

FISCAL YEAR 2014
2nd QUARTER PROPOSED BUDGET AMENDMENT

	Current 2014 Budget	2nd Qtr Amendment	Proposed 2014 Budget
Total Revenues	\$ 111,006,820	\$ 1,766,770	\$ 112,773,590
<i>Operating Expense</i>	\$ 83,724,170	\$ 490,610	\$ 84,214,780
<i>Capital Outlay Expense</i>	20,574,250	(1,491,360)	19,082,890
<i>Transfer-Out Expense</i>	22,318,410	1,033,520	23,351,930
Total Expenses	\$ 126,616,830	\$ 32,770	\$ 126,649,600
To/(From) Fund Balance	\$ (15,610,010)	\$ 1,734,000	\$ (13,876,010)

Grand Total Citywide Revenue, Expense, and Fund Balance Impact:

The FY 2014 2nd Quarter Budget Amendment proposes an increase in total revenues of \$1,766,770 and an increase in total expenses of \$32,770. The proposed increase in revenues less the increase in expenses will have a net impact on citywide fund balances and retained earnings of +\$1,734,000.

Summary by Fund

101 - General Fund

General Fund revenues are proposed to increase by \$348,250 due to:

- Increase of \$100,830 in Property Tax Collections
- Increase of \$200,000 in anticipated Cable Franchise Fee Revenue
- Increase of \$48,000 in anticipated State Shared Revenue
- Increase of \$46,410 in anticipated Other Revenues including Charge for Service – Wetlands; Cemetery Monument Sales; and Fees – Weddings
- Decrease of (\$47,550) in Interest Earnings as actual interest earnings are less than was anticipated
- 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 proposed to increase by \$933,180 due to:

- Increase of \$77,740 in operating expenditures:
 - Increase of \$26,500 in Cemetery Monument Sales and Consultant Fees – Wetlands (off-setting revenues)
 - Increase of \$28,940 in net Parks Department expenditures related to the addition of a Full-Time Museum Program Coordinator
 - Increase of \$22,300 in other expenditures primarily due to changes in healthcare plans selected for newly hired employees as compared to the prior employee selection (i.e. Single employee plan to Family plan)
- Increase of \$855,440 in transfers-out due to additional General Fund contribution required to balance the Local Street (203) and Special Police (207) cost centers

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$584,930).

202 - Major Road Fund

Major Road Fund revenues are proposed to increase by \$288,500 due to:

- Increase of \$300,000 in contributions from the State of Michigan / Act 51 Revenues

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- Please note that approximately \$200,000 of this anticipated revenue increase is due to a one-time contribution from the State of MI to assist local communities with their 2014 Winter Maintenance costs
- Decrease of (\$11,500) as the City of Rochester Hills does not anticipate reimbursement from MDOT for winter maintenance activities of Auburn Road in FY 2014

Major Road Fund expenditures are proposed to increase by \$1,621,980 due to:

- Increase of \$109,210 in operating expenditures primarily due to 2014 Winter Maintenance costs
- Increase of \$1,512,770 in capital projects:

Major Road Fund - Capital Project Change Summary			
Project Title	2014 Current Project Budget	2014 Proposed Amendment	2014 Proposed Project Budget
MR-03A: Major Road Concrete Reconstruction Program	\$ 411,250	\$ 36,000	\$ 447,250
MR-31D: John R @ South Boulevard Intersection (P/E)	\$ -	\$ 37,600	\$ 37,600
MR-40A: Tienken Road [Livernois-Rochester] Reconstruction	\$ 332,610	\$ 1,486,000	\$ 1,818,610
MR-40A: Tienken Road [Livernois-Rochester] ROW	\$ 282,000	\$ (222,000)	\$ 60,000
MR-40C: Tienken Road [Adams-Livernois] (P/E)	\$ -	\$ 192,000	\$ 192,000
MR-49D: Avon Road [Adams - Livernois] Rehabilitation	\$ 253,200	\$ (127,200)	\$ 126,000
PW-49D: Avon Pathway [Adams - Livernois]	\$ 269,630	\$ 110,370	\$ 380,000
Capital Project Total	\$ 1,548,690	\$ 1,512,770	\$ 3,061,460

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$1,333,480).

