



# CITY of NOVI CITY COUNCIL

**Agenda Item  
November 22, 2021**

**SUBJECT:** Approval of the deficit elimination plan for the Capital Improvement Fund (CIP) as of June 30, 2021.

**SUBMITTING DEPARTMENT:** Finance

**CITY MANAGER APPROVAL:**

**BACKGROUND INFORMATION:**

The State of Michigan requires a formal deficit elimination plan ("DEP") be approved annually by the governing body for any funds reflecting a deficit in an annual audit. The annual audit for the year ended June 30, 2021, will be filed on November 23, 2021, and would like to file the approved DEP along with the audit. The deficit for the year ended June 30, 2021, was \$10,298,640, or a reduction of \$827,535 from the June 30, 2020 deficit of \$11,126,175. City Council previously approved a DEP for the year ended June 30, 2020, for the CIP Fund which was approved by City Council on April 12, 2021. The plan was approved by the State of Michigan on April 28, 2021.

**RECOMMENDED ACTION:** Approval of the deficit elimination plan for the Capital Improvement Fund (CIP) as of June 30, 2021.

**CITY OF NOVI**  
**COUNTY OF OAKLAND, MICHIGAN**

**RESOLUTION Approval of the deficit elimination plan for the Capital Improvement Fund (CIP) as of June 30, 2021**

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 November 22, 2021 at 7:00 o'clock P.M. Prevailing Eastern Time.

PRESENT: Councilmembers \_\_\_\_\_

ABSENT: Councilmembers \_\_\_\_\_

The following preamble and Resolution were offered by Councilmember \_\_\_\_\_ and supported by Councilmember \_\_\_\_\_.

**WHEREAS** ; The City of Novi's Capital Improvement Fund (CIP) has a \$10,298,640 deficit fund balance on June 30, 2021; and

**WHEREAS** 1971 PA 140 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury; and

**NOW THEREFORE, IT IS THEREFORE RESOLVED** that the City of Novi's legislative body adopts the following as the City of Novi Deficit Elimination Plan:

