



CITY of NOVI CITY COUNCIL

**Agenda Item 2
November 10, 2014**

SUBJECT: Approval to eliminate the General Administration Department within the General Fund to comply with the Uniform Chart of Accounts for Local Governments as set forth by the State of Michigan Department of Treasury; and amend the budget.

SUBMITTING DEPARTMENT: Finance

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

The City's annual budget was adopted on May 19, 2014, and includes a department within the General Fund titled General Administration. The General Administration Department is primarily made up of expenditures that are difficult to allocate to specific departments such as retiree healthcare, retiree pension contributions, property and liability insurance (including deductibles and claim expenditures), and citywide expenditures; such as postage and office supplies. This department has been included in the City's budget for many years. The State's Uniform Chart of Accounts does not recognize a General Administration Department as a department in its chart of accounts; however, the State allows cities to budget such a department. If a city chooses to budget this department, the State requires the community to allocate General Administration Department costs to specific departments in the annual audit report in order to be in compliance with Government Accounting Standards Board Statement 34 (GASB 34).

Therefore, in order to eliminate the need to reallocate these costs and keep the City in alignment with the Uniform Chart of Accounts, it is recommended that the General Administration Department be permanently removed from the General Fund general ledger and the expenditure line-items within that department be moved to the appropriate departments throughout the City. Eliminating this department will not only save approximately 24-40 hours a year of Finance Department staff time spent allocating these costs; it will also give the Department Heads, who actually approve these disbursements, the ability to monitor the status of these account(s) within their own departments' budgets.

RECOMMENDED ACTION: Approval to eliminate the General Administration Department within the General Fund to comply with the Uniform Chart of Accounts for Local Governments as set forth by the State of Michigan Department of Treasury; and amend the budget.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				

RESOLUTION

NOW, THEREFORE BE IT RESOLVED that the following Budget Amendment is authorized:

GENERAL FUND

	Increase (Decrease)
APPROPRIATIONS	
City Manager	
Personnel services	18,579
Other services and charges	78,484
Finance	
Personnel services	242,750
Supplies	25,000
Other services and charges	5,000
Information Technology	
Personnel services	(8,767)
Assessing	
Personnel services	(3,274)
Total City Attorney and Property	
Other services and charges	443,000
Capital outlay	70,000
Clerk	
Personnel services	24,468
Supplies	25,000
Other services and charges	16,000
Treasury	
Personnel services	(1,755)
Facility Operations	
Personnel services	19,827
Human Resources	
Personnel services	(9,569)
Neighborhood and Business Relations	
Personnel services	7,609
General Administration	
Personnel services	(367,087)
Supplies	(55,000)
Other services and charges	(547,484)
Capital outlay	(70,000)
Fire	
Personnel services	11,642
Community Development - Building	
Personnel services	12,498
DPS	
Personnel services	34,734
Novi Youth Assistance	
Personnel services	2,278
Historical Commission	
Other services and charges	9,000
Community Development - Planning	
Personnel services	18,840
Other services and charges	1,000
TOTAL APPROPRIATIONS	\$ 2,772
Net Increase (Decrease) to Fund Balance	\$ 2,772

PARKS, RECREATION, & CULTURAL SERVICES FUND
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APPROPRIATIONS

Parks

Personnel services	<u>\$ (2,583)</u>
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Net Increase (Decrease) to Fund Balance	<u>\$ (2,583)</u>
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WATER AND SEWER FUND

APPROPRIATIONS

Water and Sewer

Personnel services	<u>\$ (189)</u>
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Net Increase (Decrease) to Fund Balance	<u>\$ (189)</u>
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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 November 10, 2014

