



CITY of NOVI CITY COUNCIL
Agenda Item 5
May 6, 2019

SUBJECT: Approval of Resolution for Fiscal-Year 2019-2020 Budget and Acknowledging the Multi-Year Budget, Including Projections of Future Fiscal-Years 2020-2021 and 2021-2022.

SUBMITTING DEPARTMENT: Finance

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

Attached for your consideration is the adopting resolution for the Fiscal-Year 2019-2020 Budget and acknowledgement of the multi-year budget. The budget process started in August 2018 with development of the capital improvement plan, continued with the early budget input session where City Council's strategic themes were discussed in January 2019, and finally multiple meetings were held with all departments in order to draft a budget that complied with the overall goals set by the Novi City Council. The Proposed Budget was presented to City Council on April 1, 2019.

At the City Council Budget Session held on April 10, 2019, City Council discussed the Proposed FY 2019-20 Budget and approved amendments with the following FY 2019-20 budget impacts listed below. The attached pages are specific pages from the Financial Summaries section of the Recommended Budget document and reflect the City Council's amendments discussed at the April 10, 2019 Budget Session.

General Fund

The FY 2019-20 Proposed Budget reflected a net zero effect to fund balance for FY 2019-20. The following City Council amendments result in a net increase to the General Fund fund balance in the amount of \$248,785 for FY 2019-20.

1. Remove the new full-time Assistant Fire Chief, Code Enforcement Officer, and Planner positions.
 - \$138,569 reduction to the Public Safety–Fire Department within the personnel services expenditure budget category (page 53)
 - \$85,613 reduction to the Community Development–Building Department within the personnel services expenditure budget category (page 53)
 - \$82,003 reduction to the Community Development–Planning Department within the personnel services expenditure budget category (page 53)
 - **\$306,185** increase to Fund Balance (page 55)

2. Add necessary funds to relocate the Novi Special from the Library to City Hall.
 - \$50,000 will be added to the Integrated Solutions–Facility Management Department within the other services and charges expenditure budget category (page 52)
 - **\$50,000** reduction to Fund Balance (page 55)

3. Fund the SCBA equipment replacements in FY 2018-19 instead of FY 2020-21.
 - No budgetary impact (pages 53, 55)
4. Add a part-time Crossing Guard to Deerfield.
 - \$5,400 will be added to the Public Safety–Police Department within the personnel services expenditure budget category (page 53)
 - **\$5,400** reduction to Fund Balance (page 55)
5. Increase the Council conferences and workshops line-item by \$2,000.
 - \$2,000 will be added to the City Council budget within the other services and charges expenditure budget category (page 51)
 - **\$2,000** reduction to Fund Balance (page 55)

Parks, Recreation, and Cultural Services Fund

The FY 2019-20 Proposed Budget reflected a reduction to fund balance for FY 2019-20 in the amount of \$281,000. The following City Council amendment results in a reduction to the Parks, Recreation, and Cultural Services Fund fund balance in the amount of \$233,613 for FY 2019-20.

6. Remove the new full-time Transportation Coordinator position (*page 59*).
 - \$47,387 will be removed from the Older Adult Services Department within the personnel services expenditure budget category
 - \$47,387 increase to Fund Balance

Drain Fund and Drain Perpetual Maintenance Fund

The FY 2019-20 Proposed Budget reflected a zero net effect to fund balance for FY 2019-20 for the Drain Fund and an increase of \$902,000 to fund balance in the Drain Perpetual Maintenance Fund. The following City Council amendment results in a net zero effect to the Drain Fund fund balance and an increase to the Drain Perpetual Maintenance Fund fund balance in the amount of \$882,000 for FY 2019-20.

7. Add \$20,000 to study Shawood Lake and the surrounding area.
 - Drain Fund** (*page 61*)
 - \$20,000 increase to the other services and charges expenditure budget category
 - \$20,000 reduction to the transfers out expenditure budget category
 - Drain Perpetual Maintenance Fund** (*page 76*)
 - \$20,000 reduction to the transfers in revenue budget category
 - \$20,000 reduction to Fund Balance

Capital Improvement Program (CIP) Fund

The FY 2019-20 Proposed Budget reflected a reduction to fund balance for FY 2019-20 in the amount of \$1,015,000. The following City Council amendment results in an increase to the Capital Improvement Program (CIP) Fund fund balance in the amount of \$496,934 for FY 2019-20.

8. Revenues should exceed expenditures \$500,000 annually (*page 73*);
 - a. budget 50% of the Ladder Truck replacement instead of 100% in FY 2019-20 (50% to be budgeted in FY 2018-19).
 - \$900,000 reduction to the capital outlay expenditure budget category
 - \$900,000 increase to Fund Balance

- b. Boardwalk Extension & Repairs/Replacement Program was pushed up to FY 2018-19
 - \$611,934 reduction to the capital outlay expenditure budget category
 - \$611,934 increase to Fund Balance
- c. Internal borrowings will be used to purchase the Ladder Truck. The approximately \$1.8 million cost, which is now proposed to be incurred during the 18/19 and 19/20 fiscal years, will be repaid over the remaining nine years of the millage at approximately \$200,000 per year plus interest.

Major, Local, and Municipal Street Funds

The FY 2019-20 Proposed Budget reflected a net reduction to the street funds fund balances in the amount of \$2,919,000. The Crescent Boulevard Reconstruction (Novi Road/Grand River Avenue intersection bypass) – aka Northwest Quadrant Ring Road project budgeted within the Major Street Fund in the amount of \$1,700,000 was pushed up to FY 2018-19 resulting in a net reduction to the street funds fund balances in the amount of \$1,219,000 for FY 2019-20.

Major Street Fund (page 56)

- \$1,506,000 reduction to the transfers in revenue budget category
- \$1,700,000 reduction to the capital outlay expenditure budget category
- \$200,000 increase to the transfers out expenditure budget category
- \$6,000 reduction to Fund Balance

Local Street Fund (page 57)

- \$200,000 increase to the transfers in revenue budget category
- \$200,000 increase to Fund Balance

Municipal Street Fund (page 58)

- \$1,506,000 reduction to the transfers out expenditure budget category
- \$1,506,000 increase to Fund Balance

All budgeted funds are within the required fund balances of the City's aforementioned policy and most of the funds' budgets presented with this Resolution are projected to cover expenditures with incoming revenues.

The Capital Improvement Program as approved by the City's Planning Commission and presented at the Public Hearing held on February 27, 2019, is incorporated in the budget document.

The City of Novi utilizes multi-year budgets as a planning tool to fulfill the City Council's strategic goals and objectives as well as operate within its means by maintaining a low tax burden on its citizens. The Multi-Year Budget balances future revenues with the corresponding expenditures and maintains the fund balances for the General Fund and Special Revenue Funds within the limits set by the City of Novi's Fund Balance Policy. Furthermore, the Multi-Year Budget also incorporates the long-range elements of the Capital Improvement Program (CIP) as approved by the City's Planning Commission and presented to the Public Hearing on February 27, 2019.

RECOMMENDED ACTION: Approval of Resolution for Fiscal-Year 2019-2020 Budget and Acknowledging the Multi-Year Budget, Including Projections of Future Fiscal-Years 2020-2021 and 2021-2022.

**Resolution of Adoption Fiscal-Year 2019-2020 Budget and
Acknowledging the Multi-Year Budget Including Projections of Future
Fiscal-Years 2020-2021 and 2021-2022**

WHEREAS, the City Manager's recommended budget is based upon the January 12, 2019 City Council early budget input session where City Council's strategic themes were discussed, and the April 1, 2019 property tax projection presentation to City Council, and

WHEREAS, this budget has incorporated the CIP plan as approved by the City's Planning Commission at the public hearing held on February 27, 2019, 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, the City Council passed amendments to the recommended budget during the April 10, 2019 Special Budget Meeting, and

WHEREAS, a public hearing was also held on May 6, 2019 on the proposed budget, and

WHEREAS, this budget takes into consideration the City's Multi-Year Budget and financial planning through fiscal-year 2021-2022, and

NOW, THEREFORE, BE IT RESOLVED, that the fiscal year 2019-20 attached budget is adopted and that the City Council acknowledges the Multi-Year Budget, Including Projections of Future Fiscal-Years 2020-2021 and 2021-2022 as 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 6th day of May 2019.

Cortney Hanson, City Clerk



FINANCIAL SUMMARIES

Long-Range Financial Plan – Multi-Year Budget 2019-2022

The City of Novi has long recognized the need for planning to provide quality services to its residents. This is evident in the work performed by the elected officials, City staff and various committees and boards. The City has conducted many studies and has developed plans, policies and procedures that have guided the City in making sound decisions regarding infrastructure and services.

The City has focused on long-term financial planning since the 1990's and as a result, continues its strong financial position. Since 2004 the City has prepared a three-year budget, going beyond the requirement for adoption of an annual budget. The City of Novi continues its strong financial position as a result of long-term financial planning; maintaining responsible fund balances in conformance with GFOA recommended practices and low debt obligations, as well as complying with the City's own fund balance policies.

Under Michigan law, the maximum debt Novi can issue is \$469,381,041. The City's current debt applicable to this limit is \$18,630,000 or 5.0% of the amount allowed. The City had twelve debt issues in 1999 and currently has one debt issue (excluding the debt reported in the enterprise funds and special assessment bonds). In addition to paying down debt through annual debt services payments, the City has taken advantage of both the decline in interest rates and its excellent credit rating (AAA) to obtain more favorable rates through refinancing – lowering interest expenditures and paying off debt sooner than anticipated.

