



## CITY of NOVI CITY COUNCIL

**Agenda Item 3**  
**September 15, 2014**

**SUBJECT:** Approval of resolution to authorize Budget Amendment #2014-15

**SUBMITTING DEPARTMENT:** Finance

**CITY MANAGER APPROVAL:** 

**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 a rollover budget amendment, are approved by Council each fiscal year. The 1<sup>st</sup> quarter budget amendment has historically been included with the rollover budget amendment; however this year, and going forward, they will be brought before Council separately. The intent of presenting the rollover amendment separately is to budget commitments from the 2013/2014 fiscal year, which are currently unbudgeted for in fiscal year 2014/2015, in a timely manner.

The rollover budget amendment consists of projects or contracts that were awarded and were in progress as of June 30, 2014 but not completed. The balance of the incomplete contracts and projects will be expended in fiscal year 2014-15, so it is necessary to amend the adopted budget so these items can be completed. **It is important to note that the estimated beginning fund balance (from the fourth quarter amendment passed by council in June 2014) is higher than originally anticipated. One of the reasons for the higher than anticipated beginning fund balance is because the activity related to these rollovers were budgeted for but did not take place in FY 2013-14 and instead will take place in FY 2014-15 (no net effect).**

The attached rollover budget amendment includes the Street Improvement Fund which is a capital project fund created as of June 30, 2014, to track all uncompleted road fund projects at the end of the fiscal year. At the end of FY 2013-14, there is \$5,001,049 in major, local, and municipal road projects to be completed. Below are summaries for all funds with minimum fund balance requirements:

## GENERAL FUND

<u>GENERAL FUND</u>			
<b>Projected Ending Fund Balance, June 30, 2014</b>		\$	7,376,366
Favorable variance, including rollover items			2,085,604
<b>Estimated Beginning Fund Balance, July 1, 2014</b>		\$	9,461,970
201415	Amended Revenue as of Council Meeting 8/25/2014	30,540,168	
	Rollover Budget Amendment	-	
	Amended Revenue as of Council Meeting 9/15/2014	30,540,168	
201415	Amended Expenditures as of Council Meeting 8/25/2014	30,453,462	
	Rollover Budget Amendment	445,211	
	Amended Expenditures as of Council Meeting 9/15/2014	30,898,673	
<b>Revenues over (under) Expenditures</b>		\$	(358,505)
<b>Estimated Ending Fund Balance, June 30, 2015</b>		\$	9,103,465
<b>Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :</b>			<b>29.5%</b>

## MAJOR STREET FUND

<u>MAJOR STREET FUND</u>			
<b>Projected Ending Fund Balance, June 30, 2014</b>		\$	420,353
Favorable variance, including rollover items			176,149
<b>Estimated Beginning Fund Balance, July 1, 2014</b>		\$	596,502
201415	Amended Revenue as of Council Meeting 8/25/2014	2,839,955	
	Rollover Budget Amendment	-	
	Amended Revenue as of Council Meeting 9/15/2014	2,839,955	
201415	Amended Expenditures as of Council Meeting 8/25/2014	2,916,996	
	Rollover Budget Amendment	81,702	
	Amended Expenditures as of Council Meeting 9/15/2014	2,998,698	
<b>Revenues over (under) Expenditures</b>		\$	(158,743)
<b>Estimated Ending Fund Balance, June 30, 2015</b>		\$	437,759
<b>Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :</b>			<b>14.6%</b>

## LOCAL STREET FUND

<u>LOCAL STREET FUND</u>			
Projected Ending Fund Balance, June 30, 2014		\$	534,525
Favorable variance, including rollover items			379,846
Estimated Beginning Fund Balance, July 1, 2014		\$	914,371
201415	Amended Revenue as of Council Meeting 8/25/2014	3,985,656	
	Rollover Budget Amendment	-	
	Amended Revenue as of Council Meeting 9/15/2014	-	3,985,656
201415	Amended Expenditures as of Council Meeting 8/25/2014	4,323,255	
	Rollover Budget Amendment	90,766	
	Amended Expenditures as of Council Meeting 9/15/2014	-	4,414,021
Revenues over (under) Expenditures			(428,365)
Estimated Ending Fund Balance, June 30, 2015		\$	486,006
Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :			11.0%