Maryanne Cornelius
City Clerk

Budget amendment November 10, 2014

GL NUMBER	GL DESCRIPTION	Budget Category	Amount
General Fund			
101-172.00-718.500	Retiree health care benefits	Personnel services	18,579
101-172.00-809.000	Memberships and dues	Other services and charges	25,649
101-172.00-816.000	Professional services	Other services and charges	14,450
101-172.00-956.000	Conferences and workshops	Other services and charges	3,700
101-172.00-956.000	City-wide training & workshops	Other services and charges	34,685
101-201.00-718.500	Retiree health care benefits	Personnel services	50,306
101-201.00-719.000	Unemployment insurance	Personnel services	51,500
101-201.00-727.000	Office supplies (City Wide)	Supplies	25,000
101-201.00-740.000	Operating supplies (City wide)	Other services and charges	5,000
101-205.00-718.500	Retiree health care benefits	Personnel services	(8,767)
101-209.00-718.500	Retiree health care benefits	Personnel services	(3,274)
101-210.00-910.000	Property & liability insurance	Other services and charges	293,000
101-210.00-910.001	Insurance deductibles/Uninsured claims	Other services and charges	150,000
101-210.00-971.000	Land acquisition	Capital outlay	70,000
101-215.00-718.500	Retiree health care benefits	Personnel services	24,468
101-215.00-728.000	Postage (City-wide)	Supplies	25,000
101-215.00-942.100	Records storage	Other services and charges	16,000
101-253.00-718.500	Retiree health care benefits	Personnel services	(1,755)
101-265.00-718.500	Retiree health care benefits	Personnel services	19,827
101-201.00-716.050	Michigan HICAA tax	Personnel services	108,599
101-201.00-716.900	Insurance/retirees medical	Personnel services	32,345
101-201.00-718.500	Retiree health care benefits	Personnel services	(9,569)
101-295.00-718.500	Retiree health care benefits	Personnel services	7,609
101-299.00-715.000	Social security	Personnel services	(2,148)
101-299.00-716.050	Michigan HICAA tax	Personnel services	(35,800)
101-299.00-716.900	Insurance/retirees medical	Personnel services	(32,345)
101-299.00-718.501	Retiree health care benefits-additional	Personnel services	(145,164)
101-299.00-718.800	Addtl retiree HC contributions	Personnel services	(100,000)
101-299.00-719.000	Unemployment insurance	Personnel services	(51,500)
101-299.00-720.000	Workers compensation	Personnel services	(130)
101-299.00-727.000	Office supplies	Supplies	(25,000)
101-299.00-728.000	Postage	Supplies	(25,000)
101-299.00-740.000	Operating supplies	Supplies	(5,000)
101-299.00-809.000	Memberships and dues	Other services and charges	(25,649)
101-299.00-816.000	Professional services	Other services and charges	(14,450)
101-299.00-880.400	Historical commission	Other services and charges	(9,000)
101-299.00-880.500	Beautification commission	Other services and charges	(1,000)
101-299.00-910.000	Property & liability insurance	Other services and charges	(293,000)
101-299.00-910.001	Insurance deductibles/Uninsured claims	Other services and charges	(150,000)
101-299.00-942.100	Records storage	Other services and charges	(16,000)
101-299.00-956.000	Conferences and workshops	Other services and charges	(3,700)
101-299.00-956.200	City-wide training & workshops	Other services and charges	(34,685)
101-299.00-971.000	Land acquisition	Capital outlay	(70,000)
101-337.00-718.500	Retiree health care benefits	Personnel services	11,642
101-371.00-718.500	Retiree health care benefits	Personnel services	12,498
101-442.00-718.500	Retiree health care benefits	Personnel services	(3,800)
101-442.10-718.500	Retiree health care benefits	Personnel services	(8,767)
101-442.20-718.500	Retiree health care benefits	Personnel services	47,300
101-665.00-715.000	Social security	Personnel services	2,148
101-665.00-725.000	Workers compensation	Personnel services	130
101-803.00-880.400	Historical commission	Other services and charges	9,000
101-807.00-718.500	Retiree health care benefits	Personnel services	18,840
101-807.00-880.500	Beautification commission	Other services and charges	1,000
			<u>\$ 2,772</u>

Parks, Recreation, & Cultural Services Fund

208-691.00-718.500	Retiree health care benefits	Personnel services	5,601
208-693.00-718.500	Retiree health care benefits	Personnel services	(2,868)
208-695.00-718.500	Retiree health care benefits	Personnel services	(5,317)
			<u>\$ (2,583)</u>

Water and Sewer Fund

592-000.00-718.500	Retiree health care benefits	Personnel services	<u>\$ (189)</u>
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