The City's long-range financial plans, which are defined throughout this budget document, include focuses and investments on the following:

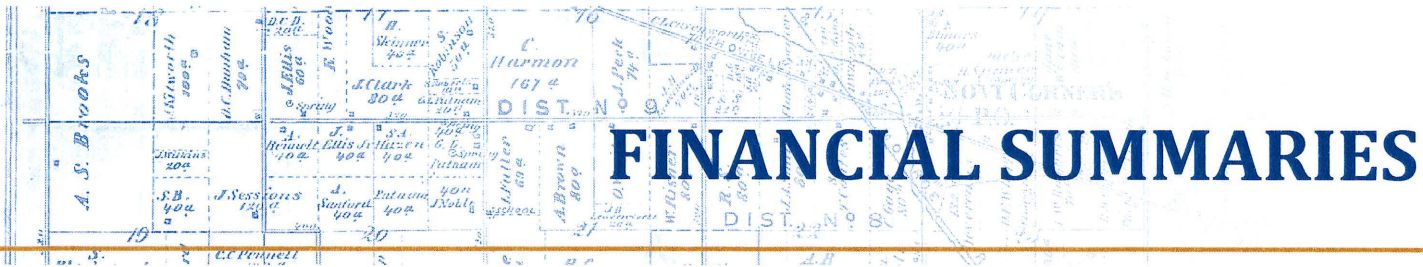
- Investing in public safety; including increasing the number of police officers and fire protection officers,
- Investing in roads, intersections & signals, and sidewalks & pathways,
- Improvements to existing parks and cultural services,
- Increasing community engagement (residential, commercial, and neighboring communities).
- Acquiring and developing land

These long range financial plans link to the entity's strategic goals, which have been mentioned in the Budget Overview section, and are illustrated in the matrix on the next page:

FINANCIAL SUMMARIES

Strategic Goals/Long-Range Financial Plans Matrix

| Strategic Goals | Long-Range Financial Plans |
|---|--|
| <p>N Nurture public services that residents want and value.</p> | <p>Fund, build, and operate a Public Recreational Facility. Place greater emphasis on “aging in place” for senior services (to include strategy development to assist residents to do so.) For Parks Master Plan—Every Novi resident should be able to walk to a City park and/or recreational trail within 10 minutes of their home (1/2 mile).</p> |
| <p>O Operate a world-class and sustainable local government.</p> | <p>Create a financially sustainable plan for the Tree Fund—current funding mechanism is not sustainable long-term. Limit CIP Plan projects to what can realistically be funded over 6 years. Current plan includes many “year 6” projects that far exceed projected available funds.</p> |
| <p>V Value and build a desirable and vibrant community for residents and businesses alike now and into the future.</p> | <p>Direct Planning Commission and staff to study area around 12 Oaks Mall for redevelopment options in light of recent news about Sears. Work with RCOC to develop 12 Mile Road Corridor.</p> |
| <p>I Invest properly in being a Safe Community at all times for all people.</p> | <p>Utilizing all available traffic studies, have City staff establish and implement a comprehensive plan to address traffic in ALL of Novi and bring in additional concerned parties, such as business, to discuss potentially alleviating options. Create a policy to extend water and sewer service to unserved neighborhoods that recognizes the costs of these projects.</p> |



FINANCIAL SUMMARIES

The 2020-21 and 2021-22 budgets include the following items related to the goals and plans above:

- \$18.9 million investment in roads, pathways, sidewalks and intersections
- \$6.65 million investment in water and sewer infrastructure
- \$1.6 million investment in storm sewer and drainage
- \$544,000 investment in parks, recreation, and cultural services capital projects
- \$3.7 million investment in machinery, equipment, and technology

The annual budget is to be adopted by Council in May. The Council will also acknowledge the multi-year budget in the form of a resolution. The City prepares the multi-year projection based on the best data available at the time. The research includes obtaining data from the County and the State of Michigan. This future outlook allows the City to plan rather than react to anticipated financial conditions. Significant revenue and expenditure assumptions for the 2019/2020 fiscal year budget and the subsequent two years are included at the end of this section.

FINANCIAL SUMMARIES

Consolidated Financial Schedule

| | Governmental Funds | | | | |
|---|--------------------------------------|--|---|--|---|
| | GENERAL FUND BUDGET 2019-20 | SPECIAL REVENUE FUNDS BUDGET 2019-20 | DEBT SERVICE FUNDS BUDGET 2019-20 | CAPITAL PROJECT FUNDS BUDGET 2019-20 | PERMANENT FUNDS BUDGET 2019-20 |
| ESTIMATED REVENUES | | | | | |
| Property tax revenue | \$ 24,065,202 | \$ 11,896,735 | \$ 1,320,734 | \$ 3,686,322 | \$ - |
| Capital Contributions | - | - | - | - | - |
| Contributions-Employer | - | - | - | - | - |
| Donations | 1,000 | 138,500 | - | - | - |
| Federal grants | 65,000 | 111,207 | - | - | - |
| Fines and forfeitures | 525,000 | 386,000 | - | - | - |
| Interest income | 747,033 | 238,672 | 216 | 58,922 | 70,000 |
| Licenses, permits, and charges for services | 4,777,604 | 2,855,000 | - | 70,000 | - |
| Older adult program revenue | - | 155,350 | - | - | - |
| Operating Revenue | - | - | - | - | - |
| Other revenue | 792,870 | 703,400 | - | - | - |
| Program Revenue | - | 1,229,340 | - | - | - |
| Special Assessments Levied | - | 35,829 | - | - | - |
| State sources | 4,897,925 | 6,196,000 | - | - | - |
| Tap In Fees | - | - | - | - | 5,000 |
| Transfers In | - | 6,535,000 | - | - | 807,000 |
| TOTAL ESTIMATED REVENUES | \$ 35,871,634 | \$ 30,481,033 | \$ 1,320,950 | \$ 3,815,244 | \$ 882,000 |
| APPROPRIATIONS | | | | | |
| Personnel services | \$ 25,710,181 | \$ 3,623,073 | \$ - | \$ - | \$ - |
| Supplies | 875,300 | 728,380 | - | - | - |
| Other services and charges | 6,662,818 | 10,595,559 | 500 | 1,500 | - |
| Capital outlay | 2,024,550 | 10,337,064 | - | 909,930 | - |
| Debt Service | - | - | 1,370,450 | 2,286,380 | - |
| Transfer Out | 350,000 | 7,042,000 | - | - | - |
| TOTAL APPROPRIATIONS | \$ 35,622,849 | \$ 32,326,076 | \$ 1,370,950 | \$ 3,197,810 | \$ - |

Estimated Beginning Unassigned Fund Balance - July 1, 2019

Estimated Ending Unassigned Fund Balance - June 30, 2020

Fund balance as a percentage of total annual expenditures

Estimated Change in Fund Balance

FINANCIAL SUMMARIES

Consolidated Financial Schedule (continued)

| | ENTERPRISE FUNDS BUDGET 2019-20 | FIDUCIARY FUNDS BUDGET 2019-20 | TOTAL BUDGET 2019-20 |
|---|--|---|-------------------------------------|
| ESTIMATED REVENUES | | | |
| Property tax revenue | \$ - | \$ - | \$ 40,968,993 |
| Capital Contributions | 1,350,000 | - | \$ 1,350,000 |
| Contributions-Employer | - | 277,238 | \$ 277,238 |
| Donations | - | - | \$ 139,500 |
| Federal grants | - | - | \$ 176,207 |
| Fines and forfeitures | - | - | \$ 911,000 |
| Interest income | 337,500 | 2,000,762 | \$ 3,453,105 |
| Licenses, permits, and charges for services | - | - | \$ 7,702,604 |
| Older adult program revenue | - | - | \$ 155,350 |
| Operating Revenue | 26,238,550 | - | \$ 26,238,550 |
| Other revenue | 950,770 | - | \$ 2,447,040 |
| Program Revenue | 1,882,355 | - | \$ 3,111,695 |
| Special Assessments Levied | - | - | \$ 35,829 |
| State sources | - | - | \$ 11,093,925 |
| Tap In Fees | - | - | \$ 5,000 |
| Transfers in | - | - | \$ 7,342,000 |
| TOTAL ESTIMATED REVENUES | \$ 30,759,175 | \$ 2,278,000 | \$ 105,408,036 |
| APPROPRIATIONS | | | |
| Personnel services | \$ 1,435,523 | \$ 1,254,000 | \$ 32,022,777 |
| Supplies | 88,275 | - | \$ 1,691,955 |
| Other services and charges | 23,456,240 | 319,000 | \$ 41,035,617 |
| Capital outlay | 3,033,013 | - | \$ 16,304,557 |
| Debt Service | 1,578,124 | - | \$ 5,234,954 |
| Transfer Out | - | - | \$ 7,392,000 |
| TOTAL APPROPRIATIONS | \$ 29,591,175 | \$ 1,573,000 | \$ 103,681,860 |
| Estimated Beginning Unassigned Fund Balance - July 1, 2019 | | | \$ 221,576,141 |
| Estimated Ending Unassigned Fund Balance - June 30, 2020 | | | \$ 223,302,317 |
| Fund balance as a percentage of total annual expenditures | | | 215% |
| Estimated Change in Fund Balance | | | 1% |

FINANCIAL SUMMARIES

General Fund

General Fund

The General Fund is used to account for all financial resources traditionally associated with City government, except those required to be accounted for in another fund. The General Fund includes police, fire, planning, engineering, building inspection, neighborhood services, public works, assessing, and internal services such as information technology and finance. The two primary sources of revenue for this fund are general property taxes and State Shared Revenue. In addition, the General Fund also receives revenue from licenses and permits, grants, fines and forfeitures and interest on investments.

GENERAL FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| PROPERTY TAX REVENUE | | | | | |
| Property Tax Revenue - Current Levy | \$ 17,049,995 | \$ 17,705,437 | \$ 18,590,709 | \$ 19,334,337 | \$ 20,107,711 |
| Property Tax Revenue- County Chargebacks | 21,726 | 23,000 | 21,000 | 21,000 | 21,000 |
| Property Tax Revenue - Tax Tribunal Accr | 38,000 | 3,000 | 5,000 | 5,000 | 5,000 |
| Property Tax Revenue -Brownfield Capture | (1,448) | (1,553) | (1,617) | (1,682) | (1,749) |
| Property Tax Revenue -Police & Fire Levy | 4,843,338 | 5,032,611 | 5,283,610 | 5,494,675 | 5,714,198 |
| Property Tax Revenue - Brownfield Cap 2015 | (9,403) | (11,228) | (20,000) | (30,000) | (40,000) |
| Property Tax Revenue - PA 359 Advertising | - | 49,955 | 50,000 | 50,000 | 50,000 |
| Property Tax Revenue - C/Y Delequent PPT | (52,964) | (30,841) | (35,000) | (36,000) | (37,000) |
| Trailer Tax fees | 9,977 | 11,514 | 11,500 | 11,750 | 12,000 |
| Penalty and interest | 156,741 | 162,700 | 160,000 | 165,000 | 170,000 |
| PROPERTY TAX REVENUE | \$ 22,055,962 | \$ 22,944,595 | \$ 24,065,202 | \$ 25,014,080 | \$ 26,001,160 |
| DONATIONS | | | | | |
| Police Dept Donations | \$ 130 | \$ 250 | \$ 500 | \$ 500 | \$ 500 |
| Restricted Fire donations | - | 2,100 | 500 | 500 | 500 |
| Contributions | - | 750 | - | - | - |
| DONATIONS | \$ 130 | \$ 3,100 | \$ 1,000 | \$ 1,000 | \$ 1,000 |

