

FISCAL YEAR 2018
2nd QUARTER PROPOSED BUDGET AMENDMENT

	Current 2018 Budget	2nd Qtr Amendment	Proposed 2018 Budget
Total Revenues	\$ 123,948,630	\$ 7,000,140	\$ 130,948,770
<i>Operating Expense</i>	\$ 95,503,310	\$ 48,000	\$ 95,551,310
<i>Capital Outlay Expense</i>	31,580,850	491,370	32,072,220
<i>Transfer-Out Expense</i>	17,547,810	1,497,640	19,045,450
Total Expenses	\$ 144,631,970	\$ 2,037,010	\$ 146,668,980
To/(From) Fund Balance	\$ (20,683,340)	\$ 4,963,130	\$ (15,720,210)

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

The FY 2018 2nd Quarter Budget Amendment proposes an increase in total revenues of \$7,000,140 and an increase in total expenses of \$2,037,010. The proposed increase in revenues less the increase in expenses will have a net impact on citywide fund balances and retained earnings of +\$4,963,130.

Some of the most significant financial items presented as part of this FY 2018 2nd Quarter Budget Amendment include:

- Increase of \$7,000,140 in Total Revenues
 - Primarily due to increased revenues from the State of Michigan for Major Roads
- Increase of \$48,000 in operating expenditures
- Increase of \$491,370 million in capital project funding due
 - \$565,510 = Major Road Fund
 - \$64,250 = Local Street Fund
 - \$361,740 = Pathway Construction Fund
 - (\$718,650) = Water & Sewer Capital Fund
 - \$221,750 = Facilities Fund
 - \$343,350 = MIS Fund
 - (\$346,580) = Fleet Fund
- Increase of \$1,497,640 in Transfers-Out
 - Primarily due to transfer-Out of \$1,000,000 from the (848) LDFA Fund to (202) Major Road Fund for additional contribution to MR-02J: Hamlin Road Reconstruction

Summary by Fund

101 - General Fund

General Fund revenues are proposed to increase by +\$329,340 due to:

- Increase of +\$70,340 in actual tax revenue
- Increase of +\$259,000 in State Shared Revenue

General Fund expenditures are proposed to decrease by (\$499,190) primarily due to:

- Decrease of Transfer-Out to the Local Street Fund needed to balance the Local Street Fund

The increase in revenues plus the decrease expenditures will have a net impact on fund balance of +\$828,530.

202 - Major Road Fund

Major Road Fund revenues are proposed to increase by +\$5,061,100 due to:

- Increase of +\$767,000 in State of Michigan Act 51 Road Funding

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- Increase of +\$369,000 in State of Michigan Supplemental Road Funding
- Increase of +\$1,325,000 in State of Michigan Grant for South Blvd & Livernois Reconstruction
- Increase of +\$920,000 in Auburn Hills reimbursement of Hamlin Road Reconstruction
- Decrease of +\$549,900 in RCOE reimbursement of Hamlin Road Reconstruction due to lower anticipated project cost
- Increase of +\$1,230,000 in State of Michigan contribution for Memorandum Of Understanding on taking over jurisdiction of Auburn Road from Rochester Road - Dequindre
- Increase of +\$1,000,000 of Transfer-In from LDFA for Hamlin Road Reconstruction

Major Road Fund expenditures are proposed to increase by +\$515,510 due to:

- Increase of +\$565,510 in capital projects:

Major Road Fund Capital Project Change Summary			
Project Title	2018 Adopted Budget	2nd Qtr Amendment	2018 Amended Budget
MR-03A: Harding Road Rehabilitation	\$ 237,750	\$ (237,750)	\$ -
MR-26G: Livernois [Avon - N of Walton] P/E	\$ -	\$ 225,000	\$ 225,000
Adams Road Widening P/E (Cost Participation)	\$ -	\$ 26,510	\$ 26,510
MR-02J: Hamlin Reconstruction [Auburn Hills Share]	\$ -	\$ 920,000	\$ 920,000
MR-13A: Dequindre [Auburn - South]	\$ 400,000	\$ (400,000)	\$ -
MR-16A: Auburn Road Corridor ROW	\$ -	\$ 31,750	\$ 31,750
All Other Major Road Capital Projects	\$ 8,069,490	\$ -	\$ 8,069,490
Capital Project Total	\$ 8,707,240	\$ 565,510	\$ 9,272,750

