)	\$ 647,510	-40.5%

MIS Fund revenues are anticipated to be (\$165,920) lower [or -7.7%] due to:

Decrease of (\$126,790) in operating revenues including:

- Decrease of (\$118,970) in MIS Allocation True-up charges
- Decrease of (\$7,820) in operating revenues

Decrease of (\$39,130) in transfers-in including:

- Decrease of (\$39,130) in transfers-in due to the actual cost of the Assessing/Treasury Software Upgrade project (IS-16B)

MIS Fund expenses are anticipated to be (\$813,430) lower [or -21.7%] due to:

Decrease of (\$106,860) [or -5.2%] in operating expenses

Decrease of (\$706,570) [or -41.9%] in capital projects:

MIS Fund Capital Project Change Summary				
Project Title		Original 2014 Project Budget	Final 2014 Project Budget	Final - Original 2014 Budget
IS-10B	Computer Network Upgrade Schedule	\$ 60,000	\$ 24,000	\$ (36,000)
IS-12A	Financial System Upgrade	\$ 1,500,000	\$ 900,000	\$ (600,000)
IS-16B	Assessing/Treasury Software Upgrade	\$ 85,990	\$ 46,860	\$ (39,130)
IS-17	Large Format Plotter Replacement	\$ 15,000	\$ 8,560	\$ (6,440)
IS-10C	AS/400 Upgrade	\$ 25,000	\$ -	\$ (25,000)
Capital Project Total		\$ 1,685,990	\$ 979,420	\$ (706,570)

The decrease in revenues less the decrease in expenses is anticipated to have a net impact on retained earnings of +\$647,510 as compared to the original adopted budget.

636 – MIS Fund / FY 2014 Takeaway:

- MIS capital expenses (\$706,570) [or 41.9%] under original budget primarily due to
 - IS-12A Financial System Upgrade anticipates \$600,000 to be “carried over” into FY 2015 Budget for completion

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
661 - Fleet Fund				
Revenue	\$ 2,797,400	\$ 3,097,720	\$ 300,320	10.7%
Expense - Operating	\$ 2,609,490	\$ 2,488,790	\$ (120,700)	-4.6%
Expense - Capital	198,050	1,127,550	929,500	469.3%
Expense - Transfer-Out	-	-	-	-
Expenditure	\$ 2,807,540	\$ 3,616,340	\$ 808,800	28.8%
To/(From) Fund Balance	\$ (10,140)	\$ (518,620)	\$ (508,480)	5014.6%

Fleet Fund revenues are anticipated to be +\$300,320 higher [or +10.7%] due to:

Increase of \$285,820 in operating revenue including

- Increase of \$247,210 in operating revenues primarily due to 2014 winter maintenance

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- Increase of \$38,610 in State Grant (CGAP) funding for a Mobile Column Lift carried over from FY 2013
Increase of \$14,500 in transfers-in including:
 - Increase of \$14,500 in transfers-in from the Water & Sewer Capital Fund to install shelving into the recently replaced Water & Sewer Cube Van.

Fleet Fund expenses are anticipated to be +\$808,800 higher [or +28.8%] due to:

- Decrease of (\$120,700) [or -4.6%] in operating expenses
- Increase of +\$929,500 [or +469%] in capital expenses

MIS Fund Capital Project Change Summary				
Project Title		Original 2014 Project Budget	Final 2014 Project Budget	Final - Original 2014 Budget
39-015	Pickup 4wd [DPS-Fleet]	\$ 33,610	\$ -	\$ (33,610)
39-040	Chipper Truck [Forestry]	\$ -	\$ 56,000	\$ 56,000
39-116	Single Axle Dump Truck [Parks]	\$ -	\$ 70,000	\$ 70,000
39-130	Passenger Car [Assessing]	\$ 20,580	\$ 20,580	\$ -
39-150	Tandem-Axle Dump Truck [DPS]	\$ -	\$ 191,000	\$ 191,000
39-151	Tandem-Axle Dump Truck [DPS]	\$ -	\$ 191,000	\$ 191,000
39-152	Tandem-Axle Dump Truck [DPS]	\$ -	\$ 191,000	\$ 191,000
39-153	Tandem-Axle Dump Truck [DPS]	\$ -	\$ 191,000	\$ 191,000
39-164	Cutaway Cube Truck [W&S]	\$ -	\$ 52,230	\$ 52,230
39-171	Cargo Van [DPS]	\$ 18,460	\$ -	\$ (18,460)
39-175	Sport Utility 4wd [W&S]	\$ 23,060	\$ 23,060	\$ -
39-184	Pickup 2wd [DPS]	\$ 16,740	\$ -	\$ (16,740)
39-208	Hydroseeder [DPS]	\$ 22,530	\$ -	\$ (22,530)
39-273	Pickup 4wd w\ Plow [Parks]	\$ 27,680	\$ 27,680	\$ -
39-274	Pickup 4wd w\ Plow [Parks]	\$ 27,680	\$ 27,680	\$ -
39-328	Utility Vehicle [Parks]	\$ 7,710	\$ 7,710	\$ -
39-548	Pickup Platform Truck [Parks]	\$ -	\$ 40,000	\$ 40,000
	Wireless Mobile Column Lift (EVIP Funded)	\$ -	\$ 38,610	\$ 38,610
Capital Project Total		\$ 198,050	\$ 1,127,550	\$ 929,500