FINANCIAL SUMMARIES

GENERAL FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|
| LICENSES, PERMITS & CHARGES FOR SVCS | | | | | |
| Clerks Dept Fees (prior business regist) | \$ 24,980 | \$ 27,000 | \$ 28,000 | \$ 29,000 | \$ 29,000 |
| Liquor license fees | 59,315 | 65,000 | 65,000 | 65,000 | 65,000 |
| Engineering review fees | 212,918 | 250,000 | 250,000 | 250,000 | 230,000 |
| Plan and landscape review fees | 98,700 | 130,000 | 130,000 | 130,000 | 130,000 |
| Wet, Wood, Landscape insp/review fees | 95,553 | 136,400 | 420,000 | 373,000 | 200,000 |
| Building permits | 704,715 | 900,000 | 900,000 | 880,000 | 850,000 |
| Plan review fees | 327,293 | 450,000 | 400,000 | 375,000 | 375,000 |
| Refrigeration permits | 68,802 | 65,000 | 70,000 | 65,000 | 65,000 |
| Electrical permits | 228,591 | 210,000 | 230,000 | 220,000 | 220,000 |
| Heating permits | 192,542 | 190,000 | 200,000 | 200,000 | 200,000 |
| Plumbing permits | 168,274 | 125,000 | 130,000 | 125,000 | 125,000 |
| Other charges | 350,676 | 389,000 | 420,000 | 400,000 | 325,000 |
| Court abatement revenue | 2,558 | 500 | - | - | - |
| Soil erosion fees | 16,444 | 25,000 | 26,000 | 27,000 | 27,000 |
| Cable television fee | 915,141 | 975,000 | 935,000 | 950,000 | 975,000 |
| Weed cutting revenue | 4,985 | 6,000 | 6,000 | 6,000 | 6,000 |
| Board of appeals | 17,045 | 21,000 | 21,000 | 21,000 | 21,000 |
| Police department-miscellaneous revenue | 130,468 | 139,000 | 139,000 | 139,000 | 139,000 |
| Police dispatch service revenue | 122,090 | 125,753 | 134,604 | 141,333 | 148,401 |
| Police contracted services | 99,373 | 100,000 | 100,000 | 100,000 | 100,000 |
| Police OWI revenue | 726 | 800 | 1,000 | 1,000 | 1,000 |
| Police Department - Hosted Training | 60 | 10,000 | 20,000 | 20,000 | 20,000 |
| Administrative reimburse | 65,900 | 135,000 | 140,000 | 140,000 | 140,000 |
| Fire Station CEMS revenue | 9,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| LICENSES, PERMITS & CHARGES FOR SVCS | \$ 3,916,149 | \$ 4,487,453 | \$ 4,777,604 | \$ 4,669,333 | \$ 4,403,401 |
| FEDERAL GRANTS | | | | | |
| Federal Grants | \$ 5,325 | \$ 6,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| TIA Grant | 13,195 | 300 | 10,000 | 10,000 | 10,000 |
| Federal forfeitures-reimbursement only | 27,164 | 27,000 | 30,000 | 30,000 | 30,000 |
| SS Task Force Reimbursement | 22,436 | 20,000 | 20,000 | 20,000 | 20,000 |
| FEDERAL GRANTS | \$ 68,120 | \$ 53,300 | \$ 65,000 | \$ 65,000 | \$ 65,000 |
| FINES AND FORFEITURES | | | | | |
| Court fees and fines | \$ 490,091 | \$ 510,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Motor carrier fines and fees | 20,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| FINES AND FORFEITURES | \$ 510,091 | \$ 535,000 | \$ 525,000 | \$ 525,000 | \$ 525,000 |

FINANCIAL SUMMARIES

GENERAL FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| INTEREST INCOME | | | | | |
| Interest on Investments | \$ 354,060 | \$ 405,374 | \$ 350,000 | \$ 350,000 | \$ 350,000 |
| Unrealized gain (loss) on investments | (189,722) | 150,000 | 150,000 | (25,000) | 25,000 |
| Interest on Trust & Agency Funds | 200,217 | 244,826 | 247,033 | 256,158 | 251,698 |
| INTEREST INCOME | \$ 364,555 | \$ 800,200 | \$ 747,033 | \$ 581,158 | \$ 626,698 |
| OTHER REVENUE | | | | | |
| Insurance Reimbursement | \$ 46,185 | \$ 30,000 | \$ 35,000 | \$ 35,000 | \$ 35,000 |
| Fire Department | 12,979 | 10,000 | 10,000 | 10,000 | 10,000 |
| Fire Department Hosted Training | 4,775 | - | - | - | - |
| Novi Youth Council | 3,789 | 9,500 | 9,500 | 9,500 | 9,500 |
| Miscellaneous income | 143,221 | 199,000 | 245,000 | 245,000 | 175,000 |
| Internal Events - Eco Develop | 284 | - | - | - | - |
| Filming permit revenue | - | 200 | - | - | - |
| Library Network Charges | 21,877 | 35,000 | 22,000 | 22,000 | 22,000 |
| State of the City revenue | 225 | 4,000 | 4,000 | 4,000 | 4,000 |
| Novi Township assessment | 16,370 | 17,100 | 16,100 | 16,100 | 16,100 |
| RRRASOC Hosting Fees | 31,938 | 16,000 | 16,000 | 16,000 | 16,000 |
| Cell tower revenue | 62,593 | 40,000 | 40,000 | 40,000 | 40,000 |
| Sale of fixed assets | 27,295 | 30,000 | 30,000 | - | - |
| Municipal service charges | 365,270 | 365,270 | 365,270 | 365,270 | 365,270 |
| OTHER REVENUE | \$ 736,801 | \$ 756,070 | \$ 792,870 | \$ 762,870 | \$ 692,870 |
| STATE SOURCES | | | | | |
| Police training grant | \$ 34,067 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| State revenue sharing | 4,752,364 | 4,874,915 | 4,872,925 | 4,970,383 | 5,069,791 |
| STATE SOURCES | \$ 4,786,431 | \$ 4,899,915 | \$ 4,897,925 | \$ 4,995,383 | \$ 5,094,791 |
| TOTAL ESTIMATED REVENUES | \$ 32,438,239 | \$ 34,479,633 | \$ 35,871,634 | \$ 36,613,824 | \$ 37,409,920 |

FINANCIAL SUMMARIES

GENERAL FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--------------------------------------|-------------------|----------------------|-------------------|----------------------|----------------------|
| APPROPRIATIONS | | | | | |
| Dept 101.00-CITY COUNCIL | | | | | |
| PERSONNEL SERVICES | \$ 36,106 | \$ 36,113 | \$ 36,130 | \$ 36,132 | \$ 36,134 |
| SUPPLIES | 198 | 290 | 200 | 200 | 200 |
| OTHER SERVICES AND CHARGES | 22,960 | 10,210 | 11,900 | 11,925 | 11,950 |
| TOTAL Dept 101.00-CITY COUNCIL | \$ 59,264 | \$ 46,613 | \$ 48,230 | \$ 48,257 | \$ 48,284 |
| Dept 172.00-CITY MANAGER | | | | | |
| PERSONNEL SERVICES | \$ 518,911 | \$ 532,642 | \$ 546,239 | \$ 561,486 | \$ 574,652 |
| SUPPLIES | 1,518 | 1,500 | 1,500 | 1,500 | 1,500 |
| OTHER SERVICES AND CHARGES | 112,929 | 132,000 | 119,170 | 119,195 | 119,220 |
| CAPITAL OUTLAY | - | 6,700 | - | - | - |
| TOTAL Dept 172.00-CITY MANAGER | \$ 633,358 | \$ 672,842 | \$ 666,909 | \$ 682,181 | \$ 695,372 |
| <i>Financial Services</i> | | | | | |
| Dept 201.00-FINANCE DEPARTMENT | | | | | |
| PERSONNEL SERVICES | \$ 873,029 | \$ 949,692 | \$ 926,304 | \$ 952,423 | \$ 1,006,921 |
| SUPPLIES | 5,937 | 11,200 | 9,000 | 9,200 | 9,400 |
| OTHER SERVICES AND CHARGES | 82,045 | 73,660 | 76,350 | 113,305 | 79,000 |
| TOTAL Dept 201.00-FINANCE DEPARTMENT | \$ 961,011 | \$ 1,034,552 | \$ 1,011,654 | \$ 1,074,928 | \$ 1,095,321 |
| Dept 253.00-TREASURY | | | | | |
| PERSONNEL SERVICES | \$ 283,366 | \$ 273,067 | \$ 275,279 | \$ 281,619 | \$ 288,725 |
| SUPPLIES | 30,553 | 32,375 | 28,500 | 29,500 | 30,500 |
| OTHER SERVICES AND CHARGES | 31,599 | 40,200 | 41,350 | 41,350 | 41,350 |
| CAPITAL OUTLAY | 1,447 | - | - | - | - |
| TOTAL Dept 253.00-TREASURY | \$ 346,965 | \$ 345,642 | \$ 345,129 | \$ 352,469 | \$ 360,575 |
| <i>Financial Services Total</i> | \$ 1,307,976 | \$ 1,380,194 | \$ 1,356,783 | \$ 1,427,397 | \$ 1,455,896 |