○ Please note:

- MR-03A: Harding Road Rehabilitation deferred to FY 2019
- MR-31A: Dequindre Rehabilitation [Auburn Road – South Blvd] deferred to FY 2020

The increase in revenues less the increase in expenditures will have a net impact on fund balance of +\$4,545,590.

203 – Local Street Fund

Local Street Fund revenues are proposed to increase by +\$64,250 due to:

- Increase of +\$34,820 in actual tax revenue
- Increase of +\$319,000 in State of Michigan Act 51 Road Funding
- Increase of +\$123,000 in State of Michigan Supplemental Road Funding
- Increase of +\$136,620 in Oakland County Local Road Improvement Matching Fund
- Decrease of (\$549,190) in Transfer-In from General Fund needed to balance Local Street Fund

Local Street Fund expenditures are proposed to increase by +\$64,250 due to:

- Increase of +\$64,250 in capital projects:

Local Street Capital Project Change Summary			
Project Title	2018 Adopted Budget	2nd Qtr Amendment	2018 Amended Budget
LS-06: Reuther Middle School Sidewalks P/E	\$ 30,000	\$ (30,000)	\$ -
MR-16A: Auburn Road Corridor ROW	\$ -	\$ 94,250	\$ 94,250
All Other Local Street Capital Projects	\$ 5,510,000	\$ -	\$ 5,510,000
Capital Project Total	\$ 5,540,000	\$ 64,250	\$ 5,604,250

○ Please note:

- LS-06: Reuther Middle School Sidewalks deferred to FY 2019

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

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206 – Fire Fund

Fire Fund revenues are proposed to increase by +\$85,080 due to:

- Increase of +\$85,080 in actual tax revenue

Fire Fund expenditures are proposed to increase by +\$85,080 due to:

- Increase of +\$62,000 in DPS Interfund Charges
- Increase of +\$23,080 in Transfer Out to Fire Capital Fund

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

207 – Special Police Fund

Special Police Fund revenues are proposed to increase by +\$85,390 due to:

- Increase of +\$85,390 in actual tax revenue

The increase in revenues will have a net impact on fund balance of +\$85,390.

213 – RARA Millage Fund

RARA Millage Fund revenues are proposed to increase by +\$8,100 due to:

- Increase of +\$8,100 in actual tax revenue

RARA Millage Fund expenditures are proposed to increase by +\$8,100 due to:

- Increase of +\$8,100 to Transfer-Out RARA to balance the fund

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

214 – Pathway Maintenance Fund

Pathway Maintenance Fund revenues are proposed to increase by +\$5,680 due to:

- Increase of +\$5,680 in actual tax revenue

Pathway Maintenance Fund expenditures are proposed to increase by +\$5,680 due to:

- Increase of +\$5,680 to Transfer-Out Pedestrian Pathway to balance the fund

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

232 – Tree Fund

Tree Fund expenditures are proposed to increase by +\$30,000 due to:

- Increase of +\$30,000 in Contractual Services due to moving funds from a previous Balance Sheet account

The increase in expenditures will have a net impact of (\$30,000) on fund balance.

265 – OPC Millage Fund

OPC Millage Fund revenues are proposed to increase by +\$13,320 due to:

- Increase of +\$13,320 in actual tax revenue

OPC Millage Fund expenditures are proposed to increase by +\$13,320 due to:

- Increase of +\$13,320 to Transfer-Out OPC to balance the fund

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

331 – Drain Debt Millage Fund

Drain Debt Millage Fund revenues are proposed to increase by +\$2,250 due to:

- Increase of +\$2,250 in actual tax revenue

The increase in revenues will have a net impact on fund balance of +\$2,250.

