



**CITY of NOVI CITY COUNCIL**  
**Agenda Item 15**  
**June 17, 2019**

**SUBJECT:** Approval of resolution to authorize Budget Amendment #2019-4.

**SUBMITTING DEPARTMENT:** Finance

**CITY MANAGER APPROVAL:** *PA*

**BACKGROUND INFORMATION:**

The City's budget is adopted annually at a function level (vs. line item) no later than the third Monday in May and is effective July 1<sup>st</sup>. In accordance with the State Budget Act, budget amendments are completed throughout the fiscal year in order to reflect the most current information available related to revenue and expenditure budgets. Amendments between line-items within the same budget function (that do not have any impact on fund balance) are managed at the administration level. Budget amendments that have a positive or negative impact on fund balance, or change the function total, are prepared for Council approval.

The fourth quarter budget amendment has been prepared for Council approval and is summarized below in addition to the attached resolution and line-item detail. Funds with minimum fund balance requirements include fund balance summaries that reflect all amendments approved by Council through June 3, 2019.

**GENERAL FUND**

The proposed General Fund budget amendment request has a net zero effect on fund balance for the fourth quarter ending June 30, 2019. Revenues are being increased \$265,050 and expenditures are increased \$265,050. The amendment keeps fund balance within Council set limits with an ending fund balance of \$10,098,299 and a fund balance to total annual expenditures ratio of 28%. The following highlights some of the significant items included in the proposed amendment for this fund:

Revenues:

- Increase in interest revenue of \$150,769 to reflect better than anticipated realized and unrealized gains to date.
- Building Permit Revenue is being increased \$70,000 to reflect better than anticipated revenues due to increased development within the City.
- State shared revenue is anticipated to increase \$78,581 based on the State of Michigan's most recent estimate.
- Court fees and fines revenue and Other revenue are being reduced a total of \$38,000 to reflect lower ticket and other revenue activity to date.

Budget Amendment# 2019-4 - June 17, 2019

<u>GL #</u>	<u>Project/Item Description</u>	<u>Budget Category</u>	<u>Amount</u>
<b>GENERAL FUND</b>			
<b>Revenues</b>			
101-000.00-478.000	Building Permits	Licenses, permits and charges for services	70,000
101-000.00-574.000	State Revenue Sharing	State Sources	78,581
101-000.00-632.320	SS Task Force Reimbursement	Federal Grants	3,700
101-000.00-655.000	Court fees and fines	Fines and Forfeitures	(20,000)
101-000.00-664.000	Interest on Investments	Interest Income	150,769
101-000.00-665.000	Miscellaneous revenue	Other Revenue	(18,000)
			\$ 265,050
<b>Expenditures</b>			
101-172.00-704.250	Final payout	Personnel Services	8,500
101-201.00-704.000	Permanent salaries	Personnel Services	(8,000)
101-201.00-716.000	Insurance	Personnel Services	(4,000)
101-201.00-719.000	Unemployment	Personnel Services	(35,000)
101-205.00-943.000	Equipment Rental Lease	Other services and charges	(6,500)
101-205.00-956.000	Conferences and workshops	Other services and charges	(2,500)
101-209.00-816.900	Tax Tribunal appraisals	Other services and charges	(24,573)
101-210.00-806.000	Legal Fees	Other services and charges	45,000
101-215.00-722.000	Election Workers	Other services and charges	(7,100)
101-253.00-716.000	Insurance	Personnel Services	(3,000)
101-265.00-716.000	Insurance	Personnel Services	10,000
101-265.00-934.014	Building Maintenance	Other services and charges	9,000
101-265.10-716.000	Insurance	Personnel Services	5,000
101-265.10-935.000	Vehicle Maintenance	Other services and charges	1,200
101-295.00-880.800	Web Page Maintenance	Other services and charges	20,000
101-296.00-704.000	Permanent salaries	Personnel Services	(26,893)
101-296.00-715.000	Social Security	Personnel Services	(2,000)
101-296.00-716.000	Insurance	Personnel Services	(4,892)
101-296.00-718.200	Pension - defined contribution	Personnel Services	(4,885)
101-296.00-809.000	Memberships and dues	Other services and charges	(5,738)
101-296.00-956.000	Conferences and workshops	Other services and charges	(6,000)
101-301.00-704.000	Permanent salaries	Personnel Services	40,000
101-301.00-704.250	Final Payout	Personnel Services	53,120
101-337.00-716.000	Insurance	Personnel Services	20,000
101-442.00-921.000	Heat	Other services and charges	(8,500)
101-442.20-997.100	Allocated to other funds	Allocated to other funds	203,000
101-807.00-816.000	Professional Services	Other services and charges	(6,000)
101-807.00-816.034	Document Imaging/Scanning Project	Other services and charges	(12,189)
101-940.00-965.226	Transfer to Rubbish Collection Fund	Transfers Out	18,000
			\$ 265,050

