

FISCAL YEAR 2014
1st QUARTER PROPOSED BUDGET AMENDMENT

	Original 2014 Budget	1st Qtr Amendment	Proposed 2014 Budget
Total Revenues	\$ 110,992,890	\$ 13,930	\$ 111,006,820
<i>Operating Expense</i>	\$ 83,686,270	\$ 37,900	\$ 83,724,170
<i>Capital Outlay Expense</i>	15,470,230	5,104,020	20,574,250
<i>Transfer-Out Expense</i>	22,352,090	(33,680)	22,318,410
Total Expenses	\$ 121,508,590	\$ 5,108,240	\$ 126,616,830
To/(From) Fund Balance	\$ (10,515,700)	\$ (5,094,310)	\$ (15,610,010)

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

The FY 2014 1st Quarter Budget Amendment proposes an increase in total revenues of \$13,930 and an increase in total expenses of \$5,108,240. The proposed increase in revenues less the increase in expenses will have a net impact on citywide fund balances and retained earnings of (\$5,094,310).

The major component of this Budget Amendment is capital projects or purchases which were not completed in FY 2013, and are proposed to be “carried over” into FY 2014:

Citywide Capital Project Change Summary			
Fund	2014 Initial Projection	2014 Proposed	Difference
Major Road Fund	\$ 975,860	\$ 1,321,210	\$ 345,350
Local Street Fund	\$ 965,000	\$ 1,304,870	\$ 339,870
Water Resources Fund	\$ -	\$ 9,000	\$ 9,000
Green Space Fund	\$ -	\$ -	\$ -
Fire Capital Fund	\$ -	\$ -	\$ -
Pathway Construction Fund	\$ 150,000	\$ 259,200	\$ 109,200
Capital Improvement Fund Fund	\$ -	\$ (700,000)	\$ (700,000)
Water & Sewer Capital Fund	\$ 853,000	\$ 999,400	\$ 146,400
Facilities Fund	\$ -	\$ 913,500	\$ 913,500
MIS Fund	\$ -	\$ -	\$ -
Fleet Fund	\$ 885,920	\$ 996,840	\$ 110,920
Capital Project Total	\$ 3,829,780	\$ 5,104,020	\$ 1,274,240

As part of the FY 2012 4th Quarter Budget Amendment, \$3,829,780 was projected to be “carried forward” from the FY 2013 Budget and into the FY 2014 Budget to continue projects/purchases that were not completed in FY 2013. The revised amount being requested in FY 2014 Budget is \$5,104,020. Variances between projected and proposed are described in more detail within the appropriate fund summaries.

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Summary by Fund

101 - General Fund

General Fund revenues are proposed to increase by \$20,150 due to:

- Increase of \$20,150 in transfers-In from the Retiree Healthcare Trust Fund due to increased Implicit Rate Reimbursements related to increased numbers of employees retiring

General Fund expenditures are proposed to increase by \$317,370 due to:

- Increase of \$287,370 in transfers-out to the Local Street Fund for Local Street Construction projects
- Increase of \$20,000 in transfers-out to the Facilities Fund to fund the final phase of the Citywide Radio Changeover Project (IS-11)
- Increase of \$10,000 in transfers-out to the newly established Rochester Hills Museum Foundation Fund, to provide funding for initial activities for the foundation

The increase in expenditures will have a net impact on fund balance of (\$297,220).

202 - Major Road Fund

Major Road Fund expenditures are proposed to increase by \$1,337,210 due to:

- Increase of \$16,000 in operating expenditures due to the carryover of Traffic Signal Design funding for Brewster Road @ North Fairview Lane.
- Increase of \$1,321,210 in capital projects:

