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## Station 4 Funding

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Joe Snyder <snyderj@rochesterhills.org>

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To: Mark Tisdell <tisdelm@rochesterhills.org>

Cc: Keith Sawdon <sawdonk@rochesterhills.org>, Bryan Barnett <barnettb@rochesterhills.org>, Greg Hooper <hooperg@rochesterhills.org>, Leanne Scott <scottl@rochesterhills.org>

Mark,

To add to Keith's comments, I as well don't anticipate setting up a "formal" notational account within the General Fund's Balance Sheet for a FY 2015 positive variance. The "surplus" will simply flow into General Fund Balance.

To track and account for how those funds can be transferred from the General Fund (101) to the Facilities Fund (631) for the Fire Station Renovations, and per City Council's direction to not cause any net additional funding to be drawn from General Fund balance (above & beyond what is currently included in the 2015-2016 budgets), I'll attempt to explain an understanding/agreement between City Council & Fiscal (or City Administration) with actual figures.

What I envision, is this method:

### Per the 2015-2016 Adopted Budgets:

- \* Actual 12/31/2014 General Fund Balance = \$31.2M
- \* Budget 12/31/2015 General Fund Balance = \$25.7M (a decrease of \$5.5M)
- \* Budget 12/31/2016 General Fund Balance = **\$24.7M** (a decrease of \$1.0M)

The GOAL (as I understood it last night 10/5) is to have the actual 12/31/2016 General Fund Balance be at least **\$24.7M** after the transfer \$3.0M to the Facilities Fund (631) for the Fire Station Renovation projects.

\* Projected 12/31/2015 General Fund Balance = \$27.2M [= \$31.2M - \$4.0M currently projected decrease/use in FY 2015]

**As part of the FY 2016, 1st Quarter Budget Amendment Fiscal will present the following:**

### General Fund (101)

- \* Increase the Transfer-Out from General Fund (101) to Facilities Fund (631) for the Fire Station Renovation projects by \$4.5M
- \* Decrease the Transfer-Out from General Fund (101) to Local Street Fund (203) by \$1.5M
- \*\* The net impact to General Fund (101) is an additional \$3.0M from Fund Balance.
- \*\* Keep in mind that there is already a decrease of \$1.0M budgeted for the General Fund Balance, so the revised use of General Fund Balance for FY 2016 (after the 1st Quarter B/A) would be \$4.0M.
- \*\* This will decrease the budgeted General Fund Balance from \$27.2 (as estimated 12/31/2015) to \$23.2M (estimated 12/31/2016).
- \*\* "If" our conservative budgeting holds true in FY 2016 with higher revenue trends and lower expenditure trends, it is projected that the City can improve upon the projected 12/31/2016 ending fund balance by as additional \$1.5M.
- \*\* This would result in a revised estimated 12/31/2016 General Fund Balance of **\$24.7M** (= \$23.2 budget estimate + \$1.5M positive budget variance), which is the same ending General Fund Balance amount stated in the City's 2016 Adopted Budget Plan.

### Local Street Fund (203)

- \* A decrease in the Transfer-In to the Local Street Fund (203) from the General Fund (101) of \$1.5M
- \* An increase in the Use of Fund Balance by the Local Street Fund (203) of \$1.5M [for FY 2016 only], which will still maintain the budgeted FY 2016 Local Street Construction program @ \$5.25M
- \*\* This will result in a decrease in Local Street Fund Balance from \$6.7M to \$5.2M.

**Facilities Fund (631)**

- \* An increase in the Transfer-In to the Facilities Fund (631) from the General Fund (101) of \$4.5M
- \* An increase in the Building Improvement Capital budget of the Facilities Fund (631) of \$4.5M for the Fire Station Renovation project.

My hope is this clarifies and gives an understanding of what was agreed upon at last nights meeting (10/5) between City Council & Administration.

If you have any questions, concerns, etc... feel free to let me know.

Thank you again for your support,  
Joe

*Joseph M. Snyder*  
Senior Financial Analyst  
City of Rochester Hills  
1000 Rochester Hills Drive  
Rochester Hills, MI 48309  
(248) 841-2534  
[snyderj@rochesterhills.org](mailto:snyderj@rochesterhills.org)

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