



CITY COUNCIL AGENDA ITEM

May 6, 2014

TO: The Honorable Mayor and City Council Members

FROM: Brian Kischnick, City Manager
Thomas Darling, Director of Financial Services

SUBJECT: 2013/14 Budget Amendment No. 3 – Year End Budget Adjustments

Background:

City Management submits budget amendments for Council approval in accordance with Section 17 of Public Act 2, as amended or commonly referred to as the “Budget Act”. Budget amendments are required as soon as a deviation from the budget is apparent. During completion of the budget process, budget study sessions and completion of the Third Quarter financial report, it is management’s recommendation that the following budget amendments be approved:

General Fund	Budget	Request	Budget	Letter
Revenues				
Transfer in from Local Streets	\$ 1,705,900	\$ 200,000	\$ 1,905,900	A
Licenses and Permits	2,104,900	430,000	2,534,900	F
Expenditures				
Local Street Dept	1,712,040	200,000	1,912,040	A
Engineering	1,908,070	260,000	2,168,070	B
Nature Center	85,400	5,800	91,200	C
Building Inspections	1,618,260	326,000	1,944,260	F
Transfers Out	1,120,200	2,550,000	3,670,200	D
Local Streets Fund				
<i>Expenditures</i>	1,705,900	200,000	1,905,900	A
Drug Forfeiture Fund				
<i>Revenues</i>	119,900	235,600	355,500	E
<i>Expenditures</i>	62,000	25,000	87,000	E
Capital Fund				
<i>Revenues</i>	13,341,400	2,550,000	15,891,400	D
<i>Expenditures</i>	14,994,900	2,550,000	17,544,900	D

Comments

- A. The Local Streets Department is requesting an additional \$200,000 to cover costs for local snow and ice control due to the extreme weather conditions during the winter of 2014. The General Fund Local Streets Department expenditures are reimbursed back to the General Fund through funding from the Local Streets Special Revenue Fund. Accordingly, any increase in the General Fund Local Streets Department would create an increase in the Local Streets Special Revenue Fund due to reimbursements back to the General Fund.
- B. The Engineering Department is requesting an additional \$260,000 due to increased contractual services for road inspections from the “Troy Roads Rock” program as discussed during the budget study sessions.
- C. The City has responsibility for maintaining the building and grounds of the nature center. It is estimated that it will require an additional \$5,800 to cover City employee wages and supplies for this maintenance. This is not a subsidy to the “operations” of the nature center.
- D. City Management proposed and City Council agreed in the “Troy Rocks Road Program”. This budget amendment recognizes the anticipated work in the 2014 fiscal year. The proposal included a transfer from the General Fund in the amount of \$2,550,000 to the Capital Projects Fund where the expenditures will be incurred. Accordingly, the Capital Projects Fund has the corresponding proposed amendments.
- E. The City police department participated in a joint task force event that resulted in a significant drug forfeiture seizure. Due to the City being the lead agency in the seizure, it was up to the City to collect the funding (the revenue portion) and distribute it out to other participating agencies (the expenditure portion). This budget amendment reflects that action.
- F. The City contracts SafeBuilt to provide building inspection and related services. SafeBuilt fees are designed as a percentage of fees received by the City. This budget amendment reflects the expected increase in fees received by the City, and accordingly, the increased fees due to SafeBuilt.