## MUNICIPAL STREET FUND

<u>MUNICIPAL STREET FUND</u>			
Projected Ending Fund Balance, June 30, 2014		\$	728,680
Favorable variance, including rollover items			3,190,752
Estimated Beginning Fund Balance, July 1, 2014		\$	3,919,432
201415	Amended Revenue as of Council Meeting 8/25/2014	4,932,500	
	Rollover Budget Amendment	-	
	Amended Revenue as of Council Meeting 9/15/2014	-	4,932,500
201415	Amended Expenditures as of Council Meeting 8/25/2014	5,023,130	
	Rollover Budget Amendment	114,076	
	Amended Expenditures as of Council Meeting 9/15/2014	-	5,137,206
Revenues over (under) Expenditures			(204,706)
Estimated Ending Fund Balance, June 30, 2015		\$	3,714,726
Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :			72.3%

**PARKS, RECREATION, & CULTURAL SERVICES FUND**

<b><u>PARKS, RECREATION, &amp; CULTURAL SERVICES FUND</u></b>			
Projected Ending Fund Balance, June 30, 2014			\$ 461,639
Favorable variance, including rollover items			431,923
Estimated Beginning Fund Balance, July 1, 2014			<u>\$ 893,562</u>
	Amended Revenue as of Council Meeting 8/25/2014	3,018,212	
201415	Fourth Quarter Budget Amendment	<u>-</u>	
	Amended Revenue as of Council Meeting 9/15/2014		3,018,212
	Amended Expenditures as of Council Meeting 8/25/2014	3,024,734	
201415	Fourth Quarter Budget Amendment	<u>230,014</u>	
	Amended Expenditures as of Council Meeting 9/15/2014		<u>3,254,748</u>
Revenues over (under) Expenditures			<u>(236,536)</u>
Estimated Ending Fund Balance, June 30, 2015			<u><u>\$ 657,026</u></u>
Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :			20.2%

**RECOMMENDED ACTION:**

Approval of resolution to authorize Budget Amendment #2014-15.

	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**

NOW, THEREFORE BE IT RESOLVED that the following  
Budget Amendment# 201415 is authorized:

	<b>INCREASE (DECREASE)</b>
<b>GENERAL FUND</b>	
<b>APPROPRIATIONS</b>	
<b>City Clerk</b>	
Other Services and Charges	15,705
<b>Facility Operations</b>	
Capital Outlay	263,797
<b>Human Resources</b>	
Other Services and Charges	16,170
<b>General Administration</b>	
Other Services and Charges	4,135
<b>Fire Department</b>	
Capital Outlay	22,270
<b>Community Development - Building</b>	
Supplies	1,550
<b>Community Development - Planning</b>	
Other Services and Charges	7,400
<b>Department of Public Services</b>	
Capital Outlay	22,927
<b>Department of Public Services - Engineering</b>	
Other Services and Charges	3,207
<b>Department of Public Services - Field Operations</b>	
Capital Outlay	88,050
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 445,211</b>
<b>Net Decrease to Fund Balance</b>	<b>\$ (445,211)</b>
<b>MAJOR ROADS</b>	
<b>APPROPRIATIONS</b>	
MAINTENANCE	7,966
TRANSFERS OUT	73,736
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 81,702</b>
<b>Net Decrease to Fund Balance</b>	<b>\$ (81,702)</b>

INCREASE  
(DECREASE)

<b>LOCAL ROADS</b>
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<b>APPROPRIATIONS</b>	
TRANSFERS OUT	90,766
<b>TOTAL APPROPRIATIONS</b>	<u><b>\$ 90,766</b></u>
<b>Net Decrease to Fund Balance</b>	<u><u><b>\$ (90,766)</b></u></u>

<b>MUNICIPAL STREETS</b>
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<b>APPROPRIATIONS</b>	
MAINTENANCE	24,929
TRANSFERS OUT	89,147
<b>TOTAL APPROPRIATIONS</b>	<u><b>\$ 114,076</b></u>
<b>Net Decrease to Fund Balance</b>	<u><u><b>\$ (114,076)</b></u></u>