Major Road Fund Capital Project Change Summary			
Project Title	2014 Initial Projection	2014 Proposed	Difference
MR-02B: Hamlin Rehabilitation	\$ 125,000	\$ 162,400	\$ 37,400
MR-02G: Hamlin Irrigation	\$ 50,000	\$ 38,000	\$ (12,000)
MR-03A: Major Road Concrete Program	\$ 151,250	\$ 155,000	\$ 3,750
MR-03B: LDFA Road Concrete Program	\$ 128,000	\$ 145,000	\$ 17,000
MR-40A: Tienken Corridor	\$ 102,610	\$ 102,610	\$ -
MR-53: Falcon Rehabilitation	\$ 10,000	\$ 186,200	\$ 176,200
MR-54: Firewood Rehabilitation	\$ 10,000	\$ 133,000	\$ 123,000
MR-55: Regency Rehabilitation	\$ 17,000	\$ 17,000	\$ -
MR-13A: Dequindre ROW	\$ 100,000	\$ 100,000	\$ -
MR-40A: Tienken Corridor ROW	\$ 282,000	\$ 282,000	\$ -
Capital Project Total	\$ 975,860	\$ 1,321,210	\$ 345,350

The increase in expenditures will have a net impact on fund balance of (\$1,337,210).

203 – Local Street Fund

Local Street Fund revenues are proposed to increase by \$287,370 due to:

- Increase of \$287,370 in transfers-out from the General Fund for Local Street Construction projects

Local Street Fund expenditures are proposed to increase by \$1,307,270 due to:

- Increase of \$2,400 in operating expenditures due to the carryover of Local Street Pavement Repair Strategy Study
- Increase of \$1,304,870 in capital projects:
 - LS-11: Sheldon Road Paving project has proposed to “move forward” the construction funding scheduled for FY 2015, into FY 2014 for construction.

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Local Street Capital Project Change Summary			
Project Title	2014 Initial Projection	2014 Proposed	Difference
LS-03: Local Street Concrete Program	\$ 837,500	\$ 890,000	\$ 52,500
LS-06: Bloomer Road Paving	\$ 127,500	\$ 127,500	\$ -
LS-10: Crestline Street Paving	\$ -	\$ 20,800	\$ 20,800
LS-11: Sheldon Road Paving	\$ -	\$ 266,570	\$ 266,570
Capital Project Total	\$ 965,000	\$ 1,304,870	\$ 339,870

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$1,019,900).

206 – Fire Fund

Fire Fund revenues are proposed to increase by \$6,050 due to:

- Increase of \$6,050 in transfers-in from the Retiree Healthcare Trust Fund due to increased Implicit Rate Reimbursements related to increased numbers of employees retiring

Fire Fund expenditures are proposed to increase by \$6,050 due to:

- Increase of \$6,050 in transfers-out to the 402-Fire Capital Fund to balance the 206-Fire Operating Fund

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

244 – Water Resources Fund

Water Resource Fund revenues are proposed to increase by \$9,000 due to:

- Increase of \$9,000 in grant revenue offsetting related capital project expenditures

Water Resources Fund expenditures are proposed to increase by \$9,000 due to:

- Increase of \$9,000 in capital projects

Water Resources Capital Project Change Summary			
Project Title	2014 Initial Projection	2014 Proposed	Difference
SW-09C: Avon Creek Phase III	\$ -	\$ 9,000	\$ (9,000)
Capital Project Total	\$ -	\$ 9,000	\$ (9,000)

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

402 – Fire Capital Fund

Fire Capital Fund revenues are proposed to increase by \$6,050 due to:

- Increase of \$6,050 in transfers-in from the 206-Fire Operating Fund

The increase in revenues will have a net impact on fund balance of \$6,050.

403 – Pathway Construction Fund

Pathway Construction Fund expenditures are proposed to increase by \$259,200 due to:

- Increase of \$259,200 in capital projects:

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Pathway Capital Project Change Summary			
Project Title	2014 Initial Projection	2014 Proposed	Difference
PW-01: Pathway Rehabilitation Program	\$ 10,000	\$ 86,000	\$ 76,000
PW-02B: Hamlin Pathway	\$ 21,000	\$ 23,400	\$ 2,400
PW-08B: Tienken Pathway	\$ 21,000	\$ 21,000	\$ -
PW-19: Firewood Pathway	\$ 30,000	\$ 60,800	\$ 30,800
PW-31B: John R Pathway P/E	\$ 3,000	\$ 3,000	\$ -
PW-31B: John R Pathway ROW	\$ 65,000	\$ 65,000	\$ -
Capital Project Total	\$ 150,000	\$ 259,200	\$ 109,200

The increase in expenditures will have a net impact on fund balance of (\$259,200).