FINANCIAL SUMMARIES

GENERAL FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|
| <i>Integrated Solutions</i> | | | | | |
| Dept 205.00-INFORMATION TECHNOLOGY | | | | | |
| PERSONNEL SERVICES | \$ 747,635 | \$ 758,397 | \$ 801,088 | \$ 827,165 | \$ 851,395 |
| SUPPLIES | 31,545 | 53,650 | 74,110 | 73,710 | 73,710 |
| OTHER SERVICES AND CHARGES | 207,215 | 290,970 | 370,280 | 371,940 | 355,780 |
| CAPITAL OUTLAY | 9,154 | 48,628 | 59,350 | 63,000 | - |
| TOTAL Dept 205.00-INFORMATION TECHNOLOGY | \$ 995,549 | \$ 1,151,645 | \$ 1,304,828 | \$ 1,335,815 | \$ 1,280,885 |
| Dept 265.00-FACILITY MANAGEMENT | | | | | |
| PERSONNEL SERVICES | \$ 345,255 | \$ 325,453 | \$ 322,085 | \$ 331,565 | \$ 340,043 |
| SUPPLIES | 60,849 | 18,500 | 18,500 | 18,500 | 18,500 |
| OTHER SERVICES AND CHARGES | 640,511 | 634,282 | 618,030 | 603,090 | 570,030 |
| CAPITAL OUTLAY | 4,999 | 29,654 | 231,830 | 568,670 | 1,377,860 |
| TOTAL Dept 265.00-FACILITY MANAGEMENT | \$ 1,051,614 | \$ 1,007,889 | \$ 1,190,445 | \$ 1,521,825 | \$ 2,306,433 |
| Dept 265.10-FACILITY MANAGEMENT - PARKS MAINT | | | | | |
| PERSONNEL SERVICES | \$ 365,206 | \$ 523,598 | \$ 514,729 | \$ 520,379 | \$ 536,633 |
| SUPPLIES | 23,308 | 23,500 | 23,500 | 23,500 | 23,500 |
| OTHER SERVICES AND CHARGES | 295,223 | 344,237 | 320,340 | 321,340 | 321,340 |
| CAPITAL OUTLAY | 91,415 | 637,013 | 43,700 | 202,390 | 87,000 |
| TOTAL Dept 265.10-FAC MGMNT - PARKS MAINT | \$ 775,152 | \$ 1,528,348 | \$ 902,269 | \$ 1,067,609 | \$ 968,473 |
| <i>Integrated Solutions Total</i> | \$ 2,822,315 | \$ 3,687,882 | \$ 3,397,542 | \$ 3,925,249 | \$ 4,555,791 |
| Dept 209.00-ASSESSING DEPARTMENT | | | | | |
| PERSONNEL SERVICES | \$ 629,240 | \$ 609,365 | \$ 627,434 | \$ 644,468 | \$ 663,443 |
| SUPPLIES | 16,434 | 17,000 | 18,000 | 18,000 | 18,000 |
| OTHER SERVICES AND CHARGES | 150,892 | 200,250 | 218,910 | 211,810 | 215,910 |
| CAPITAL OUTLAY | - | - | - | - | 24,000 |
| TOTAL Dept 209.00-ASSESSING DEPARTMENT | \$ 796,566 | \$ 826,615 | \$ 864,344 | \$ 874,278 | \$ 921,353 |
| Dept 210.00-CITY ATTORNEY, INSURANCE, & CLAIMS | | | | | |
| OTHER SERVICES AND CHARGES | \$ 680,799 | \$ 702,428 | \$ 772,898 | \$ 804,801 | \$ 814,801 |
| CAPITAL OUTLAY | 428 | 20,000 | 50,000 | 50,000 | 50,000 |
| TOTAL Dept 210.00-CTY ATTRNY, INSUR, & CLAIMS | \$ 681,227 | \$ 722,428 | \$ 822,898 | \$ 854,801 | \$ 864,801 |
| Dept 215.00-CITY CLERK | | | | | |
| PERSONNEL SERVICES | \$ 580,483 | \$ 614,986 | \$ 623,535 | \$ 639,215 | \$ 657,680 |
| SUPPLIES | 37,527 | 48,000 | 39,000 | 39,000 | 39,000 |
| OTHER SERVICES AND CHARGES | 86,091 | 228,650 | 179,580 | 194,580 | 177,580 |
| CAPITAL OUTLAY | 3,647 | - | 41,700 | - | - |
| TOTAL Dept 215.00-CITY CLERK | \$ 707,748 | \$ 891,636 | \$ 883,815 | \$ 872,795 | \$ 874,260 |

FINANCIAL SUMMARIES

GENERAL FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Dept 270.00-HUMAN RESOURCES | | | | | |
| PERSONNEL SERVICES | \$ 369,765 | \$ 381,013 | \$ 383,576 | \$ 395,213 | \$ 406,334 |
| SUPPLIES | 670 | 1,000 | 1,000 | 1,000 | 1,000 |
| OTHER SERVICES AND CHARGES | 117,054 | 124,700 | 115,930 | 191,955 | 115,980 |
| CAPITAL OUTLAY | - | 14,923 | - | - | - |
| TOTAL Dept 270.00-HUMAN RESOURCES | \$ 487,489 | \$ 521,636 | \$ 500,506 | \$ 588,168 | \$ 523,314 |
| Dept 295.00-COMMUNITY RELATIONS | | | | | |
| PERSONNEL SERVICES | \$ 330,323 | \$ 314,877 | \$ 322,662 | \$ 333,520 | \$ 342,939 |
| SUPPLIES | 11,542 | 10,800 | 10,900 | 10,900 | 10,900 |
| OTHER SERVICES AND CHARGES | 414,601 | 391,985 | 385,470 | 398,470 | 398,470 |
| TOTAL Dept 295.00-COMMUNITY RELATIONS | \$ 756,466 | \$ 717,662 | \$ 719,032 | \$ 742,890 | \$ 752,309 |
| Dept 296.00 ECONOMIC DEVELOPMENT | | | | | |
| PERSONNEL SERVICES | \$ 139,846 | \$ 110,998 | \$ 153,174 | \$ 156,795 | \$ 159,698 |
| SUPPLIES | 340 | 800 | - | - | - |
| OTHER SERVICES AND CHARGES | 20,522 | 100,700 | 28,490 | 28,515 | 28,540 |
| CAPITAL OUTLAY | 7,500 | - | - | - | - |
| TOTAL Dept 296.00 ECONOMIC DEVELOPMENT | \$ 168,208 | \$ 212,498 | \$ 181,664 | \$ 185,310 | \$ 188,238 |
| <i>Public Safety</i> | | | | | |
| Dept 301.00-POLICE DEPARTMENT | | | | | |
| PERSONNEL SERVICES | \$ 11,559,960 | \$ 11,654,120 | \$ 11,896,655 | \$ 12,241,443 | \$ 12,609,205 |
| SUPPLIES | 290,839 | 318,010 | 263,890 | 263,890 | 263,890 |
| OTHER SERVICES AND CHARGES | 1,033,523 | 1,105,695 | 1,108,760 | 1,110,260 | 1,111,260 |
| CAPITAL OUTLAY | 377,787 | 60,500 | - | 177,850 | - |
| TOTAL Dept 301.00-POLICE DEPARTMENT | \$ 13,262,109 | \$ 13,138,325 | \$ 13,269,305 | \$ 13,793,443 | \$ 13,984,355 |
| Dept 337.00-FIRE DEPARTMENT | | | | | |
| PERSONNEL SERVICES | \$ 4,861,691 | \$ 4,941,846 | \$ 4,933,485 | \$ 5,129,336 | \$ 5,276,761 |
| SUPPLIES | 164,934 | 244,865 | 193,500 | 174,000 | 174,000 |
| OTHER SERVICES AND CHARGES | 653,546 | 700,925 | 608,330 | 609,330 | 610,330 |
| CAPITAL OUTLAY | 111,420 | 697,900 | 574,970 | 61,500 | - |
| TOTAL Dept 337.00-FIRE DEPARTMENT | \$ 5,791,591 | \$ 6,585,536 | \$ 6,310,285 | \$ 5,974,166 | \$ 6,061,091 |
| Public Safety Total | \$ 19,053,700 | \$ 19,723,861 | \$ 19,579,590 | \$ 19,767,609 | \$ 20,045,446 |
| <i>Community Development</i> | | | | | |
| Dept 371.00-COMMUNITY DEVELOPMENT-BUILDING | | | | | |
| PERSONNEL SERVICES | \$ 1,638,216 | \$ 1,630,715 | \$ 1,707,718 | \$ 1,751,549 | \$ 1,797,388 |
| SUPPLIES | 15,648 | 32,700 | 33,200 | 33,200 | 33,200 |
| OTHER SERVICES AND CHARGES | 359,983 | 362,461 | 337,250 | 337,350 | 404,450 |
| CAPITAL OUTLAY | 27,097 | - | 24,000 | 16,850 | 24,000 |
| TOTAL Dept 371.00-COMM DEVELOP-BUILDING | \$ 2,040,944 | \$ 2,025,876 | \$ 2,102,168 | \$ 2,138,949 | \$ 2,259,038 |
| Dept 807.00-COMMUNITY DEVELOPMENT-PLANNING | | | | | |
| PERSONNEL SERVICES | \$ 457,130 | \$ 469,421 | \$ 484,123 | \$ 520,316 | \$ 508,895 |
| SUPPLIES | 854 | 5,700 | 5,600 | 5,600 | 5,600 |
| OTHER SERVICES AND CHARGES | 108,643 | 189,205 | 103,110 | 103,110 | 53,110 |
| CAPITAL OUTLAY | 18,990 | - | - | - | - |
| TOTAL Dept 807.00-COMM DEVELOP-PLANNING | \$ 585,617 | \$ 664,326 | \$ 592,833 | \$ 629,026 | \$ 567,605 |
| Community Development Total | \$ 2,626,561 | \$ 2,690,202 | \$ 2,695,001 | \$ 2,767,975 | \$ 2,826,643 |

FINANCIAL SUMMARIES

GENERAL FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|
| <i>Department of Public Works</i> | | | | | |
| Dept 442.00-DPW ADMINISTRATION DIVISION | | | | | |
| PERSONNEL SERVICES | \$ 198,765 | \$ 285,968 | \$ 284,644 | \$ 291,965 | \$ 300,666 |
| SUPPLIES | 10,382 | 37,336 | 10,900 | 10,900 | 10,900 |
| OTHER SERVICES AND CHARGES | 155,809 | 124,515 | 120,540 | 120,590 | 139,140 |
| CAPITAL OUTLAY | 6,700 | - | - | - | - |
| TOTAL Dept 442.00-DPW ADMINISTRATION | \$ 371,656 | \$ 447,819 | \$ 416,084 | \$ 423,455 | \$ 450,706 |
| Dept 442.10-DPW ENGINEERING DIVISION | | | | | |
| PERSONNEL SERVICES | \$ 182,206 | \$ 152,415 | \$ 184,904 | \$ 200,239 | \$ 213,967 |
| SUPPLIES | 2,720 | 2,000 | 2,000 | 2,000 | 2,000 |
| OTHER SERVICES AND CHARGES | 313,174 | 198,406 | 174,100 | 170,150 | 170,200 |
| CAPITAL OUTLAY | 30,568 | 225,117 | 25,000 | 152,978 | - |
| TOTAL Dept 442.10-DPW ENGINEERING DIVISION | \$ 528,668 | \$ 577,938 | \$ 386,004 | \$ 525,367 | \$ 386,167 |
| Dept 442.20-DPW FIELD OPERATIONS DIVISION | | | | | |
| PERSONNEL SERVICES | \$ 220,926 | \$ 140,107 | \$ 251,379 | \$ 325,160 | \$ 380,635 |
| SUPPLIES | 85,007 | 98,562 | 108,500 | 109,500 | 109,500 |
| OTHER SERVICES AND CHARGES | 683,763 | 643,998 | 589,610 | 564,560 | 564,660 |
| CAPITAL OUTLAY | 573,763 | 1,024,901 | 974,000 | 77,000 | 234,000 |
| TOTAL Dept 442.20-DPW FIELD OPERATIONS | \$ 1,563,459 | \$ 1,907,568 | \$ 1,923,489 | \$ 1,076,220 | \$ 1,288,795 |
| Dept 442.30-DPW FLEET ASSET DIVISION | | | | | |
| PERSONNEL SERVICES | \$ 350,658 | \$ 362,703 | \$ 387,826 | \$ 399,570 | \$ 410,836 |
| SUPPLIES | 43,264 | 44,500 | 27,000 | 27,000 | 27,000 |
| OTHER SERVICES AND CHARGES | 335,555 | 335,200 | 354,420 | 345,640 | 348,140 |
| CAPITAL OUTLAY | 256,850 | 106,043 | - | 60,200 | 91,000 |
| TOTAL Dept 442.30-DPW FLEET ASSET DIVISION | \$ 986,327 | \$ 848,446 | \$ 769,246 | \$ 832,410 | \$ 876,976 |
| <i>Department of Public Works Total</i> | \$ 3,450,110 | \$ 3,781,771 | \$ 3,494,823 | \$ 2,857,452 | \$ 3,002,644 |

