

M E M O R A N D U M

TO: Mayor Prussing and Council Members
FROM: City Comptroller
RE: Proposed Changes to FY08-09 Budget
DATE: June 11, 2008

I am aware of 2 changes that are required to be included in the City's FY08-09 budget, prior to approval on Monday:

- Include the I.L.E.A.S. contract revenue of \$42,000 and expenses of personnel \$36,500 and contract/overhead of \$5,500. This is the same contract that the Council approved last week for the 5 months of FY07-08. This amount would be for the full 12 months July 08 thru June 09.
- Add to Page 112 of the Vehicle and Equipment Replacement Fund, the purchase of 2 P.W. Chippers at a cost of \$78,000. The amount will be taken from fund balance. Due to a safety operational problem that has come to the attention of the Arbor Division, the City must either speed up the replacement of these chippers or spend \$12,000 to replace the brake system. They are scheduled to last 10 years and were scheduled for regular replacement in FY10-11. The cost of speeding up replacement 1 year is about \$6,000. So it makes more sense both financially and operationally to replace 1 year early.