**Net Increase (decrease) to fund balance**    \$            -

<b>Ending Fund Balance</b>	<b>\$10,098,299</b>
<b>Fund Balance as a % of total annual expenditures</b>	<b>28%</b>

<u>GL #</u>	<u>Project/Item Description</u>	<u>Budget Category</u>	<u>Amount</u>
<b>MAJOR STREET FUND</b>			
<b>Revenues</b>			
202-000.00-546.000	Gas Weight Tax	State Sources	(13,000)
			\$ (13,000)
<b>Expenditures</b>			
202-000.00-965.203	Transfer to Local Street Fund	Transfers Out	2,100,000
202-202.00-865.403	Construction - Allocated to 403	Capital Outlay	(2,000,000)
202-202.00-866.060	Labor Allocation	Maintenance	(30,000)
202-202.00-867.055	Traffic Services - Equipment Allocation	Maintenance	(14,000)
202-202.00-973.019	Capital Preventative Maintenance 2019	Capital Outlay	(100,000)
			\$ (44,000)
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ 31,000</b>

<b>Ending Fund Balance</b>	<b>\$643,654</b>
<b>Fund Balance as a % of total annual expenditures</b>	<b>11%</b>

<b>LOCAL STREET FUND</b>			
<b>Revenues</b>			
203-000.00-546.000	Gas Weight Tax	State Sources	(135,000)
203-000.00-676.202	Transfer from Major Street Fund	Transfers In	2,100,000
203-000.00-676.204	Transfer from Municipal Street Fund	Transfers In	(4,000,000)
			\$ (2,035,000)
<b>Expenditures</b>			
203-203.00-864.201	102-01 NRP 2019 - Concrete	Capital Outlay	100,000
203-203.00-865.403	Construction - Allocated to 403	Capital Outlay	(2,000,000)
203-203.00-866.060	Labor Allocation	Maintenance	(15,000)
			\$ (1,915,000)
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ (120,000)</b>

<b>Ending Fund Balance</b>	<b>\$594,297</b>
<b>Fund Balance as a % of total annual expenditures</b>	<b>13%</b>

<b>MUNICIPAL STREET FUND</b>			
<b>Revenues</b>			
204-000.00-664.000	Interest on Investments	Interest Income	53,000
			\$ 53,000
<b>Expenditures</b>			
204-000.00-965.203	Transfer to Local Street Fund	Transfers Out	(4,000,000)
204-000.00-965.403	Transfer to Street Improvement Fund	Transfers Out	4,000,000
204-204.00-866.060	Labor Allocation	Maintenance	(47,000)
			\$ (47,000)
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ 100,000</b>

<b>Ending Fund Balance</b>	<b>\$2,743,789</b>
<b>Fund Balance as a % of total annual expenditures</b>	<b>40%</b>

<u>GL #</u>	<u>Project/Item Description</u>	<u>Budget Category</u>	<u>Amount</u>
<b>PARKS, RECREATION, AND CULTURAL SERVICES FUND</b>			
<b>Revenues</b>			
208-000.00-653.509	Sports camps/clinics	Program Revenue	17,052
208-000.00-653.510	Contracted & OC park camps	Program Revenue	7,395
208-000.00-653.551	Older Adults - Golf League	Older Adult Program Revenue	1,167
208-000.00-653.563	Older Adults - Sports	Older Adult Program Revenue	4,095
208-000.00-653.571	Older Adults - Advertisement	Other Revenue	(2,388)
208-000.00-653.629	Cultural Arts Camps	Program Revenue	13,737
208-000.00-653.643	Theatre Programs	Program Revenue	1,049
208-000.00-665.695	Older Adult Program Donations	Donations	(17,627)
208-000.00-665.000	Miscellaneous Income	Other Revenue	(4,700)
			\$ 19,780
<b>Expenditures</b>			
208-691.00-716.001	Insurance - other	Personnel Services	5,200
208-691.00-935.000	Vehicle Maintenance	Other Services and charges	3,000
208-693.00-960.006	Youth Basketball League	Program Expenditures	1,893
208-693.00-960.509	Sports camps/clinics	Program Expenditures	6,087
208-695.00-705.000	Final Payouts	Personnel Services	3,600
			\$ 19,780
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ -</b>

