



# CITY of NOVI CITY COUNCIL

**Agenda Item 2  
May 19, 2014**

**SUBJECT:** Approval of Resolution for Fiscal-Year 2014-2015 Budget.

**SUBMITTING DEPARTMENT:** Finance

**CITY MANAGER APPROVAL:** 

**BACKGROUND INFORMATION:**

Attached for your consideration is the adopting resolution for the Fiscal-Year 2014-2015 Budget. The budget process started in October 2013 with development of the capital improvement plan, continued with the early budget input session where strategic themes and broad goal categories of council were approved in January 2014, and finally multiple meetings were held with the Assessing Department and all other departments in order to draft a budget that complied with the overall goals set by the Novi City Council.

In the attached budget document the General Fund Revenues for the FY 2014-2015 are expected to cover all the expenditures and transfer to other funds while increasing the fund balance in the General Fund by \$86,706.

Furthermore, the projected fund balance of the General Fund for the 2014-2015 fiscal-year is estimated at 24.85% which exceeds the Fund Balance Policy of the City of Novi and City Council's objectives. The Special Revenue, Debt Service and Capital Project Funds' budgets presented with this Resolution are also projected to cover the expenditures with the incoming revenues and keep the required fund balances within the requirements of the City's aforementioned policy.

The Capital Improvement Plan as approved by the City's Planning Commission and presented at the Public Hearing held on March 12, 2014, is incorporated in this budget document. The budget also incorporates the actions taken by City Council at the Special Budget Meeting held on April 16, 2014.

**RECOMMENDED ACTION:** Approval of Resolution for the Fiscal-Year 2014-2015 Budget

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

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

## Resolution of Adoption Fiscal-Year 2014-2015 Budget

**WHEREAS**, the City Manager's recommended budget is based upon the January 11, 2014 City Council early budget input session which approved strategic themes and broad goal categories, the December 17, 2013 property tax projection presentation to City Council and the March 3, 2014 pre board of review property tax assessments as presented by the City assessor, and

**WHEREAS**, this budget has incorporated the CIP plan as approved by the City's Planning Commission at the public hearing held on March 12, 2014, and

**WHEREAS**, this budget takes into consideration the City's Multi-Year Budget and financial planning through 2016-17, and

**WHEREAS**, during the Special City Council Meeting held on April 16, 2014 City Council has made adjustments to align the City's resources consistent with the City's strategic plan, and

**WHEREAS**, pursuant to Section 8.3 of the Novi City Charter, a detailed revenue and expenditure plan has been presented in accordance with all applicable City, State and Federal Statutes, and

**WHEREAS**, a public hearing was held on May 12, 2014 on the proposed budget, and

**NOW, THEREFORE, BE IT RESOLVED**, that the attached budget is adopted and made a part of this resolution.

I 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 this 19<sup>th</sup> day of May 2014.

I 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 this 19<sup>th</sup> day of May 2014.

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Maryanne Cornelius, City  
Clerk

GENERAL FUND  
REVENUE

DESCRIPTION	2014-15 Budget
Taxes	\$ 15,206,800
Licenses, Permits & Charges for Services	4,124,461
Federal Grants	20,000
State Sources	4,341,470
Other Revenue	732,970
Fines and Forfeitures	525,000
Interest Income	260,000
Transfers In	5,300,000
Appropriation - Fund Balance	(86,706)
	<u>\$ 30,423,995</u>

APPROPRIATION

DESCRIPTION	2014-15 Budget
CITY COUNCIL	
Personnel Services	\$ 4,757
Other Services and Charges	10,000
	<u>\$ 14,757</u>
CITY MANAGER	
Personnel Services	\$ 453,214
Supplies	800
Other Services and Charges	89,253
	<u>\$ 543,267</u>
FINANCE DEPARTMENT	
Personnel Services	\$ 630,637
Other Services and Charges	59,769
Capital Outlay	10,000
	<u>\$ 700,406</u>

GENERAL FUND  
APPROPRIATION (continued)

DESCRIPTION	2014-15 Budget
INFORMATION TECHNOLOGY	
Personnel Services	\$ 609,475
Supplies	25,150
Other Services and Charges	140,101
Capital Outlay	180,929
	<u>\$ 955,655</u>
ASSESSING	
Personnel Services	\$ 468,540
Supplies	11,700
Other Services and Charges	335,500
	<u>\$ 815,740</u>
CITY ATTORNEY	
Other Services and Charges	<u>\$ 430,000</u>
CITY CLERK	
Personnel Services	\$ 470,676
Supplies	21,000
Other Services and Charges	41,850
	<u>\$ 533,526</u>
TREASURY	
Personnel Services	\$ 232,955
Supplies	26,500
Other Services and Charges	59,180
	<u>\$ 318,635</u>

