



## CITY of NOVI CITY COUNCIL

**Agenda Item 5**  
**July 11, 2016**

**SUBJECT:** Approval of resolution to authorize Budget Amendment #2016-17a.

**SUBMITTING DEPARTMENT:** Finance

**CITY MANAGER APPROVAL:** *KPA*

### **BACKGROUND INFORMATION:**

The City's annual budget is adopted by the third Monday in May each year and is effective July 1<sup>st</sup> each year. Quarterly budget amendments, along with rollover budget amendments, are approved by Council throughout the fiscal year.

Rollover budget amendments consist of projects or contracts that were budgeted for in the prior fiscal year and not completed by fiscal year-end. The balance of the incomplete contracts and projects as of June 30, 2016, will be expended in fiscal year 2016/2017, so it is necessary to amend the adopted FY 2016-17 Budget so these commitments can be completed. Amending the FY 2016-17 Budget as soon as possible for the prior year's projects/commitments allows departments to begin work immediately while adhering to the State Budget Act.

The attached budget amendment represents several projects/commitments not completed as of June 30, 2016, where work is anticipated to begin immediately in FY 2016-17. All other projects and commitments that are in progress and not completed by June 30, 2016, will be recognized in an additional rollover budget amendment and presented to Council in September as final year-end closeout numbers become available.

**It is important to note that the estimated beginning fund balance (from the fourth quarter amendment passed by council in June 2016) is higher than originally anticipated. The reason for a higher than anticipated beginning fund balance is because the activity related to these rollovers was budgeted for but did not take place in FY 2015/2016 and instead will take place in FY 2016/2017 (no net effect).**

Below are summaries for all funds with minimum fund balance requirements:

## GENERAL FUND

<u>GENERAL FUND</u>			
<b>Projected Ending Fund Balance, June 30, 2016</b>		\$	12,545,914
	Favorable variance, including rollover items		722,630
	Restricted Fund Balance		50,000
<b>Estimated Beginning Fund Balance, July 1, 2016</b>		\$	13,318,544
	Adopted Revenue Budget as 7/1/2016	33,288,909	
201617a	Rollover Budget Amendment	-	
	Amended Revenue Budget as of 7/11/2016		33,288,909
	Adopted Expenditure Budget as of 7/1/2016	33,288,909	
201617a	Rollover Budget Amendment	722,630	
	Amended Expenditure Budget as of 7/11/2016		34,011,539
<b>Revenues over (under) Expenditures</b>		\$	(722,630)
<b>Estimated Unassigned Fund Balance for the end of FY 2016-17</b>		\$	12,545,914
<b>Estimated Restricted Fund Balance for the end of FY 2016-17</b>			50,000
<b>Estimated Fund Balance for the end of FY 2016-17</b>		\$	12,595,914
<b>Estimated Ending Fund Balance, June 30, 2017, as a % of budgeted expenditures :</b>			<b>37.0%</b>

## MAJOR STREET FUND

<u>MAJOR STREET FUND</u>			
<b>Projected Ending Fund Balance, June 30, 2016</b>		\$	768,782
	Favorable variance, including rollover items		2,430,271
<b>Estimated Beginning Fund Balance, July 1, 2016</b>		\$	3,199,053
	Adopted Revenue Budget as 7/1/2016	4,169,582	
201617a	Rollover Budget Amendment	-	
	Amended Revenue Budget as of 7/11/2016		4,169,582
	Adopted Expenditure Budget as of 7/1/2016	4,314,282	
201617a	Rollover Budget Amendment	2,430,271	
	Amended Expenditure Budget as of 7/11/2016		6,744,553
<b>Revenues over (under) Expenditures</b>			(2,574,971)
<b>Estimated Fund Balance for the end of FY 2016-17</b>		\$	624,082
<b>Estimated Ending Fund Balance, June 30, 2017, as a % of budgeted expenditures :</b>			<b>9.3%</b>

## MUNICIPAL STREET FUND

<u>MUNICIPAL STREET FUND</u>			
<b>Projected Ending Fund Balance, June 30, 2016</b>		\$	403,488
	Favorable variance, including rollover items		348,100
	Assigned Fund Balance		697,500
<b>Estimated Beginning Fund Balance, July 1, 2016</b>		\$	1,449,088
	Adopted Revenue Budget as 7/1/2016	5,204,895	
201617a	Rollover Budget Amendment	-	
	Amended Revenue Budget as of 7/11/2016		5,204,895
	Adopted Expenditure Budget as of 7/1/2016	5,535,837	
201617a	Rollover Budget Amendment	348,100	
	Amended Expenditure Budget as of 7/11/2016		5,883,937
<b>Revenues over (under) Expenditures</b>			(679,042)
<b>Estimated Unassigned Fund Balance for the end of FY 2016-17</b>		\$	72,546
<b>Estimated Assigned Fund Balance for the end of FY 2016-17</b>			697,500
<b>Estimated Fund Balance for the end of FY 2016-17</b>		\$	770,046
<b>Estimated Ending Fund Balance, June 30, 2017, as a % of budgeted expenditures :</b>			<b>13.1%</b>