203 – Local Street Fund

Local Street Fund revenues are proposed to increase by \$906,050 due to:

- Decrease of (\$7,550) in actual property tax revenue
- Increase of \$67,000 in contributions from the State of Michigan / Act 51 Revenues due to a one-time contribution from the State of MI to assist local communities with their 2014 Winter Maintenance costs
- Increase of \$846,600 in transfers-in from the General Fund to balance

Local Street Fund expenditures are proposed to increase by \$906,050 due to:

- Increase of \$263,700 in operating expenditures primarily due to 2014 Winter Maintenance costs
- Increase of \$642,350 in capital projects:
 - LS-01: Local Street Asphalt Rehabilitation Program decrease due to deferment of Christian Hills West Subdivision to FY 2015

Local Street Fund - Capital Project Change Summary			
Project Title	2014 Current Project Budget	2014 Proposed Amendment	2014 Proposed Project Budget
LS-01: Local Street Asphalt Rehabilitation Program	\$ 922,500	\$ (922,500)	\$ -
LS-03: Local Street Concrete Reconstruction Program	\$ 3,298,500	\$ 937,500	\$ 4,236,000
LS-11: Sheldon Road Paving	\$ 257,650	\$ 627,350	\$ 885,000
Capital Project Total	\$ 4,478,650	\$ 642,350	\$ 5,121,000

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

206 – Fire Department Fund

Fire Department Fund revenues are proposed to decrease by (\$14,480) due to:

- Decrease of (\$14,480) in actual property tax revenue and anticipated interest earnings

Fire Department Fund expenditures are proposed to decrease by (\$14,480) due to:

- Increase of \$14,960 in operating expenditures due to due to changes in healthcare plans selected for newly hired employees as compared to the prior employee selection (i.e. Single employee plan to Family plan)

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- Decrease of (\$29,440) in transfers-out to the Fire Capital Fund (402) to balance

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

207 – Special Police Fund

Special Police Fund revenues are proposed to change due to:

- Decrease of (\$8,840) in actual property tax revenue
- Increase of \$8,840 in transfers-in from the General Fund to balance operations

Special Police Fund expenditures are proposed to change due to:

- Decrease of City Office Assistant staff offset by the hiring of Office Assistant staff through the Oakland County Sheriff's Office (OCSO) contract

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

213 – RARA Millage Fund

RARA Millage Fund revenues are proposed to decrease by (\$830) due to:

- Decrease of (\$830) in actual property tax revenue

RARA Millage Fund expenditures are proposed to decrease by (\$830) due to:

- Decrease of (\$830) in transfers-out to the RARA Operating Fund (808) to balance

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

214 – Pathway Maintenance Fund

Pathway Maintenance Fund revenues are proposed to decrease (\$610) due to:

- Decrease of (\$610) in actual property tax revenue

Pathway Maintenance Fund expenditures are proposed to decrease (\$610) due to:

- Increase of \$1,140 in operating expenditures due to the City offering a Health Savings Account medical benefit
- Decrease of (\$1,750) in transfers-out to the Pathway Construction Fund (403) to balance

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

232 – Tree Fund

Tree Fund expenditures are proposed to increase by \$560 due to:

- Increase of \$560 in Transfers-Out to the General Fund (101) due to FY 2013 actual Tree Fund (232) interest earnings [per Tree Fund Policy]

The decrease in expenditures will have a net impact on fund balance of (\$560).

244 – Water Resources Fund

Water Resources Fund expenditures are proposed to increase by \$17,350 due to:

- Increase of \$17,350 in operating expenditures primarily due to the purchase of Storm Water Grates

The increase in expenditures will have a net impact on fund balance of (\$17,350).

265 – OPC Millage Fund

OPC Millage Fund revenues are proposed to decrease by (\$1,450) due to:

- Decrease of (\$1,450) in actual property tax revenue

OPC Millage Fund expenditures are proposed to decrease by (\$1,450) due to:

- Decrease of (\$1,450) in transfers-out to the OPC Operating Fund (820) to balance

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

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299 – Green Space Fund

Green Space Fund revenues are proposed to decrease by (\$1,200) due to:

- Decrease of (\$1,200) in actual property tax revenue

The decrease in revenues will have a net impact on fund balance of (\$1,200).

331 – Drain Debt Fund

Drain Debt Fund revenues are proposed to change due to:

- Increase of \$1,220 in actual property tax revenue
- Decrease of (\$1,220) in interest earnings

The change in revenues has no impact on fund balance.