420 – Capital Improvement Fund

Capital Improvement Fund revenues are proposed to decrease by (\$700,000) due to:

- Decrease / Reclassification of (\$700,000) in Contributions and Donations to the 631-Facilities Fund, as the Riverbend Park Development project shall be coded through the 631-Facilities Fund instead of through the 420-Capital Improvement Fund as originally planned

Capital Improvement Fund expenditures are proposed to decrease by (\$700,000) due to:

- Decrease / Reclassification of (\$700,000) in Capital projects

Capital Improvement Fund Project Change Summary			
Project Title	2014 Initial Projection	2014 Proposed	Difference
PK-13: Riverbend Park Development	\$ -	\$ (700,000)	\$ (700,000)
	\$ -	\$ (700,000)	\$ (700,000)

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

510 - Sanitary Sewer Division

Sanitary Sewer Division revenues are proposed to decrease by (\$191,650) due to:

- Decrease of (\$194,380) in Interfund – DPS Facility Charges as it is proposed to reclassify these charges to go from the user divisions directly to the 593-W&S Capital Fund instead of being transferred first to the 592-W&S Operating Fund, and then in-turn transferred to the 593-W&S Capital Fund
- Increase of \$2,730 in Transfers-In from the Retiree Healthcare Trust Fund due to increased Implicit Rate Reimbursements related to increased numbers of employees retiring

Sanitary Sewer Division expenses are proposed to decrease by (\$194,380) due to:

- Decrease of (\$194,380) in Transfers-Out to W&S Capital Fund as it is proposed to reclassify these charges to go from the user divisions directly to the 593-W&S Capital Fund instead of being transferred first into the 592-W&S Operating Fund, and then in-turn transferred to the 593-W&S Capital Fund

The decrease in revenues less the decrease in expenses will have a net impact on retained earnings of +\$2,730.

530 - Water Division

Water Division revenues are proposed to decrease by (\$191,650) due to:

- Decrease of (\$194,380) in Interfund – DPS Facility Charges as it is proposed to reclassify these charges to go from the user divisions directly to the 593-W&S Capital Fund instead of being transferred first to the 592-W&S Operating Fund, and then in-turn transferred to the 593-W&S Capital Fund
- Increase of \$2,730 in Transfers-In from the Retiree Healthcare Trust Fund due to increased Implicit Rate Reimbursements related to increased numbers of employees retiring

Water Division expenses are proposed to decrease by (\$194,380) due to:

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- Decrease of (\$194,380) in Transfers-Out to W&S Capital Fund as it is proposed to reclassify these charges to go from the user divisions directly to the 593-W&S Capital Fund instead of being transferred first into the 592-W&S Operating Fund, and then in-turn transferred to the 593-W&S Capital Fund

The decrease in revenues less the decrease in expenses will have a net impact on retained earnings of +\$2,730.

593 – Water & Sewer Capital Fund

Water & Sewer Capital Fund revenues are proposed to change due to:

- Increase of \$388,760 in Interfund – DPS Facility charges and a decrease of (\$388,760) in Transfers-In from the W&S Operating Fund as it is proposed to reclassify these charges to go from the user divisions directly to the 593-W&S Capital Fund instead of being transferred first into the 592-W&S Operating Fund, and then in-turn transferred to the 593-W&S Capital Fund

Water & Sewer Capital Fund expenses are proposed to increase by \$999,400 due to:

- Increase of \$999,400 in capital projects including:

Water & Sewer Capital Fund Project Change Summary			
Project Title	2014 Initial Projection	2014 Proposed	Difference
FA-04C: Salt Storage Facility	\$ 5,000	\$ 5,000	\$ -
SS-01B: SCADA System Upgrade	\$ 218,000	\$ 218,000	\$ -
SS-02B: Sanitary Sewer Rehabilitation	\$ 500,000	\$ 500,000	\$ -
SS-22B: Grant Pump Station	\$ 95,000	\$ 230,000	\$ 135,000
WS-02B: Hamlin Water Main	\$ 25,000	\$ 36,400	\$ 11,400
WS-25: South Boulevard Water Main	\$ 10,000	\$ 10,000	\$ -
	\$ 853,000	\$ 999,400	\$ 146,400

The change in revenues less the increase in expenses will have a net impact on retained earnings of (\$999,400).