## PARKS, RECREATION, & CULTURAL SERVICES FUND

<u>PARKS, RECREATION, &amp; CULTURAL SERVICES FUND</u>			
<b>Projected Ending Fund Balance, June 30, 2016</b>		\$	604,436
	Favorable variance, including rollover items		103,754
	Restricted Fund Balance		170,195
<b>Estimated Beginning Fund Balance, July 1, 2016</b>		\$	878,385
	Adopted Revenue Budget as 7/1/2016	3,056,636	
201617a	Rollover Budget Amendment	-	
	Amended Revenue Budget as of 7/11/2016		3,056,636
	Adopted Expenditure Budget as of 7/1/2016	3,421,636	
201617a	Rollover Budget Amendment	103,754	
	Amended Expenditure Budget as of 7/11/2016		3,525,390
<b>Revenues over (under) Expenditures</b>			(468,754)
<b>Estimated Unassigned Fund Balance for the end of FY 2016-17</b>		\$	239,436
<b>Estimated Restricted Fund Balance for the end of FY 2016-17</b>			170,195
<b>Estimated Fund Balance for the end of FY 2016-17</b>		\$	409,631
<b>Estimated Ending Fund Balance, June 30, 2017, as a % of budgeted expenditures :</b>			<b>11.6%</b>

**RECOMMENDED ACTION:**

Approval of resolution to authorize Budget Amendment #2016-17a.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Burke				
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# 201617a is authorized:

	INCREASE (DECREASE)
<b>GENERAL FUND</b>	
<b>APPROPRIATIONS</b>	
<b>Information Technology Department</b>	
Other Services and Charges	2,845
<b>Assessing Department</b>	
Other Services and Charges	130
<b>Facility Management - Parks Maintenance</b>	
Capital Outlay	296,750
<b>Police Department</b>	
Other Services and Charges	1,170
<b>Community Development - Building</b>	
Other Services and Charges	455
<b>Department of Public Services - Engineering</b>	
Capital Outlay	411,413
<b>Department of Public Services - Field Operations</b>	
Capital Outlay	9,867
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 722,630</b>
<b>Net Decrease to Fund Balance</b>	<b>\$ (722,630)</b>
<b>MAJOR STREET FUND</b>	
<b>APPROPRIATIONS</b>	
Capital Outlay	2,430,271
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 2,430,271</b>
<b>Net Increase to Fund Balance</b>	<b>\$ (2,430,271)</b>
<b>MUNICIPAL STREET FUND</b>	
<b>APPROPRIATIONS</b>	
Capital Outlay	348,100
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 348,100</b>
<b>Net Decrease to Fund Balance</b>	<b>\$ (348,100)</b>

INCREASE  
(DECREASE)

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

691	Capital Outlay	103,754
<b>TOTAL APPROPRIATIONS</b>		<u>\$ 103,754</u>
Net Decrease to Fund Balance		<u>\$ (103,754)</u>

<b>TREE FUND</b>
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**APPROPRIATIONS**

	Capital Outlay	4,133
<b>TOTAL APPROPRIATIONS</b>		<u>\$ 4,133</u>
Net Decrease to Fund Balance		<u>\$ (4,133)</u>

<b>DRAIN FUND</b>
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**APPROPRIATIONS**

	Capital Outlay	2,452,308
<b>TOTAL APPROPRIATIONS</b>		<u>\$ 2,452,308</u>
Net Decrease to Fund Balance		<u>\$ (2,452,308)</u>

<b>ICE ARENA FUND</b>
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**APPROPRIATIONS**

	Capital Outlay	45,400
<b>TOTAL APPROPRIATIONS</b>		<u>\$ 45,400</u>
Net Decrease to Fund Balance		<u>\$ (45,400)</u>

INCREASE  
(DECREASE)