369 – OPC Building Debt Fund

OPC Building Debt Fund revenues are proposed to increase by \$8,410 due to:

- Increase of \$8,410 in actual property tax revenue

The increase in revenues will have a net impact on fund balance of +\$8,410.

402 – Fire Capital Fund

Fire Capital Fund revenues are proposed to decrease by (\$29,440) due to:

- Decrease of (\$29,440) in transfers-in from the Fire Operating Fund (206)

Fire Capital Fund expenditures are proposed to decrease by (\$5,810) due to:

- Increase of \$25,000 in operating expenditures due to the purchase of replacement fire hose
- Decrease of (\$30,810) in capital projects:

Fire Capital Fund - Capital Project Change Summary			
Project Title	2014 Current Project Budget	2014 Proposed Amendment	2014 Proposed Project Budget
Pickup 4WD / Air Tender	\$ 35,000	\$ (35,000)	\$ -
Sport Utility 4WD	\$ 37,990	\$ (16,900)	\$ 21,090
Sport Utility 4WD	\$ -	\$ 21,090	\$ 21,090
Capital Project Total	\$ 72,990	\$ (30,810)	\$ 42,180

The decrease in revenues less the decrease in expenditures will have a net impact on fund balance of (\$23,630).

403 – Pathway Construction Fund

Pathway Construction Fund revenues are proposed to decrease by (\$1,750) due to:

- Decrease of (\$1,750) in transfers-in from the Pathway Maintenance Fund (214)

Pathway Construction Fund expenditures are proposed to increase by \$108,000 due to:

- Increase of \$108,000 in capital projects:

Pathway Construction Fund - Capital Project Change Summary			
Project Title	2014 Current Project Budget	2014 Proposed Amendment	2014 Proposed Project Budget
PW-08A: Tienken Pathway [Livernois-Rochester]	\$ 42,000	\$ 108,000	\$ 150,000
Capital Project Total	\$ 42,000	\$ 108,000	\$ 150,000

The decrease in revenues less the increase in expenditures will have a net impact on fund balance of (\$109,750).

420 – Capital Improvement Fund

Capital Improvement Fund expenditures are proposed to decrease by (\$150,000) due to:

- Decrease of (\$150,000) in transfers-out to the Facilities Fund (631) due to deferment and potential deletion of the Spencer Park Storage Building Addition project

The decrease in expenditures will have a net impact on fund balance of +\$150,000.

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510 - Sanitary Sewer Division

Sanitary Sewer Division revenues are proposed to decrease by (\$700) due to:

- Decrease of (\$700) in Interfund – DPS Facility Charges

Sanitary Sewer Division expenses are proposed to increase by \$219,210 due to:

- Decrease of (\$6,360) in operating expenses
- Increase of \$225,570 in transfers-out due to:
 - 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
 - Decrease of (\$700) in Interfund – DPS Facility Charges

The decrease in revenues less the increase in expenses will have a net impact on retained earnings of (\$219,910).

530 - Water Division

Water Division revenues are proposed to decrease by (\$700) due to:

- Decrease of (\$700) in Interfund – DPS Facility Charges

Water Division expenses are proposed to increase by \$139,720 due to:

- Increase of \$4,300 in operating expenses
- Increase of \$135,420 in transfers-out due to:
 - 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 (\$700) in Interfund – DPS Facility Charges

The decrease in revenues less the increase in expenses will have a net impact on retained earnings of (\$140,420).

593 – Water & Sewer Capital Fund

Water & Sewer Capital Fund revenues are proposed to increase by \$362,390 due to:

- Increase of \$1,400 in Interfund – DPS Facility Charges
- Increase of \$225,570 in transfers-in from the Sanitary Sewer Division (510)
- Increase of \$135,420 in transfers-in from the Water Division (530)

Water & Sewer Capital Fund expenses are proposed to decrease by (\$3,389,970) due to:

- Decrease of (\$3,389,970) in capital projects:

Water & Sewer Capital Fund - Capital Project Change Summary			
Project Title	2014 Current Project Budget	2014 Proposed Amendment	2014 Proposed Project Budget
Avon Road [Adams-Livernois] W&S Improvements	\$ -	\$ 32,000	\$ 32,000
SS-02B: Sanitary Sewer Rehabilitation Program	\$ 500,000	\$ 146,000	\$ 646,000
Tienken Road [Livernois-Rochester] W&S Improvements	\$ -	\$ 131,000	\$ 131,000
WS-33: Christian Hills West Water Main Replacement	\$ 3,698,970	\$ (3,698,970)	\$ -
Capital Project Total	\$ 4,198,970	\$ (3,389,970)	\$ 809,000

The increase in revenues less the decrease in expenses will have a net impact on retained earnings of +\$3,752,360.

