

FISCAL YEAR 2016
1st QUARTER PROPOSED BUDGET AMENDMENT

	Original 2016 Budget	1st Qtr Amendment	Proposed 2016 Budget
Total Revenues	\$ 115,384,360	\$ 2,052,420	\$ 117,436,780
<i>Operating Expense</i>	<i>\$ 89,631,450</i>	<i>\$ 1,580,810</i>	<i>\$ 91,212,260</i>
<i>Capital Outlay Expense</i>	<i>19,655,100</i>	<i>14,083,700</i>	<i>33,738,800</i>
<i>Transfer-Out Expense</i>	<i>17,620,950</i>	<i>3,252,030</i>	<i>20,872,980</i>
Total Expenses	\$ 126,907,500	\$ 18,916,540	\$ 145,824,040
To/(From) Fund Balance	\$ (11,523,140)	\$ (16,864,120)	\$ (28,387,260)

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

The FY 2016 1st Quarter Budget Amendment proposes an increase in total revenues of \$2,052,420 and an increase in total expenses of \$18,916,540. The proposed increase in revenues less the increase in expenses will have a net impact on citywide fund balances and retained earnings of (\$16,864,120).

Some of the most significant financial items presented as part of this FY 2016 1st Quarter Budget Amendment includes:

- Transfer-Out of \$4.5 million from the (101) General Fund to the (631) Facilities Fund for the Fire Station #4 project
 - Decrease of (\$1.5 million) in Transfer-Out from the (101) General Fund to the (203) Local Street Fund for FY 2016, to redirect that funding to Fire Station #4
 - *Net impact to General Fund balance of (\$3.0 million) as \$4.5 million more will be transferred to Facilities while \$1.5 million less will be transferred to Local Street Fund for FY 2016*
- Increase of \$602,940 million in Major Road Capital due primarily to the carryover of projects not completed in FY 2015
- Increase of \$1.5 million in fund balance used by the (203) Local Street Fund to maintain the same FY 2016 Local Street Program, but with less funding for FY 2016 from the (101) General Fund.
- Increase of \$967,410 in revenue and expenditure in the (244) Water Resources Fund due to SAW Grant engineering & inspections services carried over from FY 2015.
- Increase of \$314,300 in Tax Revenues in the (265) OPC Millage Fund due to the results from the November 3, 2015 Election in which the voters of Rochester Hills elected to increase the OPC Transportation millage to 0.1000 mill
- Increase of \$2.8 million in Fire Capital due primarily to the carryover of purchases of Fire equipment and vehicles not received in FY 2015
- Increase of \$10.1 million in Facilities due primarily to the carryover of \$5.3 million for Fire Stations #1, 2, 3, 5 and an additional \$4.5 million for Fire Station #4

Summary by Fund

101 - General Fund

General Fund revenues are proposed to increase by +\$50,000 due to:

- Increase of +\$50,000 in Fire Suppression System review fees (offsetting expenditure)

General Fund expenditures are proposed to increase by +\$3,127,500 due to:

- Increase of +\$177,500 in Operating expenditures due to:

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- Accounting – Professional Services = +\$20,000 Consulting Services related to the recent Financial Software System Update
 - *Note: Funding is proposed from the remaining balance of the Financial Software System Upgrade project*
- Human Resources – Professional Services = +\$32,500 Consulting Services related to Human Resources Departmental Audit
 - *Contract was approved by City Council on December 7, 2015 – No work was performed until FY 2016. Carryover of awarded funding is proposed.*
- Building – Professional Services = +\$50,000 Fire Suppression System Review fees (offsetting revenue) per Legislative ID# 2015-0530
- Planning – Professional Services = +\$75,000 Olde Town Redevelopment Study (Carryover)
- Increase of +\$2,950,000 in Transfers-Out due to:
 - Transfer-Out to Local Street Fund = (\$1,500,000) Re-directing funding to Fire Station #4 renovations [for FY 2016 only]
 - Transfer-Out to Local Street Fund = (\$50,000) Less funding is needed to balance Local Street operations
 - Transfer-Out to Facilities Fund = \$4,500,000 Fire Station #4 Renovations

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$3,077,500).