City of Novi  
CIP Fund DEP Updated as of June 30, 2021

	Actual 6/30/2016	Actual 6/30/2017	Actual 6/30/2018	Actual 6/30/2019	Actual 6/30/2020	Actual 6/30/2021	Amended Budget 6/30/2022	Estimated 6/30/2023	Estimated 6/30/2024	Estimated 6/30/2025	Estimated 6/30/2026	Estimated 6/30/2027	Total
<b>Revenues</b>													
Property Tax Revenue (voted 1 mill, 10 year levy)	-	-	3,400,854	3,543,185	3,676,064	3,818,955	3,969,645	3,927,071	4,065,218	4,207,501	4,354,763	4,507,180	39,470,436
Transfer from General Fund	2,100,000	1,000,000	-	-	-	-	-	-	-	-	-	-	3,100,000
Transfer from Drain Fund (DPS Bldg.)	-	-	-	600,930	85,402	-	-	-	-	-	-	-	686,332
Transfer from (to) Water and Sewer Fund (DPS Bldg.)	-	240,000	-	2,421,260	(2,661,260)	-	-	-	-	-	-	-	-
Transfer from Gun Range Fund	-	-	-	245,915	-	-	-	-	-	-	-	-	245,915
Sale Anglin/Grand River Legacy Property	-	-	-	-	-	-	3,004,450	-	-	-	-	-	3,004,450
Interest	-	(16,793)	17,507	57,536	2	63	-	-	-	4,729	9,237	29,820	102,101
<b>Total revenue</b>	<b>2,100,000</b>	<b>1,223,207</b>	<b>3,418,361</b>	<b>6,868,826</b>	<b>1,100,208</b>	<b>3,819,018</b>	<b>6,974,095</b>	<b>3,927,071</b>	<b>4,065,218</b>	<b>4,212,230</b>	<b>4,364,000</b>	<b>4,537,000</b>	<b>46,609,234</b>
<b>Expenditures</b>													
Anglin/Grand River Legacy Property Purchase	-	2,836,431	5,129	-	-	-	-	-	-	-	-	-	2,841,560
Lakeshore Park Facility and Reconfiguration	-	200,553	135,320	338,627	2,107,708	1,875,367	-	-	-	-	-	-	4,657,575
DPS Expansion/Improvement	-	270,660	306,203	8,063,002	-	1,973	-	-	-	-	-	-	8,641,838
Gun Range Improvements	-	-	4,952	1,203,419	105,116	-	-	-	-	-	-	-	1,313,487
Fire Station #1	-	11,340	13,230	-	-	-	-	-	-	-	-	-	24,570
Greenway Development Phase 1B (ITC Trail)	-	-	158,550	1,717,001	1,099,394	63,049	5,324	-	-	-	-	-	3,043,318
Villa Barr Property Improvements	-	-	25,135	232,488	-	-	-	-	-	-	-	-	257,623
Ella Mae Power Park Spectator Bleacher Upgrade	-	-	87,274	-	-	-	-	-	-	-	-	-	87,274
Pavilion Shore Parking Lot Addition	-	1,730	205,204	-	-	-	-	-	-	-	-	-	206,934
Boardwalk extensions/repair	-	-	3,000	804,746	55,194	6,508	-	-	-	-	-	-	869,448
Sidewalk Segments	-	-	-	-	40,570	662,103	478,883	-	-	-	-	-	1,181,556
Admin expenditures	-	-	1,000	1,748	810	814	1,000	1,000	1,000	1,000	1,000	1,000	10,372
Bosco Property Improvements	-	-	24,943	1,044,203	1,020,039	6,543	-	-	-	-	-	-	2,095,728
Bosco Property Purchase	-	-	-	759,783	-	-	-	-	-	-	-	-	759,783
Trans X Property Purchase	-	-	328,949	12,585	-	-	-	-	-	-	-	-	341,534
Lakeshore Park Shoreline	-	-	-	13,662	203,734	9,553	-	-	-	-	-	-	226,949
Pavilion Shore Park Shoreline	-	-	-	19,355	126,091	495	-	-	-	-	-	-	145,941
Wildlife Woods Park Sidewalk	-	-	-	-	-	25,269	149,732	-	-	-	-	-	175,001
Internal Loan Repayment - Interest (3%)	-	-	-	7,250	232,031	277,530	456,091	385,594	312,982	395	-	-	1,671,873
Ladder Truck Replacement	-	-	-	1,474,687	-	-	-	-	-	-	-	-	1,474,687
Water Tower Improvements	-	-	-	-	212,523	62,279	229,226	-	-	-	-	-	504,028
Jamco Property Purchase	-	-	-	-	321,408	-	-	-	-	-	-	-	321,408
ITC Sports Park Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Engine #342 Replacement	-	-	-	-	-	-	890,004	-	-	-	-	-	890,004
Fire Engine #313 Replacement	-	-	-	-	-	-	-	934,507	-	-	-	-	934,507
Fire Engine #322 Replacement	-	-	-	-	-	-	-	-	981,236	-	-	-	981,236
<b>Total expenditures</b>	<b>-</b>	<b>3,320,714</b>	<b>1,298,889</b>	<b>15,692,556</b>	<b>5,524,618</b>	<b>2,991,483</b>	<b>2,210,260</b>	<b>1,321,101</b>	<b>1,295,218</b>	<b>1,395</b>	<b>1,000</b>	<b>1,000</b>	<b>33,658,234</b>
Revenues over (under) expenditures	2,100,000	(2,097,507)	2,119,472	(8,823,730)	(4,424,410)	827,535	4,763,835	2,605,970	2,770,000	4,210,835	4,363,000	4,536,000	12,951,000
Estimated Beginning Fund Balance	-	2,100,000	2,493	2,121,965	(6,701,765)	(11,126,175)	(10,298,640)	(5,534,805)	(2,928,835)	(158,835)	4,052,000	8,415,000	-
Estimated Ending Fund Balance	2,100,000	2,493	2,121,965	(6,701,765)	(11,126,175)	(10,298,640)	(5,534,805)	(2,928,835)	(158,835)	4,052,000	8,415,000	12,951,000	12,951,000

Projects using interfund borrowing (net other funds reimbursement)

BE IT FURTHER RESOLVED that the City of Novi's Finance Director submits the Deficit Elimination Plan to the Michigan Department of Treasury for certification.

**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 22th day of November, 2021, 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