<b>PARKS, RECREATION, &amp; CULTURAL SERVICES FUND</b>
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<b>APPROPRIATIONS</b>	
691 Other Services and Charges	3,587
691 Capital Outlay	220,927
693 Program Expenditures	5,500
<b>TOTAL APPROPRIATIONS</b>	<u><b>\$ 230,014</b></u>
<b>Net Decrease to Fund Balance</b>	<u><u><b>\$ (230,014)</b></u></u>

<b>TREE FUND</b>
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<b>APPROPRIATIONS</b>	
Capital Outlay	23,600
<b>TOTAL APPROPRIATIONS</b>	<u><b>\$ 23,600</b></u>
<b>Net Decrease to Fund Balance</b>	<u><u><b>\$ (23,600)</b></u></u>

<b>DRAIN FUND</b>
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<b>APPROPRIATIONS</b>	
Other Services and Charges	8,275
Construction	201,990
<b>TOTAL APPROPRIATIONS</b>	<u><b>\$ 210,265</b></u>
<b>Net Decrease to Fund Balance</b>	<u><u><b>\$ (210,265)</b></u></u>

INCREASE  
(DECREASE)

<b>FORFEITURE FUND</b>
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**APPROPRIATIONS**

Supplies	3,698
<b>TOTAL APPROPRIATIONS</b>	<u><b>\$ 3,698</b></u>

Net Decrease to Fund Balance	<u><u><b>\$ (3,698)</b></u></u>
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<b>STREET IMPROVEMENT FUND</b>
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**REVENUES**

Transfers In	253,649
<b>TOTAL REVENUES</b>	<u><b>\$ 253,649</b></u>

**APPROPRIATIONS**

Capital Outlay	5,001,049
<b>TOTAL APPROPRIATIONS</b>	<u><b>\$ 5,001,049</b></u>

Net Decrease to Fund Balance	<u><u><b>\$ (4,747,400)</b></u></u>
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<b>ICE ARENA FUND</b>
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**APPROPRIATIONS**

Capital Outlay	204,218
<b>TOTAL APPROPRIATIONS</b>	<u><b>\$ 204,218</b></u>

Net Decrease to Fund Balance	<u><u><b>\$ (204,218)</b></u></u>
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<b>WATER &amp; SEWER FUND</b>
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**APPROPRIATIONS**

Other Services & Charges	374,289
Capital Outlay	6,143,057
<b>TOTAL APPROPRIATIONS</b>	<u><b>\$ 6,517,346</b></u>

Net Decrease to Fund Balance	<u><u><b>\$ (6,517,346)</b></u></u>
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INCREASE  
(DECREASE)

SENIOR HOUSING FUND	
<b>APPROPRIATIONS</b>	
Capital Outlay	74,322
<b>TOTAL APPROPRIATIONS</b>	<u>\$ 74,322</u>
<b>Net Decrease to Fund Balance</b>	<u><u>\$ (74,322)</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 September 15, 2014

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Maryanne Cornelius  
City Clerk