369 – OPC Building Refunding Millage Fund

OPC Building Refunding Millage Fund revenues are proposed to increase by +\$12,480 due to:

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- Increase of +\$12,480 in actual tax revenue

The increase in revenues will have a net impact on fund balance of +\$12,480.

402 – Fire Capital Fund

Fire Capital Fund revenues are proposed to increase by +\$23,080 due to:

- Increase of +\$23,080 transferred in from Fire Operating Fund

The increase in revenues will have a net impact on fund balance of +\$23,080.

403 – Pathway Construction Fund

Pathway Construction Fund revenues are proposed to increase by +\$105,680 due to:

- Increase of +\$100,000 transferred in from LDFA Fund (848) for Technology Drive Pathway project
- Increase of +\$5,680 transferred in from Pathway Maintenance Fund (214)

Pathway Construction Fund expenditures are proposed to increase by +\$361,740 due to:

- Increase of +\$361,740 in capital projects:

Pathway Capital Project Change Summary			
Project Title	2018 Adopted Budget	2nd Qtr Amendmdent	2018 Amended Budget
PW-09A: Technology Drive Pathway ROW	\$ -	\$ 3,200	\$ 3,200
MR-16A: Auburn Road Corridor ROW	\$ -	\$ 116,000	\$ 116,000
PW-01: Pathway Rehab Program	\$ 175,000	\$ 40,000	\$ 215,000
PW-09A: Technology Drive Pathway	\$ 408,460	\$ 202,540	\$ 611,000
Capital Project Total	\$ 583,460	\$ 361,740	\$ 945,200

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$220,060).

510 –Sewer Division

Sewer Department expenditures are proposed to increase by +\$475,260 due to:

- Increase of +\$189,910 to amend 2017 sewer depreciation to actual
- Increase of +\$285,350 to amend 2017 sewer capital and lateral to actual

The increase in expenses will have a net impact on retained earnings of (\$475,260).

530 – Water Department

Sewer Department revenues are proposed to increase by +\$62,000 due to:

- Increase of +\$62,000 in Interfund Charges

Sewer Department expenditures are proposed to increase by +\$371,390 due to:

- Increase of +\$99,830 to amend 2017 water depreciation to actual
- Increase of +\$271,560 to amend 2017 water capital and lateral to actual

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$309,390)

593 – Water & Sewer Capital Fund

Water & Sewer Capital Fund revenues are proposed to increase by +\$846,650 due to:

- Increase of +\$189,910 transferred in from Sewer Department for 2017 sewer depreciation
- Increase of +\$285,350 transferred in from Sewer Department for 2017 sewer capital and lateral
- Increase of +\$99,830 transferred in from Water Department for 2017 water depreciation
- Increase of +\$271,560 transferred in from Water Department for 2017 water capital and lateral

Water & Sewer Capital Fund expenses are proposed to decrease by (\$718,650) due to:

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- Increase of (\$718,650) in capital projects including:

Water & Sewer Capital Fund Project Change Summary			
Project Title	2018 Adopted Budget	2nd Qtr Amendmdent	2018 Amended Budget
WS-16: Bedford Square Apts / Tienken Ct Watermain	\$ 184,380	\$ (184,380)	\$ -
SS-02B: Sanitary Sewer Rehab	\$ 250,000	\$ (250,000)	\$ -
Urgent Water & Sanitary Sewer Repairs	\$ 169,270	\$ 80,730	\$ 250,000
SS-01B: SCADA System Upgrade	\$ 415,000	\$ (365,000)	\$ 50,000
All Other Water & Sewer Capital Projects	\$ 3,708,350	\$ -	\$ 3,708,350
Capital Project Total	\$ 4,727,000	\$ (718,650)	\$ 4,008,350

- Please note:
 - WS-16: Bedford Square / Tienken Court Watermain deferred to FY 2019

The increase in revenues plus the decrease in expenditures will have a net impact on retained earnings of +\$1,565,300.