<b>Ending Fund Balance</b>	<b>\$664,779</b>
<b>Fund Balance as a % of total annual expenditures</b>	<b>19%</b>

<b>TREE FUND</b>			
<b>Revenues</b>			
209-000.00-523.008	MNRTF 20.361 Acre 9 Mile west of Garfield	State Grants	(6,679)
209-000.00-664.000	Interest on Investments	Interest Income	20,929
209-000.00-665.260	Tree Fund Revenue	Other Revenue	209,750
			\$ 224,000
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ 224,000</b>

<b>DRAIN FUND</b>			
<b>Revenues</b>			
210-000.00-676.211	Transfer from Drain Perpetual Maintenance Fund	Transfers In	284,000
			\$ 284,000
<b>Expenditures</b>			
210-211.00-865.129	Streambank Stab - Middle Rouge @ Flint Street	Capital Outlay	284,000
			\$ 284,000
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ -</b>

<b>DRAIN PERPETUAL MAINTENANCE FUND</b>			
<b>Expenditures</b>			
211-000.00-965.210	Transfer to Drain Fund	Transfers Out	284,000
			\$ 284,000
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ (284,000)</b>

<b>RUBBISH COLLECTION FUND</b>			
<b>Revenues</b>			
226-000.00-607.000	Charges for Services - Rubbish Collection	Licenses, permits and charges for services	(38,393)
226-000.00-665.000	Interest on Investments	Interest Income	7,513
226-000.00-676.101	Transfer from General Fund	Transfers In	18,000
			\$ (12,880)
<b>Expenditures</b>			
226-226.00-740.000	Operating Supplies	Supplies	(2,880)
226-226.00-808.100	Rubbish Monthly	Other Services and Charges	(10,000)
			\$ (12,880)
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ -</b>

<u>GL #</u>	<u>Project/Item Description</u>	<u>Budget Category</u>	<u>Amount</u>
<b>PEG CABLE FUND</b>			
<b>Revenues</b>			
263-000.00-604.100	Cable PEG Fees	Licenses, permits, & charges for services	40,000
			<u>\$ 40,000</u>
<b>Expenditures</b>			
263-295.00-705.000	Temporary Salaries	Personnel Services	(4,000)
263-295.00-986.022	CRD002 Community Web New Feed	Capital Outlay	(20,000)
			<u>\$ (24,000)</u>
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ 64,000</b>
<b>FORFEITURE FUND</b>			
<b>Revenues</b>			
266-000.00-665.501	Miscellaneous-federal forfeitures	Other Revenue	(50,000)
			<u>\$ (50,000)</u>
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ (50,000)</b>
<b>LIBRARY CONTRIBUTION FUND</b>			
<b>Revenues</b>			
269-000.00-665.232	Programming Revenue	Donations	6,664
			<u>\$ 6,664</u>
<b>Expenditures</b>			
269-000.00-742.231	Buildings/Ground/Furniture Expense	Supplies	4,859
269-000.00-742.232	Programming Expense	Supplies	9,164
269-000.00-742.234	Undesignated Misc	Supplies	500
			<u>\$ 14,523</u>
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ (7,859)</b>
<b>CAPITAL IMPROVEMENT PROGRAM (CIP) FUND</b>			
<b>Expenditures</b>			
400-000.00-991.000	Principal	Debt Service	451,320
400-000.00-995.000	Interest Expense	Debt Service	(52,700)
400-691.00-977.014	PRC034 Villa Barr Parking Lot Bus Loop	Capital Outlay	(63,079)
400-901.00-971.010	Land Purchase - Jamco Property	Capital Outlay	300,000
			<u>\$ 635,541</u>
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ (635,541)</b>
<b>STREET IMPROVEMENT FUND</b>			
<b>Revenues</b>			
403-000.00-676.204	Transfer from Municipal Street Fund	Transfers In	4,000,000
			<u>\$ 4,000,000</u>
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ 4,000,000</b>
<b>WATER AND SEWER FUND</b>			
<b>Revenues</b>			
592-000.00-410.000	Sewer service charges	Operating Revenue	223,000
592-000.00-666.002	Sewer tap connection fees	Capital contributions	241,777
592-000.00-666.003	water tap connection fees	Capital contributions	106,523
			<u>\$ 571,300</u>
<b>Expenditures</b>			
592-592.00-831.000	Water purchases	Other services and charges	(260,000)
			<u>\$ (260,000)</u>
		<b>Net Increase (decrease) to fund balance</b>	<b>\$ 831,300</b>

