



**SUBJECT:** Consideration of a resolution to authorize budget amendment #2020-6

**SUBMITTING DEPARTMENT:** Finance

**BACKGROUND INFORMATION:** The pandemic caused by COVID-19 has effected the City in many ways. All City activities were canceled and per the Governor's Executive Order (2020-21) on March 24, 2020, a statewide quarantine was instituted. Many of the City's operations were moved elsewhere or were adhering to the guidelines and reporting outlined by the Oakland County Executive order (2020-5). With these new operational norms, several of the City's revenue's were significantly impacted and expenditure activities citywide needed to be adjusted to offset the revenue losses. As stated during the April 29, 2020 City Council budget session, the City administration will continue to monitor the City's budgets and bring forth budget amendments based upon information we know at the present time. The City will continue to monitor all activity for the remaining four weeks of the fiscal year and continue to adjust the budget as needed.

The General Fund police and fire department salaries and fringe benefit costs are running more than budget and the proposed amendment uses expenditure savings in other departments to offset these costs. The increase in revenue is due to an increase property tax PRE denials coupled with an increase in delinquent interest received with the annual tax settlement from the County. Additionally, some of the across the board 1% COVID-19 cost reductions were reallocated between the departments.

The Parks, Recreation, and Cultural Services Fund reviewed its revenues and expenditures for additional programs that have been canceled due to the pandemic. The attached budget amendment reflects some actual receipts for a few programs actually running and an adjustment to a few expenditure accounts based on actual and projected costs through the end of the fiscal year.

The Ice Arena Fund reviewed its revenues and expenditures for programs that have been canceled due to the pandemic. The attached budget amendment reflects the anticipated loss of revenues and expense savings due to the cancellations.

**RECOMMENDED ACTION:** Approval of a resolution to authorize budget amendment #2020-6

**RESOLUTION**

NOW, THEREFORE BE IT RESOLVED that the following  
Budget Amendment# 2020-6 is authorized:

	<b>INCREASE (DECREASE)</b>
<b>GENERAL FUND</b>	
<b>REVENUES</b>	
Property Taxes	38,072
Donations	435
<b>TOTAL REVENUES</b>	<b>\$ 38,507</b>
<b>APPROPRIATIONS</b>	
<b>City Council</b>	
Other Services and Charges	(12,825)
<b>Assessing Department</b>	
Other Services and Charges	(35,000)
<b>City Attorney, Insurance, &amp; Claims Department</b>	
Other Services and Charges	(20,000)
Capital Outlay	(10,000)
<b>City Clerk</b>	
Other Services and Charges	5,432
<b>Financial Services - Treasury Department</b>	
Personnel Services	(15,000)
<b>Integrated Solutions - Facility Management</b>	
Personnel Services	(3,000)
<b>Integrated Solutions - FM: Parks Maintenance</b>	
Personnel Services	(10,000)
<b>Human Resources</b>	
Other Services and Charges	(8,000)
<b>Community Relations</b>	
Other Services and Charges	(1,809)
<b>Economic Development</b>	
Personnel Services	4,200
Other Services and Charges	1,809
<b>Public Safety - Police Department</b>	
Personnel Services	116,000
<b>Public Safety - Fire Department</b>	
Personnel Services	133,000
<b>Community Development - Building</b>	
Personnel Services	(20,000)
<b>Community Development - Planning</b>	
Personnel Services	(3,000)
Other Services and Charges	(5,000)

	INCREASE (DECREASE)
<b>Department of Public Works - Engineering</b>	
Personnel Services	(35,300)
<b>Department of Public Works - Field Operations</b>	
Personnel Services	(26,000)
Other Services and Charges	(7,000)
<b>Department of Public Works - Fleet Asset</b>	
Other Services and Charges	(10,000)
<b>TOTAL APPROPRIATIONS</b>	<u>\$ 38,507</u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u>\$ -</u>

Ending Fund Balance	\$9,955,667
Fund Balance as a % of total annual expenditures	27%

<b>PARKS, RECREATION, &amp; CULTURAL SERVICES FUND</b>
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<b>REVENUES</b>	
Interest income	1,405
Older Adult Program Revenue	7,595
<b>TOTAL REVENUES</b>	<u>\$ 9,000</u>
<b>APPROPRIATIONS</b>	
Personnel Services	(6,000)
Program expenditures	5,000
Older Adult Program Expenditures	10,000
<b>TOTAL APPROPRIATIONS</b>	<u>\$ 9,000</u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u>\$ -</u>

Ending Fund Balance	\$396,483
Fund Balance as a % of total annual expenditures	12%

**INCREASE  
(DECREASE)**

<b>ICE ARENA FUND</b>	
<b>REVENUES</b>	
Program Revenue	(360,095)
Interest Income	1,310
Other Revenue	(5,195)
<b>TOTAL REVENUES</b>	<b><u>\$ (363,980)</u></b>
<b>APPROPRIATIONS</b>	
Supplies	3,600
Other Services & Charges	(83,185)
<b>TOTAL APPROPRIATIONS</b>	<b><u>\$ (79,585)</u></b>
<b>Net Increase (Decrease) to Fund Balance</b>	<b><u><u>\$ (284,395)</u></u></b>