Budget Amendment# 201415 - September 15, 2014

<u>GL #</u>	<u>Project/Item Description</u>	<u>Amount</u>
<b>General Fund</b>		
<b>Expenditures</b>		
101-215.00-816.000	Continuity of Operations Plan Development	15,705
101-265.00-986.000	Server Room Sprinkler Project	32,081
101-265.00-976.000	Civic Center Air Handler Replacement	231,716
101-270.00-802.000	HR/Payroll Scanning Project	16,170
101-299.00-816.000	City Manager Search	2,450
101-299.00-956.200	Mystery Shopper - Customer Service Assessment	1,685
101-371.00-740.000	Mystery Shopper - Customer Service Assessment	1,550
101-337.00-976.000	Training Tower Project & CEMS Roof Project - Fire Dept.	22,270
101-442.00-976.000	Kitchen/Hallway Remodel & Front Office Renovation	22,927
101-442.10-805.000	Engineering - Consulting (Dog Park & Complete Street Standards & Specs)	3,207
101-442.20-982.000	Regulating Controllers (installed in dump trucks for snow plowing) - winter maint	88,050
101-807.00-816.000	Clearzoning Project	7,400
		<u>\$ 445,211</u>
<b>Major Street Fund</b>		
<b>Expenditures</b>		
202-202.00-866.500	Capital Preventative Maintenance	7,966
202-000.00-965.403	Transfer to Street Improvement Fund (Major Street Projects - uncompleted)	73,736
		<u>\$ 81,702</u>
<b>Local Street Fund</b>		
<b>Expenditures</b>		
203-203.00-965.403	Transfer to Street Improvement Fund (Local Street Projects - uncompleted)	90,766
		<u>\$ 90,766</u>
<b>Municipal Street Fund</b>		
<b>Expenditures</b>		
204-204.00-866.011	Meadowbrook Bridge over Ingersol Creek	24,209
204-204.00-867.200	Trailblazing Sign - I96 Study	720
204-204.00-965.403	Transfer to Street Improvement Fund (Municipal Street Projects - uncompleted)	89,147
		<u>\$ 114,076</u>
<b>Parks, Recreation, &amp; Cultural Services Fund</b>		
<b>Expenditures</b>		
208-691.00-816.000	Strategic/Community Center Rec Plan	3,587
208-691.00-974.095	Dog Park	68,610
208-691.00-974.050	Shade System - Fuerst estate	27,000
208-691.00-974.105	Greenway Development	23,254
208-691.00-976.000	Theatre Sound System	25,624
208-691.00-974.086	Pavilion Shore	76,439
208-693.00-960.504	Foot wash Station - Lakeshore Beach	5,500
		<u>\$ 230,014</u>
<b>Tree Fund</b>		
<b>Expenditures</b>		
209-000.00-972.100	Spring 2014 Tree Planting	23,600
		<u>\$ 23,600</u>
<b>Drain Fund</b>		
<b>Expenditures</b>		
210-211.00-805.000	Engineering - Consulting (Water Sewer Standards Update & Taft & Bishop Wetland Mitigation Monitoring & Management Services)	8,275
210-211.00-805.136	Engineering - Monroe Creek	22,000
210-211.00-805.990	Consulting - Storm water Permit (ongoing consulting for state-issued permit)	5,170
210-211.00-865.023	Civic Center Basin Improvements	14,820
210-211.00-865.136	Culvert Repairs - Monroe Creek	160,000
		<u>\$ 210,265</u>