631 - Facilities Fund

Facilities Fund revenues are proposed to increase by \$720,000 due to:

- Increase / Reclassification of \$700,000 in Contributions and Donations as the Riverbend Park Development project shall be processed through the 631-Facilities Fund instead of through the 420-Capital Improvement Fund
- Increase of \$20,000 in transfers-in from the General Fund to fund the final phase of the Citywide Radio Changeover Project (IS-11)

Facilities Fund expenses are proposed to increase by \$923,000 due to:

- Increase of \$9,500 in operating expenses due to:
 - Increase / Carryover of \$20,000 for the final phase of Citywide Radio Changeover project (IS-11)
 - Decrease / Reclassification of (\$10,500) for the replacement of the Cemetery Gate as a capital expense which should be coded to a capital project account
- Increase of \$913,500 in capital projects:

Facilities Fund Project Change Summary			
Project Title	2014 Initial Projection	2014 Proposed	Difference
PK-13: Riverbend Park	\$ -	\$ 700,000	\$ 700,000
Cemetery Gate Replacement	\$ -	\$ 10,500	\$ 10,500
FA-02D: Fire Station #1 Roof Repairs	\$ -	\$ 15,000	\$ 15,000
FA-01H: Energy Management System Update	\$ -	\$ 6,000	\$ 6,000
IS-19: Auditorium Media Upgrade	\$ -	\$ 182,000	\$ 182,000
	\$ -	\$ 913,500	\$ 913,500

The increase in revenues less the increase in expenses will have a net impact on retained earnings of (\$203,000).

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661 – Fleet Fund

Fleet Fund revenues are proposed to increase by \$38,610 due to:

- Increase of \$38,610 in State Grant (CGAP) funding for a Mobile Column Lift carried over from FY 2013

Fleet Fund expenses are proposed to increase by \$996,840 due to:

- Increase of \$996,840 in capital projects:

Fleet Fund Project Change Summary			
Project Title	2014 Initial Projection	2014 Proposed	Difference
39-040: Chipper Truck [Forestry]	\$ 58,190	\$ 56,000	\$ (2,190)
Mobile Column Vehicle Lift [Fleet]	\$ -	\$ 38,610	\$ 38,610
39-116: Single-Axle Dup Truck [Parks]	\$ 70,000	\$ 70,000	\$ -
39-150: Tandem-Axle Dump Truck [DPS]	\$ 180,000	\$ 191,000	\$ 11,000
39-151: Tandem-Axle Dump Truck [DPS]	\$ 180,000	\$ 191,000	\$ 11,000
39-152: Tandem-Axle Dump Truck [DPS]	\$ 180,000	\$ 191,000	\$ 11,000
39-153: Tandem-Axle Dump Truck [DPS]	\$ 180,000	\$ 191,000	\$ 11,000
Pickup Truck 4wd [Parks]	\$ -	\$ 30,500	\$ 30,500
39-164: Cutaway Cube Truck [W&S]	\$ 37,730	\$ 37,730	\$ -
	\$ 885,920	\$ 996,840	\$ 110,920

The increase in revenues less the increase in expenses will have a net impact on retained earnings of (\$958,230).

736 – Retiree Healthcare Trust Fund

Retiree Healthcare Trust Fund expenditures are proposed to increase by \$31,660 due to:

- Increase of \$31,660 in Transfers-Out to the General, Fire, and W&S Operating Funds due to increased Implicit Rate Reimbursements related to increased numbers of employees retiring

The increase in expenditures will have a net impact on fund balance of (\$31,660).

870 – Rochester Hills Museum Foundation Fund

Rochester Hills Museum Foundation Fund revenues are proposed to increase by \$10,000 due to:

- Increase of \$10,000 in Transfers-In from the General Fund to provide funding for initial activities for the Rochester Hills Museum Foundation

Rochester Hills Museum Foundation Fund expenditures are proposed to increase by \$10,000 due to:

- Increase of \$10,000 in operating expenses to support their initial foundation activity

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