**RESOLUTION**

NOW, THEREFORE BE IT RESOLVED that the following  
Budget Amendment# 2019-4 is authorized:

	INCREASE (DECREASE)
<b>GENERAL FUND</b>	
<b>REVENUES</b>	
Licenses, Permits, and Charges for Services	70,000
Interest Income	150,769
Federal Grants	3,700
State Sources	78,581
Fines and Forfeitures	(20,000)
Other Revenue	(18,000)
<b>TOTAL REVENUES</b>	<b><u>\$ 265,050</u></b>
<b>APPROPRIATIONS</b>	
<b>City Manager</b>	
Personnel Services	8,500
<b>Finance Department</b>	
Personnel Services	(47,000)
<b>Integrated Solutions - Information Technology</b>	
Other Services and Charges	(9,000)
<b>Assessing Department</b>	
Other Services and Charges	(24,573)
<b>City Attorney, Insurance, &amp; Claims Department</b>	
Other Services and Charges	45,000
<b>City Clerk</b>	
Other Services and Charges	(7,100)
<b>Treasury Department</b>	
Personnel Services	(3,000)
<b>Integrated Solutions - Facility Management</b>	
Personnel Services	10,000
Other Services and Charges	9,000
<b>Integrated Solutions - FM: Parks Maintenance</b>	
Personnel Services	5,000
Other Services and Charges	1,200
<b>Community Relations</b>	
Other Services and Charges	20,000
<b>Economic Development</b>	
Personnel Services	(38,670)
Other Services and Charges	(11,738)
<b>Police Department</b>	
Personnel Services	93,120
<b>Fire Department</b>	
Personnel Services	20,000

	INCREASE (DECREASE)
<b>Community Development - Planning</b>	
Other Services and Charges	(18,189)
<b>Department of Public Works - Administration</b>	
Other Services and Charges	(8,500)
<b>Department of Public Works - Field Operations</b>	
Allocated to Other Funds	203,000
<b>Transfers to Other Funds</b>	
Transfers Out	18,000
<b>TOTAL APPROPRIATIONS</b>	<u>\$ 265,050</u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u>\$ -</u>

<b>Ending Fund Balance</b>	<b>\$10,098,299</b>
<b>Fund Balance as a % of total annual expenditures</b>	<b>28%</b>

<b>MAJOR STREET FUND</b>
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<b>REVENUES</b>	
State Sources	(13,000)
<b>TOTAL REVENUES</b>	<u>\$ (13,000)</u>
<b>APPROPRIATIONS</b>	
Maintenance	(44,000)
Transfers Out	2,100,000
Capital Outlay	(2,100,000)
<b>TOTAL APPROPRIATIONS</b>	<u>\$ (44,000)</u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u>\$ 31,000</u>

<b>Ending Fund Balance</b>	<b>\$643,654</b>
<b>Fund Balance as a % of total annual expenditures</b>	<b>11%</b>

<b>LOCAL STREET FUND</b>
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<b>REVENUES</b>	
State Sources	(135,000)
Transfers In	(1,900,000)
<b>TOTAL REVENUES</b>	<u>\$ (2,035,000)</u>
<b>APPROPRIATIONS</b>	
Maintenance	(15,000)
Capital Outlay	(1,900,000)
<b>TOTAL APPROPRIATIONS</b>	<u>\$ (1,915,000)</u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u>\$ (120,000)</u>

<b>Ending Fund Balance</b>	<b>\$594,297</b>
<b>Fund Balance as a % of total annual expenditures</b>	<b>13%</b>

**INCREASE  
(DECREASE)**

<b>MUNICIPAL STREET FUND</b>
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**REVENUES**

Interest Income	53,000
<b>TOTAL REVENUES</b>	<b>\$ 53,000</b>

**APPROPRIATIONS**

Maintenance	(47,000)
<b>TOTAL APPROPRIATIONS</b>	<b>\$ (47,000)</b>

Net Increase (Decrease) to Fund Balance	<b>\$ 100,000</b>
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Ending Fund Balance	<b>\$2,743,789</b>
Fund Balance as a % of total annual expenditures	<b>40%</b>

