



**CITY OF NOVI CITY COUNCIL
MAY 4, 2026**

SUBJECT: Approval of Resolution for Fiscal Year 2026-2027 Budget .

SUBMITTING DEPARTMENT: Finance

BACKGROUND INFORMATION:

Attached for your consideration is the adopting resolution for the Fiscal Year 2026-2027 Budget. The budget process started in August 2025 with the development of the capital improvement program, and departments then worked on their operating budgets to draft a budget aligned with the overall goals set by the Novi City Council. The Recommended Budget was presented to City Council on April 13, 2026.

At the City Council Budget Session held on April 13, 2026, City Council approved the following adjustments to the City Manager's Recommended FY 2026-27 Budget:

- Adjustment 1: Recycling Center revenue and expenditures moved from the General Fund to the Rubbish Collection Fund

A financial summary is provided on the following pages to show the impact of the amendments on the General Fund and the Rubbish Collection Fund. Additionally, per Council's direction, the acknowledgment of the following two fiscal years is not included in this resolution and will be brought back with a plan to reduce expenditures by June 1, 2026. Furthermore, the budget incorporates the long-range elements of the Capital Improvement Program (CIP) as approved by the City's Planning Commission and presented at the Public Hearing on March 11, 2026.

RECOMMENDED ACTION: Approval of Resolution for Fiscal Year 2026-2027 Budget

General Fund

Recommended Budget

| | Budget |
|-------------------------------|-----------------------------|
| | <u>2026-27</u> |
| Total Revenues | \$ 48,626,030 |
| Total Appropriations | <u>48,385,669</u> |
| Net Revenues (Appropriations) | 240,361 |
| Beginning Fund Balance | <u>13,281,807</u> |
| Ending Fund Balance | <u><u>\$ 13,522,168</u></u> |

| | |
|--|------------|
| Fund balance as a % of expenditures | 28% |
|--|------------|

Budget Adjustments

| | |
|---|------------------|
| A Remove Revenue for Recycling | (490,000) |
| Remove Expenditures for Recycling | <u>(490,000)</u> |
| Total appropriations increase (decrease) | - |

Adopted Budget (5/4/26 City Council Meeting)

| Adopted Budget | Budget |
|-------------------------------|-----------------------------|
| | <u>2026-27</u> |
| Total Revenues | \$ 48,136,030 |
| Total Appropriations | <u>47,895,669</u> |
| Net Revenues (Appropriations) | 240,361 |
| Beginning Fund Balance | <u>13,281,807</u> |
| Ending Fund Balance | <u><u>\$ 13,522,168</u></u> |

| | |
|--|------------|
| Fund balance as a % of expenditures | 28% |
|--|------------|

Notes

- A** Removal of Recycling revenue and expenditures from the General Fund and move them to the Rubbish Collection Fund.

Rubbish Collection Fund

Recommended Budget

| | Budget 2026-27 |
|-------------------------------|---------------------------|
| Total Revenues | \$ 2,435,000 |
| Total Appropriations | <u>2,435,000</u> |
| Net Revenues (Appropriations) | - |
| Beginning Fund Balance | <u>1,204</u> |
| Ending Fund Balance | <u><u>\$ 1,204</u></u> |

| | |
|--|-----------|
| Fund balance as a % of expenditures | 0% |
|--|-----------|

Budget Adjustments

| | |
|--|----------------|
| A Add Revenue for Recycling | 490,000 |
| B Add Revenue for recommended reserve funds | 101,175 |
| Add Expenditures for Recycling | <u>490,000</u> |
| Total appropriations increase (decrease) | 101,175 |

Adopted Budget (5/4/26 City Council Meeting)

| Adopted Budget | Budget 2026-27 |
|-------------------------------|---------------------------|
| Total Revenues | \$ 3,026,175 |
| Total Appropriations | <u>2,925,000</u> |
| Net Revenues (Appropriations) | 101,175 |
| Beginning Fund Balance | <u>1,204</u> |
| Ending Fund Balance | <u><u>\$ 102,379</u></u> |

| | |
|--|-----------|
| Fund balance as a % of expenditures | 4% |
|--|-----------|

Notes

- A** Addition of Recycling revenue and expenditures from the General Fund.
- B** Recommended \$7.50 increase on 13,490 residential accounts over 5 years to increase fund balance to ~\$500K

CITY OF NOVI

COUNTY OF OAKLAND, MICHIGAN

RESOLUTION REGARDING GARBAGE AND REFUSE RATES

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on _____, 2026, at ____ o'clock P.M. Prevailing Eastern Time.

PRESENT: Councilmembers _____

ABSENT: Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

RECITALS

WHEREAS, the City adopted Ordinance No. 26-18401, amending Chapter 16, the Garbage and Refuse chapter of the City of Novi Code of Ordinances to provide, at Section 16-71, for the imposition of rates for solid waste collection, recycling, and disposal services for residential premises; and

WHEREAS, Section 16-71 states that the Council shall establish the rates by resolution from time-to-time; and

WHEREAS, the City contracts with Priority Waste to provide solid waste collection, yard waste collection, and recycling collection services for residential customers in the City, for which the City pays a contractual fee; and

WHEREAS, the City has agreed to deliver recycled materials to the facility owned by the Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC); and

WHEREAS, the City along with other participating communities, contracts with RRRASOC to administer the recycling facility and other recycling programs in exchange for a fee paid to RRRASOC; and

WHEREAS, the City participates in the Household Hazardous Waste Collection Program administered by RRRASOC; and

WHEREAS, the City also provides certain Emergency Debris Management Services on an as needed basis; and

WHEREAS, the City has reviewed the cost of providing such services; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Novi as follows:

1. The annual user fee rate for solid waste collection, recycling, and disposal services shall be as follows effective July 1, 2026:

| | SINGLE-FAMILY HOME RATE | CONDO RATE |
|--|--------------------------------|--------------------------|
| Priority Waste Curbside Pickup (Solid Waste & Recycling for all; Yard Waste for homes only) | \$144.99 | \$116.62 |
| RRRASOC Recycling Costs (includes Member Contribution, Household Hazardous Waste, Tip Fees) | \$30.00 | \$30.00 |
| Emergency Debris Management (service provided to Single-Family Home only) | \$7.50 | No yard waste collection |
| Total Annual Fee | \$182.49 | \$146.62 |

2. The annual user fee rate shall be levied with the July, 2026, tax bill.

3. For curbside pickup, the single-family home rate will increase to \$148.61 on July 1, 2027, and the condominium rate will increase to \$119.53 on July 1, 2027.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Cortney Hanson, City Clerk

CERTIFICATION

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, County of Oakland, and State of Michigan, at a regular meeting held this ____ day of _____, 2026, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Cortney Hanson, City Clerk
City of Novi