WATER & SEWER FUND	
<b>APPROPRIATIONS</b>	
Other Services & Charges	455
Capital Outlay	5,108,978
<b>TOTAL APPROPRIATIONS</b>	<u>\$ 5,109,433</u>
<b>Net Decrease to Fund Balance</b>	<u><u>\$ (5,109,433)</u></u>

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 July 11, 2016

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Cortney Hanson  
City Clerk

<u>GL #</u>	<u>Project/Item Description</u>	<u>Budget Category</u>	<u>Amount</u>
<b>General Fund</b>			
<b>Expenditures</b>			
101-205.00-850.000	AVL 3G Upgrade (GF & W/S funds)	Other Services and Charges	2,845
101-209.00-850.000	AVL 3G Upgrade (GF & W/S funds)	Other Services and Charges	130
101-301.00-850.000	AVL 3G Upgrade (GF & W/S funds)	Other Services and Charges	1,170
101-371.00-850.000	AVL 3G Upgrade (GF & W/S funds)	Other Services and Charges	455
101-265.10-982.000	Infield Groomer	Capital Outlay	15,000
101-265.10-939.208	ITC Pump	Capital Outlay	6,750
101-265.10-976.103	Equipment Storage Building - ITC Park	Capital Outlay	275,000
101-442.10-981.002	Fire Parking Lot (FS#4)	Capital Outlay	103,374
101-442.10-981.003	Police Parking Lot	Capital Outlay	44,848
101-442.10-981.004	Civic Center Parking Lot & Novi Way Improvements	Capital Outlay	263,191
101-442.20-986.000	NEAMS upgrade (GF, Tree, & W/S funds)	Capital Outlay	9,867
			<u>\$ 722,630</u>
<b>Major Street Fund</b>			
<b>Expenditures</b>			
202-202.00-865.164	Construction - Crescent (Novi to Town Center)	Capital Outlay	2,430,271
			<u>\$ 2,430,271</u>
<b>Municipal Street Fund</b>			
<b>Expenditures</b>			
204-204.00-974.466	Sidewalks 2016 (seg# 1B, 10, Taft/Jacob)	Capital Outlay	282,169
204-204.00-975.016	ADA Compliance 2016	Capital Outlay	65,931
			<u>\$ 348,100</u>
<b>Parks, Recreation, &amp; Cultural Services Fund</b>			
<b>Expenditures</b>			
208-691.00-977.001	ITC Community Sports Park Pathway Resurfacing	Capital Outlay	103,754
			<u>\$ 103,754</u>
<b>Tree Fund</b>			
<b>Expenditures</b>			
209-000.00-986.000	NEAMS upgrade (GF, Tree, & W/S funds)	Capital Outlay	4,133
			<u>\$ 4,133</u>
<b>Drain Fund</b>			
<b>Expenditures</b>			
210-211.00-865.024	Basin Improvements - Orchard Hill Place Regional	Capital Outlay	157,350
210-211.00-865.129	Streambank Stabilization - Middle Rouge at Flint	Capital Outlay	336,775
210-211.00-865.130	Streambank Stabilization - Bishop Creek & Ingersol	Capital Outlay	878,830
210-211.00-865.136	Construction - Monroe Creek (Christina Lane)	Capital Outlay	206,383
210-211.00-865.139	Village Wood Lake / Village Oaks Lake	Capital Outlay	872,970
			<u>\$ 2,452,308</u>
<b>Ice Arena Fund</b>			
<b>Expenditures</b>			
590-000.00-969.000	Ice Arena Flooring	Capital Outlay	30,000
590-000.00-969.000	Ice Arena LEDs	Capital Outlay	10,200
590-000.00-969.000	Ice Arena Cabinets	Capital Outlay	5,200
			<u>\$ 45,400</u>
<b>Water &amp; Sewer Fund</b>			
<b>Expenditures</b>			
592-592.00-850.000	AVL 3G Upgrade (GF & W/S funds)	Other Services and Charges	455
592-592.00-976.009	SAD 170 (Phase 3B) Pump Station	Capital Outlay	52,349
592-592.00-976.022	Sewer Flow Meters (8)	Capital Outlay	40,000
592-592.00-976.029	Nine Mile Road Gravity Relief Sewer	Capital Outlay	4,405,691
592-592.00-976.031	Water Main along 9 Mile (Center to Novi)	Capital Outlay	402,071
592-592.00-986.000	NEAMS upgrade (GF, Tree, & W/S funds)	Capital Outlay	9,867
592-592.00-986.001	SCADA Upgrades - Insystem Sewer Flow Meter	Capital Outlay	199,000
			<u>\$ 5,109,433</u>