FINANCIAL SUMMARIES

GENERAL FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|
| Dept 665.00-NOVI YOUTH ASSISTANCE | | | | | |
| PERSONNEL SERVICES | \$ 47,363 | \$ 47,159 | \$ 47,212 | \$ 47,792 | \$ 48,377 |
| SUPPLIES | 4,670 | 6,500 | 6,500 | 6,500 | 6,500 |
| OTHER SERVICES AND CHARGES | 294 | 100 | - | - | - |
| TOTAL Dept 665.00-NOVI YOUTH ASSISTANCE | \$ 52,327 | \$ 53,759 | \$ 53,712 | \$ 54,292 | \$ 54,877 |
| Dept 803.00-HISTORICAL COMMISSION | | | | | |
| OTHER SERVICES AND CHARGES | \$ 5,199 | \$ 14,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 |
| TOTAL Dept 803.00-HISTORICAL COMMISSION | \$ 5,199 | \$ 14,000 | \$ 8,000 | \$ 8,000 | \$ 8,000 |
| Dept 940.00-TRANSFER TO OTHER FUNDS | | | | | |
| TRANSFERS OUT | \$ (83,500) | \$ 256,800 | \$ 350,000 | \$ 275,000 | \$ 274,075 |
| TOTAL Dept 940.00-TRANSFER TO OTHER FUNDS | \$ (83,500) | \$ 256,800 | \$ 350,000 | \$ 275,000 | \$ 274,075 |
| TOTAL APPROPRIATIONS | \$33,525,014 | \$ 36,200,399 | \$ 35,622,849 | \$35,931,654 | \$ 37,091,303 |
| NET OF REVENUES/APPROPRIATIONS | \$ (1,086,775) | \$ (1,720,766) | \$ 248,785 | \$ 682,170 | \$ 318,617 |
| BEGINNING FUND BALANCE | 12,905,841 | 11,819,066 | 10,098,300 | 10,347,085 | 11,029,255 |
| ENDING FUND BALANCE | \$11,819,066 | \$ 10,098,300 | \$ 10,347,085 | \$11,029,255 | \$ 11,347,872 |

| Fund balance as a percentage of total annual expenditures | 35% | 28% | 29% | 31% | 31% |
|---|--------------|--------------|--------------|--------------|--------------|
| Ending Fund Balance (22% min) | \$ 7,375,503 | \$ 7,964,088 | \$ 7,837,027 | \$ 7,904,964 | \$ 8,160,087 |
| Funds above / (below) 22% min | \$ 4,443,563 | \$ 2,134,212 | \$ 2,510,058 | \$ 3,124,291 | \$ 3,187,785 |
| Ending Fund Balance (25% max) | \$ 8,381,254 | \$ 9,050,100 | \$ 8,905,712 | \$ 8,982,914 | \$ 9,272,826 |
| Funds above / (below) 25% max | \$ 3,437,813 | \$ 1,048,200 | \$ 1,441,373 | \$ 2,046,342 | \$ 2,075,046 |
| Estimated Change in Fund Balance | -8% | -15% | 2% | 7% | 3% |

* **Total Appropriations** include service improvements, capital outlay, vehicles, and capital improvements. The level of such expenditures is dictated by available funds from accumulated fund balance and anticipated revenue above annual expenditures in conjunction with the targeted fund balance.

FINANCIAL SUMMARIES

Special Revenue Funds

Major Street Fund

The Major Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the Major Street portion (as defined by State Act 51) of the City's street network. Financing is primarily provided by the City's share of State gas and weight taxes.

MAJOR STREET FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Interest income | \$ 26,065 | \$ 31,660 | \$ 3,582 | \$ 4,918 | \$ 5,759 |
| Other revenue | 70,000 | - | - | - | - |
| State sources | 4,147,839 | 4,698,000 | 4,555,000 | 4,914,000 | 5,307,000 |
| Transfers in | - | - | - | 538,000 | 1,390,000 |
| TOTAL ESTIMATED REVENUES | \$ 4,243,904 | \$ 4,729,660 | \$ 4,558,582 | \$ 5,456,918 | \$ 6,702,759 |
| APPROPRIATIONS | | | | | |
| Other services and charges | \$ 1,489,282 | \$ 1,702,565 | \$ 1,632,350 | \$ 1,582,350 | \$ 1,582,350 |
| Capital outlay | (319,230) | 3,915,049 | 2,681,232 | 3,944,568 | 5,032,409 |
| Transfers out | 1,900,000 | 300,000 | 200,000 | - | - |
| TOTAL APPROPRIATIONS | \$ 3,070,052 | \$ 5,917,614 | \$ 4,513,582 | \$ 5,526,918 | \$ 6,614,759 |
| NET OF REVENUES/APPROPRIATIONS - FUND 202 | \$ 1,173,852 | \$ (1,187,954) | \$ 45,000 | \$ (70,000) | \$ 88,000 |
| BEGINNING FUND BALANCE | 626,757 | 1,800,609 | 612,655 | 657,655 | 587,655 |
| ENDING FUND BALANCE | \$ 1,800,609 | \$ 612,655 | \$ 657,655 | \$ 587,655 | \$ 675,655 |
| Fund balance as a percentage of total annual expenditures | 59% | 10% | 15% | 11% | 10% |
| Ending Fund Balance (10% minimum) | \$ 307,005 | \$ 591,761 | \$ 451,358 | \$ 552,692 | \$ 661,476 |
| Funds above / (below) 10% minimum | \$ 1,493,604 | \$ 20,894 | \$ 206,297 | \$ 34,963 | \$ 14,179 |
| Ending Fund Balance (20% maximum) | \$ 614,010 | \$ 1,183,523 | \$ 902,716 | \$ 1,105,384 | \$ 1,322,952 |
| Funds above / (below) 20% maximum | \$ 1,186,599 | \$ (570,868) | \$ (245,061) | \$ (517,729) | \$ (647,297) |
| Estimated Change in Fund Balance | 187% | -66% | 7% | -11% | 15% |

FINANCIAL SUMMARIES

Local Street Fund

The Local Street Fund's purpose is to account for expenditures associated with the construction and maintenance needs of the City's Local Streets. Financing is provided by the City's share of State gas and weight taxes and transfers from other funds.

LOCAL STREET FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED | |
|---|---------------------|----------------------|---------------------|---------------------|---------------------|
| | | | | 2020-21 | 2021-22 |
| ESTIMATED REVENUES | | | | | |
| Interest income | \$ 9,669 | \$ 10,654 | \$ 2,868 | \$ 3,901 | \$ 3,900 |
| Other revenue | 24,535 | 205,656 | - | - | - |
| State sources | 1,461,362 | 1,655,403 | 1,603,000 | 1,732,000 | 1,870,000 |
| Transfers in | 1,900,000 | 4,886,000 | 6,235,000 | 3,781,000 | 3,057,000 |
| TOTAL ESTIMATED REVENUES | \$ 3,395,566 | \$ 6,757,713 | \$ 7,840,868 | \$ 5,516,901 | \$ 4,930,900 |
| APPROPRIATIONS | | | | | |
| Other services and charges | \$ 1,290,399 | \$ 2,008,473 | \$ 1,774,900 | \$ 1,824,900 | \$ 1,824,900 |
| Capital outlay | 2,205,447 | 4,577,128 | 5,745,968 | 4,147,001 | 3,200,000 |
| TOTAL APPROPRIATIONS | \$ 3,495,846 | \$ 6,585,601 | \$ 7,520,868 | \$ 5,971,901 | \$ 5,024,900 |
| NET OF REVENUES/APPROPRIATIONS - FUND 203 | \$ (100,280) | \$ 172,112 | \$ 320,000 | \$ (455,000) | \$ (94,000) |
| BEGINNING FUND BALANCE | 642,464 | 542,184 | 714,296 | 1,034,296 | 579,296 |
| ENDING FUND BALANCE | \$ 542,184 | \$ 714,296 | \$ 1,034,296 | \$ 579,296 | \$ 485,296 |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Fund balance as a percentage of total annual expenditures | 16% | 11% | 14% | 10% | 10% |
| Ending Fund Balance (10% minimum) | \$ 349,585 | \$ 658,560 | \$ 752,087 | \$ 597,190 | \$ 502,490 |
| Funds above / (below) 10% minimum | \$ 192,599 | \$ 55,736 | \$ 282,209 | \$ (17,894) | \$ (17,194) |
| Ending Fund Balance (20% maximum) | \$ 699,169 | \$ 1,317,120 | \$ 1,504,174 | \$ 1,194,380 | \$ 1,004,980 |
| Funds above / (below) 20% maximum | \$ (156,985) | \$ (602,824) | \$ (469,878) | \$ (615,084) | \$ (519,684) |
| Estimated Change in Fund Balance | -16% | 32% | 45% | -44% | -16% |

FINANCIAL SUMMARIES

Municipal Street Fund

The Municipal Street Fund is used to enhance the Major and Local Street Funds, and to provide matching funds for County roads. This fund accounts for a City Charter authorized property tax millage to supplement the Major and Local Street Funds that have limited resources due to the reliance on the State gas and weight tax.