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 June 1, 2020

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Cortney Hanson  
City Clerk

Budget Amendment# 2020-6 - June 1, 2020

<u>GL #</u>	<u>Project/Item Description</u>	<u>Budget Category</u>	<u>Amount</u>
<b>General Fund</b>			
<b>Revenues</b>			
101-000.00-445.000	Penalty and interest	Property tax revenue	38,072
101-000.00-666.000	Contribution	Donations	435
			\$ 38,507
<b>Appropriations</b>			
101-101.00-851.000	Telephone	Other Services and Charges	(1,850)
101-101.00-963.005	Miscellaneous - special projects/events	Other Services and Charges	(10,975)
101-209.00-807.000	Personal property auditor	Other Services and Charges	(15,000)
101-209.00-816.900	Tax Tribunal appraisals	Other Services and Charges	(20,000)
101-210.00-910.001	Insurance deductibles	Other Services and Charges	(20,000)
101-210.00-971.000	Land acquisition	Capital outlay	(10,000)
101-215.00-838.000	COVID-1% Reduction	Other Services and Charges	5,432
101-253.00-718.200	Pension - defined contribution	Personnel services	(15,000)
101-265.00-706.000	Overtime	Personnel services	(3,000)
101-265.10-715.000	Social security	Personnel services	(10,000)
101-270.00-816.000	Professional services	Other Services and Charges	(8,000)
101-295.00-960.527	Nature Programs/Camps	Other Services and Charges	(1,809)
101-296.00-705.000	Temporary salaries	Personnel services	4,200
101-296.00-838.000	COVID-1% Reduction	Other Services and Charges	1,809
101-301.00-704.000	Permanent salaries	Personnel services	63,000
101-301.00-718.010	Pension - DB Unfunded Accrued Lia	Personnel services	53,000
101-337.00-704.000	Permanent salaries	Personnel services	133,000
101-371.00-706.000	Overtime	Personnel services	(20,000)
101-442.10-704.250	Final payout	Personnel services	(11,000)
101-442.10-715.000	Social security	Personnel services	(5,000)
101-442.10-716.000	Insurance	Personnel services	(19,300)
101-442.20-704.000	Permanent salaries	Personnel services	(7,000)
101-442.20-705.020	Temporary salaries - Seasonal Laborers	Personnel services	(19,000)
101-442.20-804.000	Medical services	Other Services and Charges	(3,000)
101-442.20-941.204	Mailbox repairs	Other Services and Charges	(4,000)
101-442.30-861.000	Gasoline and oil	Other Services and Charges	(10,000)
101-807.00-709.000	Overtime	Personnel services	(3,000)
101-807.00-900.000	Printing and publishing	Other Services and Charges	(3,000)
101-807.00-957.000	Tuition & other reimbursement	Other Services and Charges	(2,000)
			\$ 38,507

Net Increase (decrease) to fund balance \$ -

Ending Fund Balance	\$9,955,667
Fund Balance as a % of total annual expenditures	27%

<u>GL #</u>	<u>Project/Item Description</u>	<u>Budget Category</u>	<u>Amount</u>
<b>Parks, Recreation, and Cultural Services Fund</b>			
<b>Revenues</b>			
208-000.00-653.551	Older Adults - Golf League	Older adult program revenue	6,215
208-000.00-653.567	Older Adults - Fitness	Older adult program revenue	1,380
208-000.00-664.000	Interest on investments	Interest income	1,405
			\$ 9,000
<b>Appropriations</b>			
208-693.00-705.208	Temp salaries - building attendants	Personnel services	(6,000)
208-693.00-960.006	Youth basketball league	Program expenditures	5,000
208-695.00-960.557	Older Adults - Transportation	Older Adult Program Expenditures	10,000
			\$ 9,000
<b>Net Increase (decrease) to fund balance</b>			<b>\$ -</b>

<b>Ending Fund Balance</b>	<b>\$396,483</b>
<b>Fund Balance as a % of total annual expenditures</b>	<b>12%</b>

<b>Ice Arena</b>			
<b>Revenues</b>			
590-000.00-653.801	Youth hockey & ice rentals	Program revenue	(158,920)
590-000.00-653.802	Concession sales	Program revenue	(31,000)
590-000.00-653.805	Learn to skate	Program revenue	(24,160)
590-000.00-653.806	Public skating/open skate	Program revenue	(3,470)
590-000.00-653.807	Figure skating	Program revenue	(33,955)
590-000.00-653.809	Skate rental	Program revenue	1,530
590-000.00-653.816	Room rental	Program revenue	(9,770)
590-000.00-653.821	Individual ice rentals	Program revenue	(2,485)
590-000.00-653.822	Leagues (adult) & tournaments	Program revenue	(78,410)
590-000.00-653.823	Drop-in	Program revenue	(10,325)
590-000.00-653.824	Ice Dancing	Program revenue	(8,190)
590-000.00-653.829	Vending machine revenue	Program revenue	(940)
590-000.00-664.000	Interest on investments	Interest income	1,310
590-000.00-665.000	Miscellaneous income	Other revenue	(1,400)
590-000.00-665.590	Pro shop lease	Other revenue	(6,000)
590-000.00-665.592	Cell Tower Revenue	Other revenue	2,205
			\$ (363,980)
<b>Appropriations</b>			
590-000.00-740.000	Operating supplies	Supplies	3,600
590-000.00-802.000	Data processing	Other services and charges	2,755
590-000.00-817.100	Management contract-Staff costs	Other services and charges	(12,095)
590-000.00-922.000	Electricity	Other services and charges	(12,350)
590-000.00-960.802	Concessions cost of goods sold	Other services and charges	(15,360)
590-000.00-960.805	Program costs	Other services and charges	3,235
590-000.00-960.822	Adult league	Other services and charges	(30,025)
590-000.00-934.000	Building maintenance	Other services and charges	(19,345)
			\$ (79,585)
<b>Net Increase (decrease) to fund balance</b>			<b>\$ (284,395)</b>

<b>Ending Fund Balance</b>	<b>\$4,940,670</b>
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