202 - Major Road Fund

Major Road Fund revenues are proposed to decrease by (\$2,337,750) due to:

- Decrease of (\$137,750) as more PA 84 funding (State of MI) was received in FY 2015
- Decrease of (\$2,200,000) as funding for Tienken Road [Adams – Livernois] was received in FY 2015 (1-year earlier than anticipated)

Major Road Fund expenditures are proposed to increase by +\$602,940 due to:

- Increase of +\$602,940 in capital projects:

Major Road Fund Capital Project Change Summary			
Project Title	2016 Adopted Budget	1st Qtr Amendmdent	2016 Amended Budget
MR-02B: Hamlin Road [Livernois - Dequindre]	\$ -	\$ 260,000	\$ 260,000
MR-13A: Dequindre [Auburn - South] / P/E	\$ 400,000	\$ 9,000	\$ 409,000
MR-15C: Butler @ Adams Right-Turn Lane / P/E	\$ 122,500	\$ 3,000	\$ 125,500
MR-24C: Brewster @ Walton Right-Turn Lane / P/E	\$ 416,250	\$ 11,000	\$ 427,250
MR-31D: John R @ South Blvd Intersection / P/E	\$ -	\$ 65,000	\$ 65,000
MR-40A: Tienken [Livernois - Rochester]	\$ -	\$ 15,000	\$ 15,000
MR-40C: Tienken [Adams - Livernois]	\$ -	\$ 18,000	\$ 18,000
MR-55: Regency Drive	\$ -	\$ 15,000	\$ 15,000
PW-02B: Hamlin Pathway [Livernois - Dequindre]	\$ -	\$ 23,000	\$ 23,000
MR-02B: Hamlin Road [Livernois - Dequindre] ROW	\$ -	\$ 34,000	\$ 34,000
MR-13A: Dequindre [Auburn - South] / ROW	\$ -	\$ 149,940	\$ 149,940
All Other Major Road Capital Projects	\$ 4,571,760	\$ -	\$ 4,571,760
Capital Project Total	\$ 5,510,510	\$ 602,940	\$ 6,113,450

The increase in revenues less the increase in expenditures will have a net impact on fund balance of (\$2,940,690).

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203 – Local Street Fund

Local Street Fund revenues are proposed to decrease by (\$1,460,000) due to:

- Increase of +\$90,000 in PA 84 funding (State of MI)
- Transfer-In from General Fund = (\$1,500,000) Re-directing funding to Fire Station #4 renovations [for FY 2016 only]
- Transfer-In from General Fund = (\$50,000) Less funding is needed to balance Local Street operations

Local Street Fund expenditures are proposed to increase by +\$40,000 due to:

- Increase of +\$40,000 in capital projects:

Local Street Capital Project Change Summary			
Project Title	2016 Adopted Budget	1st Qtr Amendmment	2016 Amended Budget
LS-01: Christian Hills Subdivision	\$ -	\$ 10,000	\$ 10,000
LS-01: 2015 Local Street Asphalt Program	\$ -	\$ 5,000	\$ 5,000
LS-01: 2015 Local Street Concrete Program	\$ -	\$ 15,000	\$ 15,000
LS-10: Crestline Street Paving	\$ -	\$ 10,000	\$ 10,000
All Other Local Street Capital Projects	\$ 5,250,000	\$ -	\$ 5,250,000
Capital Project Total	\$ 5,250,000	\$ 40,000	\$ 5,290,000

The decrease in revenues less the increase in expenditures will have a net impact on fund balance of (\$1,500,000).

214 – Pathway Maintenance Fund

Pathway Maintenance Fund revenues are proposed to increase by +\$30,730 due to:

- Increase of +\$30,730 in Reimbursement from the cities of Rochester & Auburn Hills for their portions of the Local Community Share of the Clinton River Trailway Signage project Cost Participation Agreement

Pathway Maintenance Fund expenditures are proposed to increase by \$30,730 due to:

- Increase of +\$43,000 in operating expenditures due to Local Community Share of Clinton River Trailway Signage project Cost Participation Agreement
- Decrease of (\$12,270) in transfers-out to the Pathway Construction Fund (403) to balance the Pathway Maintenance Fund (214)

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 +\$967,410 due to:

- Increase of \$967,410 in SAW Grant revenues (offsetting expenditure)

Water Resources Fund expenditures are proposed to increase by +\$967,410 due to:

- Increase of \$967,410 in operating expenditures for SAW Grant expenditures (offsetting revenue) for storm sewer system engineering & inspection services

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

265 – OPC Millage Fund

OPC Millage Fund revenues are proposed to increase by +\$314,300 due to:

- Increase of +\$314,300 in Tax revenues due to an increase in the OPC Transportation Millage from 0.0891 mill to 0.1000 mill per the results of the November 3, 2015 Election.

