

Water Fund

The Water Fund budget (591) reflects a decrease in projected revenue of \$8,560,824 and increase in Use of Fund balance of \$7,287,125. Again, as noted previously, the decrease in Charges for Services are a result of the combined impact of inability to enforce collections on balance prior to August 7 and decrease in billed revenue per Court ordered rate reductions.

The roll forward of incomplete FY2015 projects of \$1,456,922 is reflected by a corresponding decrease in cancelled and postponed capital improvement projects of \$1,664,906. The City had just begun its much need meter replacement program at the end of FY2015. A significant portion of the roll forward reflects outstanding purchase orders and invoices related to this project prior to the spending freeze. The reduction in FY2016 budgeted improvements reflects the reprioritization of the KWA project and postponement of other significant projects such as the Dupont Street Pipeline Project and Hamilton Dam Sheet Piling.

Thanks,

Natasha L. Henderson, City Administrator

City of Flint, Michigan

1101 S. Saginaw St.

Flint, MI 48502

Email: nhenderson@cityofflint.com

Phone: (810) 237-2057

www.cityofflint.com

----- Forwarded message -----

From: Beverly Walker-Griffa <b.walkergriffa@mcc.edu>

To: "Headen, Frederick (Treasury)" <HeadenF@michigan.gov>

Cc:

Date: Thu, 17 Dec 2015 23:12:03 +0000

Subject: Fwd: RTAB Questions from Earlier today

Below are my questions for the City Manager. Thank you. Beverly

1. The City Administrator in her email proposes using \$7,287,125 of Fund Balance in the water fund to offset the balance projected decrease in the revenue. The latest "budget to actual" report provided shows the Fund Balance in the water fund to be \$4,937,210. Will there be an amendment showing where the remaining \$2,349,915 will be taken from?
2. The last budget to actual report provided to RTAB (Month Ended October 31, 2015) the 590 Sewer Fund shows a "YTD Balance" at 10/31/15 of \$2,480,146 in the "Charges for Services" line item. If I annualize this, the total would be \$7,440,438. The budget amendment of a \$5,941,475 reduction in that budget line item adjusts the total budgeted amount to be \$24,493,240. In what months from November 2015 through June 2015 will there be an acceleration of service for fee revenue that will allow us to achieve the amended budget?
3. The same concern for the Water Fund as well.

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Lawrence A. Gawthrop, CPA
Chief Financial Officer
Mott Community College
1401 E. Court Street
Flint, MI 48503

(810) 762-0525 (office)

(810) 348-5910 (cellular)

(810) 762-0235 Kim Brown, Executive Assistant