MUNICIPAL STREET FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Property tax revenue | \$ 5,097,215 | \$ 5,283,136 | \$ 5,502,800 | \$ 5,722,433 | \$ 5,981,889 |
| Interest income | 51,138 | 61,302 | 58,160 | 52,485 | 48,544 |
| Licenses, permits & charges for services | 7,200 | 25,000 | 10,000 | 10,000 | 10,000 |
| Other revenue | 409,748 | 392,557 | 307,000 | 694,259 | 318,000 |
| Special assessments levied | 13,769 | 13,031 | - | - | - |
| TOTAL ESTIMATED REVENUES | \$ 5,579,070 | \$ 5,775,026 | \$ 5,877,960 | \$ 6,479,177 | \$ 6,358,433 |
| APPROPRIATIONS | | | | | |
| Other services and charges | \$ 544,799 | \$ 637,567 | \$ 802,979 | \$ 621,625 | \$ 648,125 |
| Capital outlay | 913,113 | 1,828,266 | 623,981 | 1,526,552 | 1,300,308 |
| Transfers out | 3,530,000 | 4,586,000 | 6,035,000 | 4,319,000 | 4,447,000 |
| TOTAL APPROPRIATIONS | \$ 4,987,912 | \$ 7,051,833 | \$ 7,461,960 | \$ 6,467,177 | \$ 6,395,433 |
| NET OF REVENUES/APPROPRIATIONS - FUND 204 | \$ 591,158 | \$ (1,276,807) | \$ (1,584,000) | \$ 12,000 | \$ (37,000) |
| BEGINNING FUND BALANCE | 3,040,438 | 3,631,596 | 2,354,789 | 770,789 | 782,789 |
| ENDING FUND BALANCE | \$ 3,631,596 | \$ 2,354,789 | \$ 770,789 | \$ 782,789 | \$ 745,789 |

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Fund balance as a percentage of total annual expenditures | 73% | 33% | 10% | 12% | 12% |
| Ending Fund Balance (10% minimum) | \$ 498,791 | \$ 705,183 | \$ 746,196 | \$ 646,718 | \$ 639,543 |
| Funds above / (below) 10% minimum | \$ 3,132,805 | \$ 1,649,606 | \$ 24,593 | \$ 136,071 | \$ 106,246 |
| Ending Fund Balance (20% maximum) | \$ 997,582 | \$ 1,410,367 | \$ 1,492,392 | \$ 1,293,435 | \$ 1,279,087 |
| Funds above / (below) 20% maximum | \$ 2,634,014 | \$ 944,422 | \$ (721,603) | \$ (510,646) | \$ (533,298) |
| Estimated Change in Fund Balance | 19% | -35% | -67% | 2% | -5% |

FINANCIAL SUMMARIES

Parks, Recreation, and Cultural Services Fund

The departments within this fund administer all parks, recreation and cultural services operations, including strategic direction, policy development, resource identification, and serves as the liaison to the Parks, Recreation and Cultural Services Commission and the Novi Parks Foundation.

PARKS, RECREATION & CULTURAL SERVICES FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Property tax revenue | \$ 1,309,849 | \$ 1,357,654 | \$ 1,411,336 | \$ 1,470,729 | \$ 1,529,390 |
| Donations | 71,826 | 59,200 | 123,500 | 37,500 | 68,500 |
| Interest income | 16,487 | 20,805 | 30,000 | 16,772 | 16,656 |
| Older adult program revenue | 185,123 | 157,750 | 155,350 | 155,350 | 155,350 |
| Other revenue | 12,551 | 12,400 | 5,000 | 5,000 | 5,000 |
| Program revenue | 1,351,593 | 1,225,080 | 1,229,340 | 1,268,640 | 1,268,640 |
| Transfers in | (102,500) | 256,800 | 300,000 | 225,000 | 224,075 |
| TOTAL ESTIMATED REVENUES | \$ 2,844,929 | \$ 3,089,689 | \$ 3,254,526 | \$ 3,178,991 | \$ 3,267,611 |
| APPROPRIATIONS | | | | | |
| Personnel services | \$ 1,297,037 | \$ 1,241,830 | \$ 1,255,889 | \$ 1,318,991 | \$ 1,360,530 |
| Supplies | 48,197 | 98,991 | 69,680 | 64,680 | 64,680 |
| Other services and charges | 1,374,184 | 1,586,800 | 1,444,930 | 1,443,530 | 1,449,330 |
| Capital outlay | 344,306 | 462,100 | 717,640 | 302,122 | 341,015 |
| TOTAL APPROPRIATIONS | \$ 3,063,724 | \$ 3,389,721 | \$ 3,488,139 | \$ 3,129,323 | \$ 3,215,555 |
| NET OF REVENUES/APPROPRIATIONS - FUND 208 | \$ (218,795) | \$ (300,032) | \$ (233,613) | \$ 49,668 | \$ 52,056 |
| BEGINNING FUND BALANCE | 1,275,160 | 1,056,365 | 756,333 | 522,720 | 572,388 |
| ENDING FUND BALANCE | \$ 1,056,365 | \$ 756,333 | \$ 522,720 | \$ 572,388 | \$ 624,444 |

| | | | | | |
|--|-------------|-------------|--------------|--------------|-------------|
| Fund balance as a percentage of total annual expenditures | 34% | 22% | 15% | 18% | 19% |
| Ending Fund Balance (12% minimum) | \$ 367,647 | \$ 406,767 | \$ 418,577 | \$ 375,519 | \$ 385,867 |
| Funds above / (below) 12% minimum | \$ 688,718 | \$ 349,566 | \$ 104,143 | \$ 196,869 | \$ 238,577 |
| Ending Fund Balance (22% maximum) | \$ 674,019 | \$ 745,739 | \$ 767,391 | \$ 688,451 | \$ 707,422 |
| Funds above / (below) 22% maximum | \$ 382,346 | \$ 10,594 | \$ (244,671) | \$ (116,063) | \$ (82,978) |
| Estimated Change in Fund Balance | -17% | -28% | -31% | 10% | 9% |

FINANCIAL SUMMARIES

Tree Fund

This fund was established to cover most of the cost of City tree replacement and future maintenance costs. Proceeds vary from year to year and come from fines, fees paid by developers and street tree maintenance charges pursuant to the City Charter and Code of Ordinances.

| TREE FUND | | | | | |
|--|---------------------------|------------------------------|---------------------------|------------------------------|------------------------------|
| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
| ESTIMATED REVENUES | | | | | |
| State grants | \$ 402,500 | \$ 367,500 | \$ - | \$ - | \$ - |
| Interest income | 46,382 | 65,953 | 58,971 | 59,784 | 59,829 |
| Other revenue | 402,800 | 581,400 | 300,000 | 300,000 | 300,000 |
| TOTAL ESTIMATED REVENUES | \$ 851,682 | \$ 1,014,853 | \$ 358,971 | \$ 359,784 | \$ 359,829 |
| APPROPRIATIONS | | | | | |
| Personnel services | \$ 83,548 | \$ 99,398 | \$ 103,271 | \$ 104,864 | \$ 106,909 |
| Supplies | 791 | 1,000 | 1,000 | 1,000 | 1,000 |
| Other services and charges | 353,559 | 455,955 | 564,700 | 486,920 | 486,920 |
| Capital outlay | 567,411 | 541,434 | - | - | - |
| TOTAL APPROPRIATIONS | \$ 1,005,309 | \$ 1,097,787 | \$ 668,971 | \$ 592,784 | \$ 594,829 |
| NET OF REVENUES/APPROPRIATIONS - FUND 209 | \$ (153,627) | \$ (82,934) | \$ (310,000) | \$ (233,000) | \$ (235,000) |
| BEGINNING FUND BALANCE | 3,842,447 | 3,688,820 | 3,605,886 | 3,295,886 | 3,062,886 |
| ENDING FUND BALANCE | \$ 3,688,820 | \$ 3,605,886 | \$ 3,295,886 | \$ 3,062,886 | \$ 2,827,886 |
| Fund balance as a percentage of total annual expenditures | 367% | 328% | 493% | 517% | 475% |
| Ending Fund Balance (\$500,000 minimum) | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Funds above / (below) \$500,000 minimum | \$ 3,188,820 | \$ 3,105,886 | \$ 2,795,886 | \$ 2,562,886 | \$ 2,327,886 |
| Estimated Change in Fund Balance | -4% | -2% | -9% | -7% | -8% |

FINANCIAL SUMMARIES

Drain Fund

This fund includes a special property tax millage that was approved for the purpose of improving and maintaining the City's regional and arterial detention system.

DRAIN FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Property tax revenue | \$ 915,562 | \$ 1,516,637 | \$ 2,152,659 | \$ 2,237,845 | \$ 2,326,484 |
| Interest income | 19,931 | 21,223 | 4,872 | 5,778 | 3,365 |
| Other revenue | 58,865 | 90,000 | 10,000 | 10,000 | 10,000 |
| Transfers in | - | 3,647,000 | - | - | - |
| TOTAL ESTIMATED REVENUES | \$ 994,358 | \$ 5,274,860 | \$ 2,167,531 | \$ 2,253,623 | \$ 2,339,849 |
| APPROPRIATIONS | | | | | |
| Personnel services | \$ - | \$ 24,267 | \$ 23,360 | \$ 23,360 | \$ - |
| Other services and charges | 745,841 | 971,645 | 1,181,828 | 937,328 | 864,828 |
| Capital outlay | 2,327,401 | 3,705,228 | 155,343 | 810,935 | 936,021 |
| Debt service | - | - | - | - | 62,000 |
| Transfers out | - | 700,700 | 807,000 | 482,000 | 477,000 |
| TOTAL APPROPRIATIONS | \$ 3,073,242 | \$ 5,401,840 | \$ 2,167,531 | \$ 2,253,623 | \$ 2,339,849 |
| NET OF REVENUES/APPROPRIATIONS - FUND 210 | \$ (2,078,884) | \$ (126,980) | \$ - | \$ - | \$ - |
| BEGINNING FUND BALANCE | 2,205,864 | 126,980 | - | - | - |
| ENDING FUND BALANCE | \$ 126,980 | \$ - | \$ - | \$ - | \$ - |
| Fund balance as a percentage of total annual expenditures | 4% | 0% | 0% | 0% | 0% |
| Estimated Change in Fund Balance | -94% | -100% | 0% | 0% | 0% |

FINANCIAL SUMMARIES

Rubbish Collection Fund

The Rubbish Collection Fund records the activity related to the City of Novi trash/recycle program which began in July 2016. The City bills for half of the annual service on the July tax bill and the balance of the service is placed on the December tax bill.