GENERAL FUND  
APPROPRIATION (continued)

DESCRIPTION	2014-15 Budget
FACILITY OPERATIONS	
Personnel Services	\$ 284,510
Supplies	24,800
Other Services and Charges	429,305
Capital Outlay	130,000
	<u>\$ 868,615</u>
HUMAN RESOURCES	
Personnel Services	\$ 368,446
Other Services and Charges	91,700
	<u>\$ 460,146</u>
NEIGHBORHOOD & BUSINESS RELATIONS GROUP	
Personnel Services	\$ 441,565
Supplies	9,850
Other Services and Charges	480,678
Capital Outlay	7,000
	<u>\$ 939,093</u>
GENERAL ADMINISTRATION	
Personnel Services	\$ 948,863
Supplies	55,000
Other Services and Charges	454,700
Capital Outlay	70,000
	<u>\$ 1,528,563</u>
PUBLIC SAFETY	
Personnel Services	\$ 14,237,552
Supplies	373,985
Other Services and Charges	1,708,030
Capital Outlay	353,800
	<u>\$ 16,673,367</u>

GENERAL FUND  
APPROPRIATION (continued)

DESCRIPTION	2014-15 Budget
COMMUNITY DEVELOPMENT	
Personnel Services	\$ 1,877,421
Supplies	44,450
Other Services and Charges	423,064
Capital Outlay	23,500
	<u>\$ 2,368,435</u>
DEPARTMENT OF PUBLIC SERVICES	
Personnel Services	\$ 3,285,204
Supplies	140,615
Other Services and Charges	1,302,555
Capital Outlay	206,200
	<u>4,934,574</u>
Allocated to Other Funds	<u>(2,248,784)</u>
	<u>\$ 2,685,790</u>
TRANSFERS OUT	<u>\$ 588,000</u>
	<u><u>\$ 30,423,995</u></u>

MAJOR STREET FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Gas and Weight Tax	\$ 2,642,955
Interest Income	2,000
Transfer from Other Funds	195,000
Appropriation - Fund Balance	77,041
	\$ 2,916,996

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Construction	\$ 1,614,231
Routine & Capital Preventive Maintenance	742,500
Traffic Services	273,400
Winter Maintenance	285,000
Administration	1,865
	\$ 2,916,996

LOCAL STREET FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Gas and Weight Tax	\$ 958,656
Interest Income	2,000
Transfer from Other Funds	3,025,000
Appropriation - Fund Balance	119,899
	\$ 4,105,555

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Construction	\$ 2,764,640
Routine & Capital Preventive Maintenance	913,550
Traffic Services	134,500
Winter Maintenance	291,000
Administration	1,865
	\$ 4,105,555

MUNICIPAL STREET FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Special Assessments Levied	\$ 15,000
Taxes	4,488,000
Interest Income	13,000
Other	260,000
Appropriation - Fund Balance	90,630
	\$ 4,866,630

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Construction	\$ 384,240
Maintenance	493,900
Memberships & Dues	16,700
Transfer to Other Funds	3,220,000
Bike Trails & Sidewalks	751,790
	\$ 4,866,630

PUBLIC SAFETY FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Taxes	\$ 4,273,000
Interest Income	23,000
Appropriation - Fund Balance	1,004,000
	\$ 5,300,000

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Transfer to General Fund	\$ 5,300,000
	\$ 5,300,000



PARKS, RECREATION & CULTURAL SERVICES FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Property Taxes	\$ 1,154,000
Donations	20,000
Program Revenue	1,059,882
Older Adults Program Revenue	183,330
Interest Income	5,000
Other Revenue	5,000
Transfers In	591,000
Appropriation - Fund Balance	122
	\$ 3,018,334

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Personnel Services	\$ 871,104
Supplies	40,180
Other Services and Charges	1,517,058
Capital Outlay	589,992
	\$ 3,018,334

TREE FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ 14,000
Tree Fund Revenue	70,000
Tree Fund Maintenance Revenue	10,000
Appropriation - Fund Balance	33,900
	\$ 127,900

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Tree Fund Expenditures	\$ 127,900
	\$ 127,900

DRAIN REVENUE FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ 31,000
Other	10,000
Appropriation - Fund Balance	1,279,238
	\$ 1,320,238

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Construction	\$ 621,903
Maintenance	585,000
Capital Outlay	113,335
	\$ 1,320,238

DRAIN PERPETUAL MAINTENANCE FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ 75,000
Tap-In Fees	5,000
Appropriation - Fund Balance	(80,000)
	\$ -

SPECIAL ASSESSMENT REVOLVING FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ 18,000
Appropriation - Fund Balance	(16,135)
	\$ 1,865