<u>GL #</u>	<u>Project/Item Description</u>	<u>Amount</u>
<b>Forfeiture Fund</b>		
<b>Expenditures</b>		
266-266.00-740.000	Rifles	3,698
		<u>\$ 3,698</u>
<b>Street Improvement Fund</b>		
<b>Revenues</b>		
403-000.00-676.202	Transfer from Major Streets (Major Streets - uncompleted)	73,736
403-000.00-676.203	Transfer from Local Streets (Local Streets - uncompleted)	90,766
403-000.00-676.204	Transfer from Municipal Streets (Municipal Streets - uncompleted)	89,147
		<u>\$ 253,649</u>
<b>Expenditures</b>		
403-202.00-805.667	Engineering - Nine Mile Rd Rehab (Meadowbrook/Novi)	15,729
403-202.00-805.670	Engineering - Heslip Drive Rehab	46,600
403-202.00-805.672	Engineering - 11 Mile Rd (Town Center to Meadowbrook)	156,221
403-202.00-805.673	Engineering - Catherine Industrial Rehab	12,501
403-202.00-865.670	Construction - Heslip Drive - Rehab	273,600
403-202.00-865.672	Construction - 11 mile (Town Center to Meadowbrook)	462,085
403-203.00-805.434	Engineering - Neighborhood Rds 2014	185,897
403-203.00-865.432	Construction - Neighborhood Roads 2013	54,869
403-203.00-865.434	Construction - Neighborhood Roads 2014	1,629,000
403-204.00-805.003	ADA Compliance Plan	62,570
403-204.00-805.261	Engineering - SW Quadrant Ring Road	7,450
403-204.00-805.623	Engineering - Ext Rt Turn Lane (WB GR @ Beck)	36,122
403-204.00-805.624	Engineering - Haggerty Rd (add SB Rt turn lane)	47,500
403-204.00-805.656	Engineering - Haggerty Rd Expansion (south of 10 mile)	24,970
403-204.00-863.501	Traffic Signal - Grand River & Meadowbrook	100,000
403-204.00-863.503	Traffic Signal - Wixom & Glenwood (engineering)	20,558
403-204.00-863.504	Traffic Signal - Wixom & Glenwood (construction)	178,256
403-204.00-863.505	Traffic Signal - Meadowbrook @ 8 mile (engineering)	20,063
403-204.00-863.506	Traffic Signal - Meadowbrook @ 8 mile (construction)	148,831
403-204.00-863.509	Traffic Signal - Napier & 10 mile	5,000
403-204.00-865.623	Construction - Ext Rt Turn Lane (WB GR @ Beck)	62,000
403-204.00-865.624	Construction - Haggerty (add sb rt turn lane)	46,590
403-204.00-865.656	Construction - Haggerty Rd Expansion (south of 10 mile)	95,000
403-204.00-974.060	Brookfarm Park Pathway	6,407
403-204.00-974.430	ITC Corridor (Beck Rd to Medilodge)	225,954
403-204.00-974.431	Sidewalk - Segment# 92 (Novi rd to 10 mile)	15,018
403-204.00-974.432	Sidewalk - Segment# NC1 (E. Lake Dr. to Novi) engineering	36,296
403-204.00-974.433	Sidewalk - Segment# NC1 (E. Lake Dr. to Novi) construction	190,000
403-204.00-974.434	Sidewalk - M5/I275 Trail Connector (engineering)	105,057
403-204.00-974.435	Sidewalk - M5/I275 Trail Connector (construction)	236,409
403-204.00-974.436	Sidewalk - Beck @ Cheltenham (engineering)	26,700
403-204.00-974.437	Sidewalk - Beck @ Cheltenham (construction)	93,000
403-204.00-974.438	Sidewalk - Haggerty @ 9 mile Rd	9,421
403-204.00-974.439	Construction - Sidewalk (Haggerty @ 9 mile)	41,633
403-204.00-974.440	Sidewalk - Seg# 16 (13 mile south of Novi & Holmes) engineering	8,810
403-204.00-974.441	Sidewalk - Seg# 16 (13 mile south of Novi & Holmes) construction	36,000
403-204.00-974.442	Sidewalk - Seg# 73 (Meadowbrook E. GR @ 11 mile) engineering	38,590
403-204.00-974.443	Sidewalk - Seg# 73 (Meadowbrook E. GR @ 11 mile) construction	225,000
403-204.00-974.444	Sidewalk - Lebost to Village Oaks (engineering)	15,342
		<u>\$ 5,001,049</u>
<b>Ice Arena Fund</b>		
<b>Expenditures</b>		
590-000.00-969.000	Refrigeration Plant Maintenance	\$ 16,391
590-000.00-969.000	Hot Water Boilers	\$ 10,000
590-000.00-969.000	Lower Level Flooring Replacement	\$ 177,827
		<u>\$ 204,218</u>

<u>GL #</u>	<u>Project/Item Description</u>	<u>Amount</u>
<b>Water and Sewer Fund</b>		
<b><u>Expenditures</u></b>		
592-592.00-805.000	Engineering - Consulting (Water Sewer Standards Update)	7,900
592-592.00-805.026	Sanitary Collection System Capacity Study	5,746
592-592.00-936.500	Clean & Televiser Sanitary Sewer - Sections 24 & 25	346,610
592-592.00-936.500	Sanitary Sewer Manhole Rehab Projects	14,033
592-592.00-974.099	Novi Rd North PRV Vault	256,671
592-592.00-976.001	2014 Sanitary Lift Station	243,695
592-592.00-976.003	Water Storage Facility	5,379,331
592-592.00-976.004	SCADA Project	263,360
		\$ 6,517,346
<b>Senior Housing Fund</b>		
<b><u>Expenditures</u></b>		
594-000.00-971.100	Asphalt Repairs	31,160
594-000.00-971.100	Ground Water Mitigation	43,162
		\$ 74,322