RUBBISH COLLECTION FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Interest income | \$ 1,343 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Licenses, permits & charges for services | 2,178,103 | 2,425,000 | 2,475,000 | 2,550,000 | 2,625,000 |
| Other revenue | - | 3,770 | - | - | - |
| Transfers in | 19,000 | - | - | - | - |
| TOTAL ESTIMATED REVENUES | \$ 2,198,446 | \$ 2,429,770 | \$ 2,476,000 | \$ 2,551,000 | \$ 2,626,000 |
| APPROPRIATIONS | | | | | |
| Supplies | \$ 3,773 | \$ 4,770 | \$ - | \$ - | \$ - |
| Other services and charges | 2,194,673 | 2,425,000 | 2,476,000 | 2,551,000 | 2,626,000 |
| TOTAL APPROPRIATIONS | \$ 2,198,446 | \$ 2,429,770 | \$ 2,476,000 | \$ 2,551,000 | \$ 2,626,000 |
| NET OF REVENUES/APPROPRIATIONS - FUND 210 | \$ - | \$ - | \$ - | \$ - | \$ - |
| BEGINNING FUND BALANCE | - | - | - | - | - |
| ENDING FUND BALANCE | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fund balance as a percentage of total annual expenditures | 0% | 0% | 0% | 0% | 0% |
| Estimated Change in Fund Balance | 0% | 0% | 0% | 0% | 0% |

FINANCIAL SUMMARIES

PEG Cable Fund

This fund was established to track the revenues and expenditures related to providing cable services to the City, including cable franchise revenue and cable production fees.

PEG CABLE FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED | |
|---|-------------------|----------------------|-------------------|-------------------|-------------------|
| | | | | 2020-21 | 2021-22 |
| ESTIMATED REVENUES | | | | | |
| Interest income | \$ 5,398 | \$ 9,938 | \$ 5,061 | \$ 5,695 | \$ 5,438 |
| Licenses, permits & charges for services | 373,692 | 322,000 | 370,000 | 370,000 | 370,000 |
| TOTAL ESTIMATED REVENUES | \$ 379,090 | \$ 331,938 | \$ 375,061 | \$ 375,695 | \$ 375,438 |
| APPROPRIATIONS | | | | | |
| Personnel services | \$ 191,602 | \$ 224,666 | \$ 222,021 | \$ 226,655 | \$ 231,398 |
| Supplies | 3,727 | 6,282 | 5,000 | 5,000 | 5,000 |
| Other services and charges | 17,324 | 53,113 | 51,040 | 49,040 | 50,040 |
| Capital outlay | 20,903 | 87,076 | 40,000 | 60,000 | - |
| TOTAL APPROPRIATIONS | \$ 233,556 | \$ 371,137 | \$ 318,061 | \$ 340,695 | \$ 286,438 |
| NET OF REVENUES/APPROPRIATIONS - FUND 263 | \$ 145,534 | \$ (39,199) | \$ 57,000 | \$ 35,000 | \$ 89,000 |
| BEGINNING FUND BALANCE | 642,634 | 788,168 | 748,969 | 805,969 | 840,969 |
| ENDING FUND BALANCE | \$ 788,168 | \$ 748,969 | \$ 805,969 | \$ 840,969 | \$ 929,969 |
| Fund balance as a percentage of total annual expenditures | 337% | 202% | 253% | 247% | 325% |
| Estimated Change in Fund Balance | 23% | -5% | 8% | 4% | 11% |

FINANCIAL SUMMARIES

Community Development Block Grant (CDBG) Fund

This fund records federal grant monies passed through to the City from Oakland County. These funds are used to support the youth assistance program and minor home repair program.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 2021-22 | |
|--|--------------------|----------------------|-------------------|------------------------------|-------------------|
| ESTIMATED REVENUES | | | | | |
| Federal grants | \$ 99,885 | \$ 129,591 | \$ 106,207 | \$ 106,000 | \$ 106,000 |
| TOTAL ESTIMATED REVENUES | \$ 99,885 | \$ 129,591 | \$ 106,207 | \$ 106,000 | \$ 106,000 |
| APPROPRIATIONS | | | | | |
| Other services and charges | \$ 127,989 | \$ 100,000 | \$ 106,207 | \$ 106,000 | \$ 106,000 |
| TOTAL APPROPRIATIONS | \$ 127,989 | \$ 100,000 | \$ 106,207 | \$ 106,000 | \$ 106,000 |
| NET OF REVENUES/APPROPRIATIONS - FUND 264 | \$ (28,104) | \$ 29,591 | \$ - | \$ - | \$ - |
| BEGINNING FUND BALANCE | (1,487) | (29,591) | - | - | - |
| ENDING FUND BALANCE | \$ (29,591) | \$ - | \$ - | \$ - | \$ - |
| Fund balance as a percentage of total annual expenditures | -23% | 0% | 0% | 0% | 0% |
| Estimated Change in Fund Balance | 1890% | -100% | 0% | 0% | 0% |

FINANCIAL SUMMARIES

Forfeiture Fund

This fund records all receipts and expenditures relating to Federal, State, Local and OWI, forfeited and legally restricted, funds relating to narcotic trafficking, money laundering, State laws and ordinances.

FORFEITURE FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED | |
|--|-------------------|----------------------|-------------------|-------------------|-------------------|
| | | | | 2020-21 | 2021-22 |
| ESTIMATED REVENUES | | | | | |
| Federal grants | \$ - | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Fines and forfeitures | 297,462 | 164,050 | 209,000 | 209,000 | 209,000 |
| Interest income | 5,095 | 9,564 | 4,325 | 4,425 | 4,025 |
| Other revenue | 48,592 | 96,000 | 3,000 | 3,000 | 3,000 |
| TOTAL ESTIMATED REVENUES | \$ 351,149 | \$ 274,614 | \$ 221,325 | \$ 221,425 | \$ 221,025 |
| APPROPRIATIONS | | | | | |
| Supplies | \$ 36,160 | \$ 47,931 | \$ 38,900 | \$ 20,000 | \$ 20,000 |
| Other services and charges | 553 | 525 | 525 | 525 | 525 |
| Capital outlay | 294,042 | 314,708 | 329,900 | 338,900 | 292,500 |
| TOTAL APPROPRIATIONS | \$ 330,755 | \$ 363,164 | \$ 369,325 | \$ 359,425 | \$ 313,025 |
| NET OF REVENUES/APPROPRIATIONS - FUND 266 | \$ 20,394 | \$ (88,550) | \$ (148,000) | \$ (138,000) | \$ (92,000) |
| BEGINNING FUND BALANCE | 458,483 | 478,877 | 390,327 | 242,327 | 104,327 |
| ENDING FUND BALANCE | \$ 478,877 | \$ 390,327 | \$ 242,327 | \$ 104,327 | \$ 12,327 |
| Fund balance as a percentage of total annual expenditures | 145% | 107% | 66% | 29% | 4% |
| Estimated Change in Fund Balance | 4% | -18% | -38% | -57% | -88% |

FINANCIAL SUMMARIES

Library Fund

Novi Public Library provides the resources and programs to support the educational, cultural, informational and recreational needs of its diverse community. The Library supports intellectual freedom and access to information resources for all, while maintaining the privacy of its patrons and providing a safe and secure environment. The Library is funded primarily from property taxes in accordance with a special City Charter millage.

LIBRARY FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Property tax revenue | \$ 2,622,217 | \$ 2,721,780 | \$ 2,829,940 | \$ 2,941,938 | \$ 3,058,475 |
| Donations | 18,590 | 6,500 | 8,500 | 8,500 | 8,500 |
| Fines and forfeitures | 167,590 | 162,000 | 177,000 | 177,000 | 177,000 |
| Interest income | 26,180 | 36,000 | 33,792 | 34,201 | 35,663 |
| Other revenue | 79,291 | 72,750 | 78,400 | 78,450 | 78,500 |
| State sources | 38,689 | 34,000 | 38,000 | 39,000 | 40,000 |
| TOTAL ESTIMATED REVENUES | \$ 2,952,557 | \$ 3,033,030 | \$ 3,165,632 | \$ 3,279,089 | \$ 3,398,138 |
| APPROPRIATIONS | | | | | |
| Personnel services | \$ 1,768,166 | \$ 1,967,050 | \$ 2,018,532 | \$ 2,069,289 | \$ 2,118,938 |
| Supplies | 524,924 | 588,300 | 592,300 | 596,300 | 596,300 |
| Other services and charges | 534,384 | 514,900 | 521,800 | 523,500 | 527,900 |
| Capital outlay | 60,523 | 70,000 | 43,000 | 28,000 | - |
| TOTAL APPROPRIATIONS | \$ 2,887,997 | \$ 3,140,250 | \$ 3,175,632 | \$ 3,217,089 | \$ 3,243,138 |
| NET OF REVENUES/APPROPRIATIONS - FUND 268 | \$ 64,560 | \$ (107,220) | \$ (10,000) | \$ 62,000 | \$ 155,000 |
| BEGINNING FUND BALANCE | 1,839,990 | 1,904,550 | 1,797,330 | 1,787,330 | 1,849,330 |
| ENDING FUND BALANCE | \$ 1,904,550 | \$ 1,797,330 | \$ 1,787,330 | \$ 1,849,330 | \$ 2,004,330 |
| Fund balance as a percentage of total annual expenditures | 66% | 57% | 56% | 57% | 62% |
| Estimated Change in Fund Balance | 4% | -6% | -1% | 3% | 8% |

FINANCIAL SUMMARIES

Library Contribution Fund

In May 2004, the City of Novi's Library received a generous gift of \$1,000,000 from Charles and Myrtle Walker for use in the replacement or expansion of the then existing Library building. The Library Board also entered into a Library Building Fund Gift Agreement with the Walker family to encourage additional donations. The library has continued to receive donations. As of January 1, 2014, the restrictions on the use of these funds expired.