631 - Facilities Fund

Facilities Fund revenues are proposed to decrease by (\$105,000) due to:

- Increase of \$45,000 in Contributions & Donations related to the Museum Calf Barn Phase II (Interior Renovations) project

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- 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

Facilities Fund expenses are proposed to decrease by (\$158,000) due to:

- Increase of \$70,000 in operational expenses due to:
 - \$25,000 for a Fire Department Facilities Assessment Study
 - \$45,000 for a Museum Calf Barn Phase II (Interior Renovations) Architectural Services
- Decrease of (\$228,000) in capital projects:

Facilities Fund - Capital Project Change Summary			
Project Title	2014 Current Project Budget	2014 Proposed Amendment	2014 Proposed Project Budget
FA-13J: Fire Station #3 / Kitchen & Bunkroom Renovation	\$ 44,000	\$ (44,000)	\$ -
FA-13K: Fire Station #4 / Kitchen Renovation	\$ 34,000	\$ (34,000)	\$ -
PK-04E: Spencer Park Maintenance Building Addition	\$ 150,000	\$ (150,000)	\$ -
Capital Project Total	\$ 228,000	\$ (228,000)	\$ -

The decrease in revenues less the decrease in expenses will have a net impact on retained earnings of +\$53,000.

636 – MIS Fund

MIS Fund revenues are proposed to decrease by (\$6,670) due to:

- Decrease of (\$6,670) in interest earnings

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

- Decrease of (\$25,000) in capital projects:

MIS Fund - Capital Project Change Summary			
Project Title	2014 Current Project Budget	2014 Proposed Amendment	2014 Proposed Project Budget
IS-10C: AS-400 Replacement Schedule	\$ 25,000	\$ (25,000)	\$ -
Capital Project Total	\$ 25,000	\$ (25,000)	\$ -

The decrease in revenues less the decrease in expenses will have a net impact on retained earnings of +\$18,330.

661 – Fleet Fund

Fleet Fund revenues are proposed to increase by \$11,500 due to:

- Increase of \$11,500 due to agency service charge trends

Fleet Fund expenses are proposed to decrease by (\$81,840) due to:

- Decrease of (\$81,840) in capital projects:

Fleet Fund - Capital Project Change Summary			
Project Title	2014 Current Project Budget	2014 Proposed Amendment	2014 Proposed Project Budget
39-015: Pickup 4WD [Fleet]	\$ 33,610	\$ (33,610)	\$ -
39-171: Cargo Van [DPS]	\$ 18,460	\$ (18,460)	\$ -
39-184: Pickup 2WD [DPS-W&S]	\$ 16,740	\$ (16,740)	\$ -
39-208: Hydroseeder [DPS]	\$ 22,530	\$ (22,530)	\$ -
39-548: Parks Platform Dump Truck Body	\$ 30,500	\$ 9,500	\$ 40,000
Capital Project Total	\$ 121,840	\$ (81,840)	\$ 40,000

The increase in revenues less the decrease in expenses will have a net impact on retained earnings of +\$93,340.

736 – Retiree Healthcare Trust Fund

Retiree Healthcare Trust Fund expenditures are proposed increase by \$14,710 due to:

- Increase of \$14,710 in operating expenditures primarily due to a growing number of eligible employees retiring

The increase in expenditures will have a net impact on fund balance of (\$14,710).

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752 – Cemetery Perpetual Care Trust Fund

Cemetery Perpetual Care Trust Fund revenues are proposed to increase by \$4,500 due to:

- Increase of \$4,500 in Cemetery Monument Sales

The increase in revenues will have a net impact on fund balance of +\$4,500.

848 – LDFA Fund

LDFA Fund expenditures are proposed to decrease by (\$100,000) due to:

- Decrease of (\$100,000) in operating expenditures due to eliminating the LDFA Sidewalk Program

The decrease in expenditures will have a net impact on fund balance of +\$100,000.