OPC Millage Fund expenditures are proposed to increase by +\$314,300 due to:

- Increase of +\$314,300 in transfers-out to the OPC Transportation program

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

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402 – Fire Capital Fund

Fire Capital Fund expenditures are proposed to increase by \$2,854,250 due to:

- Increase of \$2,854,250 in capital projects:

Fire Capital Project Change Summary			
Project Title	2016 Adopted Budget	1st Qtr Amendmdent	2016 Amended Budget
IS-04D: SCBA Replacement & Air Compressor	\$ -	\$ 760,000	\$ 760,000
IS-08: Aerial Ladder (Ladder #1)	\$ -	\$ 1,078,720	\$ 1,078,720
IS-08: Fire Engine #5	\$ -	\$ 735,220	\$ 735,220
IS-08: Ambulance / Bravo 23	\$ -	\$ 195,770	\$ 195,770
IS-08: Ambulance / Alpha 22	\$ -	\$ 195,770	\$ 195,770
IS-08: Fire Engine #3	\$ 525,000	\$ (64,820)	\$ 460,180
IS-08: Rescue #1	\$ 340,000	\$ (46,410)	\$ 293,590
All Other Fire Capital Projects	\$ 733,200	\$ -	\$ 733,200
Capital Project Total	\$ 1,598,200	\$ 2,854,250	\$ 4,452,450

The increase expenditures will have a net impact on fund balance of +\$2,854,250.

403 – Pathway Construction Fund

Pathway Construction Fund revenues are proposed to decrease by (\$12,270) due to:

- Decrease of (\$12,270) in transfers-in from the Pathway Maintenance Fund (214)

Pathway Construction Fund expenditures are proposed to increase by +\$345,770 due to:

- Increase of +\$345,770 in capital projects:

Pathway Capital Project Change Summary			
Project Title	2016 Adopted Budget	1st Qtr Amendmdent	2016 Amended Budget
PW-06C: Auburn Pathway [John R - Dequindre] / ROW	\$ -	\$ 16,570	\$ 16,570
PW-07C: Adams PW [Powderhorn Ridge - Tienken] / ROW	\$ -	\$ 15,000	\$ 15,000
PW-31C: John R PW [Auburn - 2,300' SB] / ROW	\$ -	\$ 30,000	\$ 30,000
PW-01: Pathway Rehabilitation Program	\$ 200,000	\$ 120,000	\$ 320,000
PW-07C: Adams PW [Powderhorn Ridge - Tienken] / P/E	\$ 176,050	\$ 7,500	\$ 183,550
PW-31C: John R PW [Auburn - 2,300' SB] / Construction	\$ -	\$ 156,700	\$ 156,700
All Other Pathway Capital Projects	\$ 15,000	\$ -	\$ 15,000
Capital Project Total	\$ 391,050	\$ 345,770	\$ 736,820

The decrease in revenues less the increase in expenditures will have a net impact on fund balance of (\$358,040).

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593 – Water & Sewer Capital Fund

Water & Sewer Capital Fund expenses are proposed to increase by +\$106,900 due to:

- Increase of \$405,900 in operating expenses due to reclassifying funding for Sanitary Sewer System inspection services from 593.972000 (Mains & Services) to 593.801000 (Professional Services)
- Decrease of (\$299,000) in capital projects including:

Water & Sewer Capital Fund Project Change Summary			
Project Title	2016 Adopted Budget	1st Qtr Amendmdent	2016 Amended Budget
SS-02B: Sanitary Sewer Rehabilitation Program	\$ 500,000	\$ (500,000)	\$ -
WS-02B: Hamlin Water Main [Livernois - Rochester]	\$ -	\$ 64,000	\$ 64,000
WS-33: Christian Hills Water Main	\$ -	\$ 15,000	\$ 15,000
SS-01B: SCADA System Upgrade	\$ 575,000	\$ 75,000	\$ 650,000
DPS Facility / Roof Hatch Access Stairwell	\$ -	\$ 42,000	\$ 42,000
IS-13: Utility Billing System	\$ -	\$ 5,000	\$ 5,000
All Other Water & Sewer Capital Projects	\$ 2,346,000	\$ -	\$ 2,346,000
Capital Project Total	\$ 3,421,000	\$ (299,000)	\$ 3,122,000

The increase in expenses will have a net impact on retained earnings of (\$106,900).