<b>PARKS, RECREATION, &amp; CULTURAL SERVICES FUND</b>
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**REVENUES**

Donations	(17,627)
Other Revenue	(7,088)
Program Revenue	39,233
Older Adult Program Revenue	5,262
<b>TOTAL REVENUES</b>	<b>\$ 19,780</b>

**APPROPRIATIONS**

691	Personnel Services	5,200
691	Other Services and Charges	3,000
693	Program Expenditures	7,980
695	Personnel Services	3,600
<b>TOTAL APPROPRIATIONS</b>		<b>\$ 19,780</b>

Net Increase (Decrease) to Fund Balance	<b>\$ -</b>
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Ending Fund Balance	<b>\$664,779</b>
Fund Balance as a % of total annual expenditures	<b>19%</b>



	INCREASE (DECREASE)
<b>TREE FUND</b>	
<b>REVENUES</b>	
Other Revenue	209,750
Interest Income	20,929
State Grants	(6,679)
<b>TOTAL REVENUES</b>	<u><u>\$ 224,000</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ 224,000</u></u>
<b>DRAIN FUND</b>	
<b>REVENUES</b>	
Transfers In	284,000
<b>TOTAL REVENUES</b>	<u><u>\$ 284,000</u></u>
<b>APPROPRIATIONS</b>	
Capital Outlay	284,000
<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ 284,000</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ -</u></u>
<b>DRAIN PERPETUAL MAINTENANCE FUND</b>	
<b>APPROPRIATIONS</b>	
Transfers Out	284,000
<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ 284,000</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ (284,000)</u></u>
<b>RUBBISH COLLECTION FUND</b>	
<b>REVENUES</b>	
Licenses, Permits, & Charges for Services	(38,393)
Interest Income	7,513
Transfer In	18,000
<b>TOTAL REVENUES</b>	<u><u>\$ (12,880)</u></u>
<b>APPROPRIATIONS</b>	
Supplies	(2,880)
Other Services and Charges	(10,000)
<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ (12,880)</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ -</u></u>

	INCREASE (DECREASE)
<b>PEG CABLE FUND</b>	
<b>REVENUES</b>	
Licenses, permits and charges for services	40,000
<b>TOTAL REVENUES</b>	<u><u>\$ 40,000</u></u>
<b>APPROPRIATIONS</b>	
Personnel Services	(4,000)
Capital Outlay	(20,000)
<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ (24,000)</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ 64,000</u></u>
<b>FORFEITURE FUND</b>	
<b>REVENUES</b>	
Other Revenue	(50,000)
<b>TOTAL REVENUES</b>	<u><u>\$ (50,000)</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ (50,000)</u></u>
<b>LIBRARY CONTRIBUTION FUND</b>	
<b>REVENUES</b>	
Donations	6,664
<b>TOTAL REVENUES</b>	<u><u>\$ 6,664</u></u>
<b>APPROPRIATIONS</b>	
Supplies	14,523
<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ 14,523</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ (7,859)</u></u>
<b>CAPITAL IMPROVEMENT (CIP) FUND</b>	
<b>APPROPRIATIONS</b>	
Debt Service	398,620
Capital Outlay	236,921
<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ 635,541</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ (635,541)</u></u>
<b>STREET IMPROVEMENT FUND</b>	
<b>REVENUES</b>	
Transfers In	4,000,000
<b>TOTAL REVENUES</b>	<u><u>\$ 4,000,000</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ 4,000,000</u></u>

	<b>INCREASE (DECREASE)</b>
<b>WATER &amp; SEWER FUND</b>	
<b>REVENUES</b>	
Operating Revenue	223,000
Capital Contributions	348,300
<b>TOTAL REVENUES</b>	<b>\$ 571,300</b>
 <b>APPROPRIATIONS</b>	
Other Services & Charges	(260,000)
<b>TOTAL APPROPRIATIONS</b>	<b>\$ (260,000)</b>
 <b>Net Increase (Decrease) to Fund Balance</b>	 <b>\$ 831,300</b>

I hereby certify that the foregoing is a true and complete copy of a  
resolution adopted by the City Council of the City of Novi  
at a regular meeting held on June 17, 2019

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Dawn Spaulding  
Deputy City Clerk