631 - Facilities Fund

Facilities Fund revenues are proposed to increase by +\$204,740 due to:

- Increase of +\$154,740 in Contributions and Donations and Grants anticipated for Museum Exhibits
- Increase of +\$100,000 in Transfer-In from General Fund for Museum Exhibits
- Decrease of (\$50,000) in Transfer-In from General Fund for Paint Creek Trailway Resurfacing due to being deferred to FY 2019

Facilities Fund expenses are proposed to increase by +\$221,750 due to:

- Increase of +\$221,750 in capital projects:

Facilities Fund Project Change Summary			
Project Title	2018 Adopted Budget	2nd Qtr Amendmdent	2018 Amended Budget
PK-06A: Paint Creek Trailway Resurfacing	\$ 50,000	\$ (50,000)	\$ -
Museum Exhibits	\$ 58,000	\$ 271,750	\$ 329,750
All Other Facilities Capital Projects	\$ 7,850,850	\$ -	\$ 7,850,850
Capital Project Total	\$ 7,958,850	\$ 221,750	\$ 8,180,600

- Please note:
 - PK-06A: Paint Creek Trailway Resurfacing deferred to FY 2019

The increase in revenues less the increase in expenses will have a net impact on retained earnings of (\$17,010).

636 - MIS Fund

MIS Fund revenues are proposed to increase by +\$91,000 due to:

- Increase of +\$91,000 in Refund & Rebates

MIS Fund expenses are proposed to increase by +\$343,350 due to:

- Increase of +\$343,350 in capital projects

MIS Fund Project Change Summary			
Project Title	2018 Adopted Budget	2nd Qtr Amendmdent	2018 Amended Budget
Network Service & Storage Platform	\$ -	\$ 343,350	\$ 343,350
All Other MIS Capital Projects	\$ 272,160	\$ -	\$ 272,160
Capital Project Total	\$ 272,160	\$ 343,350	\$ 615,510

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The increase in revenue less the increase in expenses will have a net impact on retained earnings of (\$252,350).

661 - Fleet Fund

Fleet Fund expenses are proposed to decrease by (\$346,580) due to:

- Decrease of (\$346,580) in capital projects:

Fleet Fund Project Change Summary			
Project Title	2018 Adopted Budget	2nd Qtr Amendmdent	2018 Amended Budget
Wheel Load Scale (x2) [OCSO]	\$ 12,540	\$ (12,540)	\$ -
Transmission Fluid Exchanger [Fleet]	\$ 5,890	\$ (5,890)	\$ -
Stump Grinder [Forestry]	\$ 43,590	\$ (43,590)	\$ -
Service Truck [Fleet]	\$ 60,000	\$ (60,000)	\$ -
Pickup 2wd [DPS]	\$ 17,760	\$ (17,760)	\$ -
Crew Truck [DPS]	\$ 206,800	\$ (206,800)	\$ -
All Other Fleet Capital Projects	\$ 1,211,560	\$ -	\$ 1,211,560
Capital Project Total	\$ 1,558,140	\$ (346,580)	\$ 1,211,560

- Please note:

- All equipment & vehicles deferred to FY 2019

The decrease in expenses will have a net impact on retained earnings of +\$346,580.

736 – Retiree Health Trust

Retiree Health Trust expenses are proposed to increase by +\$6,000 due to:

- Increase of +\$6,000 in Professional Services for new GASB 74 reporting requirements

The increase in expenses will have a net impact on fund balance of (\$6,000).

848 – LDFA Fund

LDFA Fund expenses are proposed to increase by +\$1,100,000 due to:

- + \$1,000,000 = Increase in LDFA funding contribution transferred-out to the Major Road Fund for Hamlin Road Reconstruction [East City Limit – Adams Road]
- + \$100,000 = Increase in LDFA funding contribution transferred-out to the Pathway Construction Fund for Technology Drive Pathway

The increase in expenses will have a net impact on fund balance of (\$1,100,000).