631 - Facilities Fund

Facilities Fund revenues are proposed to increase by +\$4,500,000 due to:

- Increase of +\$4,500,000 in Transfer-In from the General Fund for Fire Station #4

Facilities Fund expenses are proposed to increase by +\$10,148,500 due to:

- Decrease of (\$13,000) in operating expenses due to reclassifying funding for OCSO Recording Device System from 631.929000 (Maintenance & Repairs) to 631.977000 (Capital Equipment)
- Increase of +\$10,161,500 in capital projects:

Facilities Fund Project Change Summary			
Project Title	2016 Adopted Budget	1st Qtr Amendmdent	2016 Amended Budget
FA-01F: City Hall Parking Lot Rehabilitation	\$ -	\$ 313,500	\$ 313,500
PK-13: Riverbend Park Landscape Architect	\$ 750,000	\$ 25,000	\$ 775,000
FA-06: Cemetery Columbarium	\$ -	\$ 50,000	\$ 50,000
Fire Station #1, 2, 3, 5 Renovations	\$ -	\$ 5,260,000	\$ 5,260,000
Fire Station #4 Renovation	\$ -	\$ 4,500,000	\$ 4,500,000
OCSO Recording Device Installation	\$ -	\$ 13,000	\$ 13,000
All Other Facilities Capital Projects	\$ 46,000	\$ -	\$ 46,000
Capital Project Total	\$ 796,000	\$ 10,161,500	\$ 10,957,500

The increase in revenues less the increase in expenses will have a net impact on retained earnings of (\$5,648,500).

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636 - MIS Fund

MIS Fund expenses are proposed to increase by +\$400,000 due to:

- Increase of +\$400,000 in capital projects:

MIS Fund Project Change Summary			
Project Title	2016 Adopted Budget	1st Qtr Amendmdent	2016 Amended Budget
IS-12A: Financial Software System Upgrade	\$ -	\$ 400,000	\$ 400,000
All Other MIS Capital Projects	\$ 430,000	\$ -	\$ 430,000
Capital Project Total	\$ 430,000	\$ 400,000	\$ 830,000

The increase in expenses will have a net impact on retained earnings of (\$400,000).

661 - Fleet Fund

Fleet Fund expenses are proposed to decrease by (\$21,760) due to:

- Decrease of (\$21,760) in capital projects:

Fleet Fund Project Change Summary			
Project Title	2016 Adopted Budget	1st Qtr Amendmdent	2016 Amended Budget
Wheeled Excavator [DPS]	\$ 230,630	\$ 4,370	\$ 235,000
Wheel Loader [DPS]	\$ 175,890	\$ (17,890)	\$ 158,000
Compact Excavator [DPS]	\$ 60,000	\$ 8,000	\$ 68,000
Compact SUV [ASG]	\$ 16,270	\$ 3,230	\$ 19,500
Pickup 4wd w\ Plow [PKS]	\$ 28,400	\$ 3,100	\$ 31,500
Cargo Van [DPS]	\$ 21,790	\$ 710	\$ 22,500
Pickup 4wd [BUI]	\$ 17,760	\$ 8,740	\$ 26,500
Pickup 4wd [BUI]	\$ 17,510	\$ 8,990	\$ 26,500
Pickup 4wd [BUI]	\$ 17,510	\$ 8,990	\$ 26,500
Tandem-Axle Dump Truck [DPS]	\$ 250,000	\$ (25,000)	\$ 225,000
Tandem-Axle Dump Truck [DPS]	\$ 250,000	\$ (25,000)	\$ 225,000
All Other Fleet Capital Projects	\$ 757,580	\$ -	\$ 757,580
Capital Project Total	\$ 1,843,340	\$ (21,760)	\$ 1,821,580

The decrease in expenses will have a net impact on retained earnings of +\$21,760.