



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

---

Legislative File No: 2011-0278

**TO:** City Council Members  
**FROM:** Keith Sawdon, Director of Finance, Ext 2535  
**DATE:** June 6, 2011  
**SUBJECT:** FY 2011 2<sup>nd</sup> Quarter Budget Amendment

---

**REQUEST:**

We are requesting that City Council approve the Mayor's proposed amendments to the 2011 Budget for the following funds: General Fund, Major Road Fund, Local Street Fund, Fire Fund, Special Police, Tree Fund, Water Resources Fund, Drain Debt Millage Fund, OPC Building Refunding Debt Fund, Municipal Building debt Fund, Fire Capital Fund, Capital Improvement Fund, W&S Operating Fund, W&S Capital Fund, Facilities Fund and the LDFA Fund.

**BACKGROUND:**

As required by the State's Uniform Budgeting and Accounting Act and City Charter Section 3.7, the Mayor's Office has prepared recommended budget amendments to the original adopted 2011 budget.

The FY 2011 2nd Quarter Budget Amendment proposes an increase in total revenues of \$1,645,780 and an increase in total expenses (operating and capital) of \$576,690. The increased revenues combined with the increase in expenditures results in a lesser draw from fund balance than originally planned.

Capital accounts represent \$458,500 of the change to expenditures with operating accounts representing \$149,510. Inter-fund transfers-out represents a decrease of \$31,320. In addition to these changes to expenditures, \$1,645,780 of additional revenue will be added with the 2<sup>nd</sup> Quarter Amendment.

The attached Budget Amendment Summary Report shows the requested budget amendments at the Total Budget level which includes an overview. The Report then presents the requested changes at the Fund level which includes a description of the requested change(s) including Tables which are used throughout the attached report. We have also attached a detail report to help with your understanding of the requested budget amendments.

In addition to the budget amendment, the Uniform Budgeting and Accounting Act authorize City Council to permit the Mayor to execute *adjustments* to the budget within limits. Adjustments are intended to reduce the amount of insignificant budget amendments and allow for more efficient and uninterrupted City operations. Administrative adjustments are not intended to increase a Fund's total expenditures previously approved by the City Council. We have enclosed a list of administrative adjustments that were made in the second quarter.

**RECOMMENDATION:**

We recommend that City Council approve the Mayor's proposed 2<sup>nd</sup> Quarter Budget Amendment to the 2011 budget as proposed.