City of Novi  
CIP Fund DEP Updated as of June 30, 2021

	Actual 6/30/2016	Actual 6/30/2017	Actual 6/30/2018	Actual 6/30/2019	Actual 6/30/2020	Actual 6/30/2021	Amended Budget 6/30/2022	Estimated 6/30/2023	Estimated 6/30/2024	Estimated 6/30/2025	Estimated 6/30/2026	Estimated 6/30/2027	Total
<b>Revenues</b>													
Property Tax Revenue (voted 1 mill, 10 year levy)	-	-	3,400,854	3,543,185	3,676,064	3,818,955	3,969,645	3,927,071	4,065,218	4,207,501	4,354,763	4,507,180	39,470,436
Transfer from General Fund	2,100,000	1,000,000	-	-	-	-	-	-	-	-	-	-	3,100,000
Transfer from Drain Fund (DPS Bldg.)	-	-	-	600,930	85,402	-	-	-	-	-	-	-	686,332
Transfer from (to) Water and Sewer Fund (DPS Bldg.)	-	240,000	-	2,421,260	(2,661,260)	-	-	-	-	-	-	-	-
Transfer from Gun Range Fund	-	-	-	245,915	-	-	-	-	-	-	-	-	245,915
Sale Anglin/Grand River Legacy Property	-	-	-	-	-	-	3,004,450	-	-	-	-	-	3,004,450
Interest	-	(16,793)	17,507	57,536	2	63	-	-	-	4,729	9,237	29,820	102,101
<b>Total revenue</b>	<b>2,100,000</b>	<b>1,223,207</b>	<b>3,418,361</b>	<b>6,868,826</b>	<b>1,100,208</b>	<b>3,819,018</b>	<b>6,974,095</b>	<b>3,927,071</b>	<b>4,065,218</b>	<b>4,212,230</b>	<b>4,364,000</b>	<b>4,537,000</b>	<b>46,609,234</b>
<b>Expenditures</b>													
Anglin/Grand River Legacy Property Purchase	-	2,836,431	5,129	-	-	-	-	-	-	-	-	-	2,841,560
Lakeshore Park Facility and Reconfiguration	-	200,553	135,320	338,627	2,107,708	1,875,367	-	-	-	-	-	-	4,657,575
DPS Expansion/Improvement	-	270,660	306,203	8,063,002	-	1,973	-	-	-	-	-	-	8,641,838
Gun Range Improvements	-	-	4,952	1,203,419	105,116	-	-	-	-	-	-	-	1,313,487
Fire Station #1	-	11,340	13,230	-	-	-	-	-	-	-	-	-	24,570
Greenway Development Phase 1B (ITC Trail)	-	-	158,550	1,717,001	1,099,394	63,049	5,324	-	-	-	-	-	3,043,318
Villa Barr Property Improvements	-	-	25,135	232,488	-	-	-	-	-	-	-	-	257,623
Ella Mae Power Park Spectator Bleacher Upgrade	-	-	87,274	-	-	-	-	-	-	-	-	-	87,274
Pavilion Shore Parking Lot Addition	-	1,730	205,204	-	-	-	-	-	-	-	-	-	206,934
Boardwalk extensions/repair	-	-	3,000	804,746	55,194	6,508	-	-	-	-	-	-	869,448
Sidewalk Segments	-	-	-	-	40,570	662,103	478,883	-	-	-	-	-	1,181,556
Admin expenditures	-	-	1,000	1,748	810	814	1,000	1,000	1,000	1,000	1,000	1,000	10,372
Bosco Property Improvements	-	-	24,943	1,044,203	1,020,039	6,543	-	-	-	-	-	-	2,095,728
Bosco Property Purchase	-	-	-	759,783	-	-	-	-	-	-	-	-	759,783
Trans X Property Purchase	-	-	328,949	12,585	-	-	-	-	-	-	-	-	341,534
Lakeshore Park Shoreline	-	-	-	13,662	203,734	9,553	-	-	-	-	-	-	226,949
Pavilion Shore Park Shoreline	-	-	-	19,355	126,091	495	-	-	-	-	-	-	145,941
Wildlife Woods Park Sidewalk	-	-	-	-	-	25,269	149,732	-	-	-	-	-	175,001
Internal Loan Repayment - Interest (3%)	-	-	-	7,250	232,031	277,530	456,091	385,594	312,982	395	-	-	1,671,873
Ladder Truck Replacement	-	-	-	1,474,687	-	-	-	-	-	-	-	-	1,474,687
Water Tower Improvements	-	-	-	-	212,523	62,279	229,226	-	-	-	-	-	504,028
Jamco Property Purchase	-	-	-	-	321,408	-	-	-	-	-	-	-	321,408
ITC Sports Park Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Engine #342 Replacement	-	-	-	-	-	-	890,004	-	-	-	-	-	890,004
Fire Engine #313 Replacement	-	-	-	-	-	-	-	934,507	-	-	-	-	934,507
Fire Engine #322 Replacement	-	-	-	-	-	-	-	-	981,236	-	-	-	981,236
<b>Total expenditures</b>	<b>-</b>	<b>3,320,714</b>	<b>1,298,889</b>	<b>15,692,556</b>	<b>5,524,618</b>	<b>2,991,483</b>	<b>2,210,260</b>	<b>1,321,101</b>	<b>1,295,218</b>	<b>1,395</b>	<b>1,000</b>	<b>1,000</b>	<b>33,658,234</b>
Revenues over (under) expenditures	2,100,000	(2,097,507)	2,119,472	(8,823,730)	(4,424,410)	827,535	4,763,835	2,605,970	2,770,000	4,210,835	4,363,000	4,536,000	12,951,000
Estimated Beginning Fund Balance	-	2,100,000	2,493	2,121,965	(6,701,765)	(11,126,175)	(10,298,640)	(5,534,805)	(2,928,835)	(158,835)	4,052,000	8,415,000	-
Estimated Ending Fund Balance	2,100,000	2,493	2,121,965	(6,701,765)	(11,126,175)	(10,298,640)	(5,534,805)	(2,928,835)	(158,835)	4,052,000	8,415,000	12,951,000	12,951,000

Projects using interfund borrowing (net other funds reimbursement)