



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

**1000 Rochester Hills Dr.
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Legislative File No: 2011-0087

TO: Mayor and City Council Members

FROM: Keith Sawdon, Director of Finance, Ext 2535

DATE: February 18, 2011

SUBJECT: FY 2011 1st 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, Water Resource Fund, Green Space Millage Fund, Pathway Construction Fund, Capital Improvement Fund, Water and Sewer Operating Fund, Water & Sewer Capital Fund, Water and Sewer Debt Service Fund, Facilities Fund, MIS Fund, Fleet Fund, and Local Development Finance Authority 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. A large majority of this proposed Budget Amendment or \$3,649,550 is related to FY 2010 capital projects that are being carried forward to the FY 2011 budget.

The overall impact of the proposed Budget Amendment is a net increase in the uses of fund balances of \$3,096,800. The amounts being requested to be carried over into the FY 2011 budget for each individual project is detailed on the Overview Report and is nearly equal to the amount that had been approved in the FY 2010 budget unless appropriately noted.

Capital accounts represent \$3,622,640 (net) of the increase with operating project accounts representing \$569,500 which is primarily related to the carry over of professional services. Inter-fund transfers-out represent an increase of \$141,040 and operating expenditures are being increased by \$143,860. Additional revenue of \$1,380,240 will help off-set part of the capital project carry over.

The attached Budget Amendment Summary Report shows the requested budget amendments at the Total Budget level (which includes an overview) and then the Report presents the requested changes at the Fund level. A description of the requested changes is provided in the Tables used throughout the attached report. We have also attached a line item detail report to help with your understanding of the requested budget amendments.

In addition, 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 first quarter.

RECOMMENDATION:

We recommend that City Council approve the Mayor's proposed first quarter Budget Amendment to the 2011 budget as proposed.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		

Attachments:

Public Hearing Notice

Resolution

Budget Amendment Summary Report