The increase in revenues less the increase in expenses is anticipated to have a net impact on retained earnings of (\$508,480) as compared to the original adopted budget.

661 – Fleet Fund / FY 2014 Takeaway:

- Fleet capital expenses +\$929,500 [or +469%] over original budget primarily due to
 - Tandem-Axle Dump Trucks (x4); Single-Axle Dump Truck; Chipper Truck; Cutaway Cube Truck; Pick Platform Truck; Wireless Mobile Column Lift all “carried over” from FY 2013 Budget

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
677 - Insurance Fund				
Revenue	\$ 409,000	\$ 406,590	\$ (2,410)	-0.6%
Expense - Operating	\$ 409,000	\$ 409,000	\$ -	0.0%
Expense - Capital	-	-	-	-
Expense - Transfer-Out	-	-	-	-
Expenditure	\$ 409,000	\$ 409,000	\$ -	0.0%
To/(From) Fund Balance	\$ -	\$ (2,410)	\$ (2,410)	100.0%

Insurance Fund revenues are anticipated to be (\$2,410) lower [or -0.6%] due to:

- Increase of \$405,390 Refunds and Rebates due to Distribution of Excess Net Assets from Insurance Provider
- Decrease of (\$403,460) in Insurance Allocation True-up charges

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- Decrease of (\$4,340) in operating revenues

The decrease in revenues is anticipated to have a net impact on retained earnings of (\$2,410) as compared to the original adopted budget.

677 – Insurance Fund / FY 2014 Takeaway:

- Increase of \$405,390 Refunds and Rebates due to Distribution of Excess Net Assets from Insurance Provider
- Decrease of (\$403,460) in Insurance Allocation True-up charges charged to other City cost centers

	Original 2014 Budget	Final 2014 Budget (Proposed)	Final - Original Budget \$\$	Final - Original Budget %
736 - Retiree Health Trust				
Revenue	\$ 303,750	\$ 100,000	\$ (203,750)	-67.1%
Expenditure - Operating	\$ 112,840	\$ 126,750	\$ 13,910	12.3%
Expenditure - Capital	-	-	-	-
Expenditure - Transfer-Out	28,340	965,710	937,370	3307.6%
Expenditure	\$ 141,180	\$ 1,092,460	\$ 951,280	673.8%
To/(From) Fund Balance	\$ 162,570	\$ (992,460)	\$ (1,155,030)	-710.5%

Retiree Healthcare Trust Fund revenues are anticipated to be (\$203,750) lower [or -67.1%] due to:

- Decrease of (\$44,300) in operating revenues
- Decrease of (\$159,450) in transfers-in as the annual ARC payment is not needed as the Retiree Healthcare Trust is fully funded

Retiree Healthcare Trust Fund expenses are anticipated to be +\$951,280 higher [or +673%] due to:

Increase of +\$13,910 [or 12.3%] in operating expenses including

- Increase of \$13,910 in operating expenditures primarily due to a growing number of eligible employees retiring

Increase of +\$937,370 [or 3,307%] in transfers-out including

- Increase of \$937,370 in transfers-out due to the return of Implicit Rate healthcare funding held by the Retiree Healthcare Trust Fund that is no longer needed as the City of Rochester Hills has moved retired employees off of the general employee healthcare plans.

The decrease in revenues less the increase in expenditures is anticipated to have a net impact on retained earnings of (\$1,155,030) as compared to the original adopted budget.

736 – Retiree Healthcare Trust Fund / FY 2014 Takeaway:

- Increase of \$937,370 in transfers-out due to the return of Implicit Rate healthcare funding held by the Retiree Healthcare Trust Fund that is no longer needed as the City of Rochester Hills has moved retired employees off of the general employee healthcare plans.