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Independent Audit	\$ 1,865
	\$ 1,865

CONTRIBUTIONS AND DONATIONS FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ 1,100
Donations	1,000
Appropriation - Fund Balance	3,000
	\$ 5,100

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Gift and Donation Expenditures	\$ 2,100
Transfer to Other Funds	3,000
	\$ 5,100

FORFEITURE FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Federal Forfeiture Funds	\$ 140,500
State Forfeiture Funds	10,000
Local Forfeiture Funds	805
OWI Forfeiture Funds	5,000
	\$ 156,305

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Supplies	\$ 10,000
Other Services & Charges	1,865
Capital Outlay	144,440
	\$ 156,305

LIBRARY FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Property Taxes	\$ 2,309,000
State Sources	20,000
Fines	147,000
Interest Income	25,700
Donations	5,000
Other Revenue	59,500
Appropriation - Fund Balance	490,000
	\$ 3,056,200

APPROPRIATIONS

DESCRIPTION	2014-2015 Budget
Personnel Services	\$ 1,965,900
Supplies	585,600
Other Services and Charges	451,150
Capital Outlay	53,550
	\$ 3,056,200

WALKER LIBRARY FUND  
REVENUE

DESCRIPTION	2014-2015 Budget
Interest Income	\$ -
Appropriation - Fund Balance	-
	\$ -

APPROPRIATIONS

DESCRIPTION	Budget
Expenditures for Specific Donations	\$ -
Transfer to Other Funds	-
	\$ -

2002 STREET & REFUNDING DEBT FUND

REVENUE

DESCRIPTION	2014-15 Budget
Property Tax Revenue	\$ 1,131,458
Interest Income	125
	<u>\$ 1,131,583</u>

APPROPRIATIONS

DESCRIPTION	2014-15 Budget
Debt Service	\$ 751,860
Other Services & Charges	5,223
	<u>\$ 757,083</u>

2008 LIBRARY CONSTRUCTION DEBT FUND

REVENUE

DESCRIPTION	2014-15 Budget
Property Tax Revenue	\$ 1,111,873
Interest Income	100
	<u>\$ 1,111,973</u>

APPROPRIATIONS

DESCRIPTION	2014-15 Budget
Debt Service	\$ 1,106,750
Other Services & Charges	5,223
	<u>\$ 1,111,973</u>

2010 REFUNDING DEBT FUND

REVENUE

DESCRIPTION	2014-15 Budget
Property Tax Revenue	\$ 1,035,713
Interest Income	50
	<u>\$ 1,035,763</u>

APPROPRIATIONS

DESCRIPTION	2014-15 Budget
Debt Service	\$ 1,030,540
Other Services & Charges	5,223
	<u>\$ 1,035,763</u>

GUN RANGE FACILITY FUND

REVENUE

DESCRIPTION	2014-2015 Budget
Licenses, permits, & charges for services	<u>\$ 135,000</u>
	<u><u>\$ 135,000</u></u>

ICE ARENA FUND

REVENUE

DESCRIPTION	2014-2015 Budget
Rentals and other charges for services	\$ 2,062,296
	<u>\$ 2,062,296</u>

EXPENSES

DESCRIPTION	2014-2015 Budget
Supplies	\$ 14,400
Other services and charges	1,141,693
Program Expenditures	193,299
Interest Expense	250,000
Depreciation	250,000
Capital Outlay	85,000
	<u>\$ 1,934,392</u>



WATER AND SEWER FUND

REVENUE

DESCRIPTION	2014-2015 Budget
Water Sales	\$ 13,410,000
Sewer Service Charges	12,408,000
Penalties	165,000
Inspection Fees	25,000
Installation Charges	325,000
Miscellaneous & other income	25,000
Interest on Investments	60,000
Unrealized gain (loss) on investments	100,000
Interest on capital reserve funds	250,000
Donated water & sewer lines	350,000
Customer assessments - tap fees	1,200,000
	\$ 28,318,000

OPERATING EXPENSES

DESCRIPTION	2014-2015 Budget
Personnel Services	\$ 1,435,841
Supplies	62,100
Other Services and Charges	3,626,136
Depreciation	20,804,568
Capital Outlay	2,236,000
	\$ 28,164,645

SENIOR HOUSING FUND

REVENUE

DESCRIPTION	2014-2015 Budget
Rentals and other charges for services	\$ 1,993,040
Miscellaneous Income	600
	<u>\$ 1,993,640</u>

EXPENSES

DESCRIPTION	2014-2015 Budget
Supplies	\$ 11,475
Interest Expense	445,800
Other services and charges	813,854
Depreciation	375,000
	<u>\$ 1,646,129</u>