LIBRARY CONTRIBUTION FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Donations | \$ 30,216 | \$ 17,000 | \$ 6,500 | \$ 6,500 | \$ 6,500 |
| Interest income | 19,127 | 22,500 | 36,000 | 36,000 | 36,000 |
| TOTAL ESTIMATED REVENUES | \$ 49,343 | \$ 39,500 | \$ 42,500 | \$ 42,500 | \$ 42,500 |
| APPROPRIATIONS | | | | | |
| Supplies | \$ 28,691 | \$ 44,000 | \$ 21,500 | \$ 21,500 | \$ 21,500 |
| Capital outlay | 11,170 | 120,700 | - | - | - |
| TOTAL APPROPRIATIONS | \$ 39,861 | \$ 164,700 | \$ 21,500 | \$ 21,500 | \$ 21,500 |
| NET OF REVENUES/APPROPRIATIONS - FUND 269 | \$ 9,482 | \$ (125,200) | \$ 21,000 | \$ 21,000 | \$ 21,000 |
| BEGINNING FUND BALANCE | 1,697,946 | 1,707,428 | 1,582,228 | 1,603,228 | 1,624,228 |
| ENDING FUND BALANCE | \$ 1,707,428 | \$ 1,582,228 | \$ 1,603,228 | \$ 1,624,228 | \$ 1,645,228 |
| Fund balance as a percentage of total annual expenditures | 4283% | 961% | 7457% | 7555% | 7652% |
| Estimated Change in Fund Balance | 1% | -7% | 1% | 1% | 1% |

FINANCIAL SUMMARIES

Street Lighting (West Oaks Street) Fund

This fund was established by a vote of the City Council to account for a special assessment levy to provide street lighting to West Oaks Street.

STREET LIGHTING (WEST OAKS STREET) FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Special assessments levied | \$ 7,529 | \$ 7,529 | \$ 7,529 | \$ 7,529 | \$ 7,529 |
| Interest income | 26 | 21 | 41 | 31 | 21 |
| TOTAL ESTIMATED REVENUES | \$ 7,555 | \$ 7,550 | \$ 7,570 | \$ 7,560 | \$ 7,550 |
| APPROPRIATIONS | | | | | |
| Other services and charges | \$ 7,520 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| TOTAL APPROPRIATIONS | \$ 7,520 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| NET OF REVENUES/APPROPRIATIONS - FUND 854 | \$ 35 | \$ (2,450) | \$ (2,430) | \$ (2,440) | \$ (2,450) |
| BEGINNING FUND BALANCE | 42,267 | 42,302 | 39,852 | 37,422 | 34,982 |
| ENDING FUND BALANCE | \$ 42,302 | \$ 39,852 | \$ 37,422 | \$ 34,982 | \$ 32,532 |
| Fund balance as a percentage of total annual expenditures | 563% | 399% | 374% | 350% | 325% |
| Estimated Change in Fund Balance | 0% | -6% | -6% | -7% | -7% |

FINANCIAL SUMMARIES

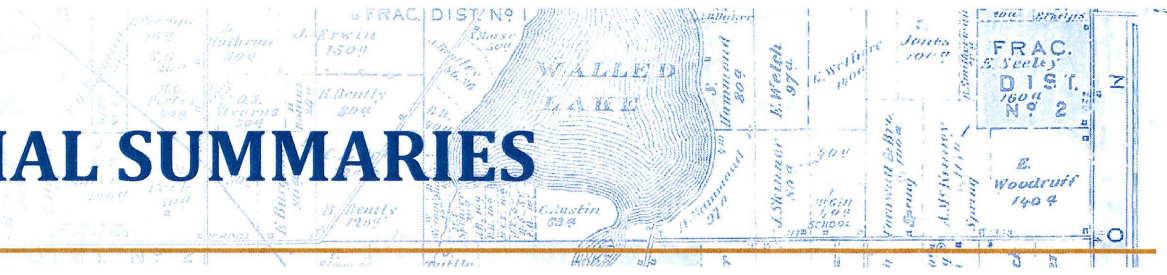
Street Lighting (West Lake Drive) Fund

This fund was established by a vote of the City Council to account for a special assessment levy to provide street lighting to West Lake Drive.

STREET LIGHTING (WEST LAKE DRIVE) FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED | |
|--|-------------------|----------------------|-------------------|-----------------|-----------------|
| | | | | 2020-21 | 2021-22 |
| ESTIMATED REVENUES | | | | | |
| Special assessments levied | \$ 3,300 | \$ 3,300 | \$ 3,300 | \$ 3,300 | \$ 3,300 |
| Interest income | 2 | - | - | - | - |
| TOTAL ESTIMATED REVENUES | \$ 3,302 | \$ 3,300 | \$ 3,300 | \$ 3,300 | \$ 3,300 |
| APPROPRIATIONS | | | | | |
| Other services and charges | \$ 2,962 | \$ 3,500 | \$ 3,300 | \$ 3,350 | \$ 3,400 |
| TOTAL APPROPRIATIONS | \$ 2,962 | \$ 3,500 | \$ 3,300 | \$ 3,350 | \$ 3,400 |
| NET OF REVENUES/APPROPRIATIONS - FUND 855 | \$ 340 | \$ (200) | \$ - | \$ (50) | \$ (100) |
| BEGINNING FUND BALANCE | 2,365 | 2,705 | 2,505 | 2,505 | 2,455 |
| ENDING FUND BALANCE | \$ 2,705 | \$ 2,505 | \$ 2,505 | \$ 2,455 | \$ 2,355 |
| Fund balance as a percentage of total annual expenditures | 91% | 72% | 76% | 73% | 69% |
| Estimated Change in Fund Balance | 14% | -7% | 0% | -2% | -4% |

FINANCIAL SUMMARIES



Street Lighting (Town Center Street) Fund

This fund was established by a vote of the City Council to account for a special assessment levy to provide street lighting to Town Center Street.

STREET LIGHTING (TOWN CENTER STREET) FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Special assessments levied | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Interest income | 8 | - | - | - | - |
| TOTAL ESTIMATED REVENUES | \$ 25,008 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| APPROPRIATIONS | | | | | |
| Other services and charges | \$ 20,343 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| TOTAL APPROPRIATIONS | \$ 20,343 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| NET OF REVENUES/APPROPRIATIONS - FUND 856 | \$ 4,665 | \$ - | \$ - | \$ - | \$ - |
| BEGINNING FUND BALANCE | 2,288 | 6,953 | 6,953 | 6,953 | 6,953 |
| ENDING FUND BALANCE | \$ 6,953 | \$ 6,953 | \$ 6,953 | \$ 6,953 | \$ 6,953 |
| Fund balance as a percentage of total annual expenditures | 34% | 28% | 28% | 28% | 28% |
| Estimated Change in Fund Balance | 204% | 0% | 0% | 0% | 0% |

FINANCIAL SUMMARIES

Debt Service Funds

2008 Library Construction Debt Fund

This fund was established to account for annual debt service payments for a bond that was issued to construct a new library building. The annual debt service is paid from property tax collections authorized by a voter approved millage.

LIBRARY CONSTRUCTION DEBT FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED | |
|--|---------------------|----------------------|---------------------|---------------------|---------------------|
| | | | | 2020-21 | 2021-22 |
| ESTIMATED REVENUES | | | | | |
| Property tax revenue | \$ 1,257,088 | \$ 1,266,832 | \$ 1,320,734 | \$ 1,373,334 | \$ 1,428,929 |
| Interest income | 174 | 518 | 216 | 266 | 271 |
| TOTAL ESTIMATED REVENUES | \$ 1,257,262 | \$ 1,267,350 | \$ 1,320,950 | \$ 1,373,600 | \$ 1,429,200 |
| APPROPRIATIONS | | | | | |
| Debt service | \$ 1,345,350 | \$ 1,356,250 | \$ 1,370,450 | \$ 1,384,100 | \$ 1,402,700 |
| Other services and charges | 570 | 500 | 500 | 500 | 500 |
| TOTAL APPROPRIATIONS | \$ 1,345,920 | \$ 1,356,750 | \$ 1,370,950 | \$ 1,384,600 | \$ 1,403,200 |
| NET OF REVENUES/APPROPRIATIONS - FUND 317 | \$ (88,658) | \$ (89,400) | \$ (50,000) | \$ (11,000) | \$ 26,000 |
| BEGINNING FUND BALANCE | 341,141 | 252,483 | 163,083 | 113,083 | 102,083 |
| ENDING FUND BALANCE | \$ 252,483 | \$ 163,083 | \$ 113,083 | \$ 102,083 | \$ 128,083 |
| Fund balance as a percentage of total annual expenditures | 19% | 12% | 8% | 7% | 9% |
| Estimated Change in Fund Balance | -26% | -35% | -31% | -10% | 25% |

FINANCIAL SUMMARIES

Capital Project Funds

Special Assessment Revolving Fund

This fund is used to account for the construction of capital assets funded in whole or part by long-term special assessment debt. The city has self-funded previous projects and has elected to maintain the cumulative interest as well as the initial General Fund contribution in this fund. All future uses of this fund will be determined as part of the city's annual capital improvement plan (CIP plan).

SPECIAL ASSESSMENT REVOLVING FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Interest income | \$ 45,061 | \$ 50,500 | \$ 50,500 | \$ 51,500 | \$ 52,500 |
| TOTAL ESTIMATED REVENUES | \$ 45,061 | \$ 50,500 | \$ 50,500 | \$ 51,500 | \$ 52,500 |
| APPROPRIATIONS | | | | | |
| Other services and charges | \$ 550 | \$ 500 | \$ 500 | \$ 500 | \$ 500 |
| TOTAL APPROPRIATIONS | \$ 550 | \$ 500 | \$ 500 | \$ 500 | \$ 500 |
| NET OF REVENUES/APPROPRIATIONS - FUND 235 | \$ 44,511 | \$ 50,000 | \$ 50,000 | \$ 51,000 | \$ 52,000 |
| BEGINNING FUND BALANCE | 3,928,606 | 3,973,117 | 4,023,117 | 4,073,117 | 4,124,117 |
| ENDING FUND BALANCE | \$ 3,973,117 | \$ 4,023,117 | \$ 4,073,117 | \$ 4,124,117 | \$ 4,176,117 |
| Fund balance as a percentage of total annual expenditures | 722385% | 804623% | 814623% | 824823% | 835223% |
| Estimated Change in Fund Balance | 1% | 1% | 1% | 1% | 1% |

FINANCIAL SUMMARIES

Capital Improvement Program (CIP) Fund

The Capital Improvement Program (CIP) Fund's purpose is to track activity related to the voter approved CIP millage which was passed on August 2, 2016. This millage is not to exceed the annual rate of 1.0 mills for a period of 10 years. The uses of the CIP millage funds include but are not limited to parks and facilities, land acquisition, pathways, and apparatus (such as fire truck or heavy equipment). These funds shall not be used for operations or payroll. The first levy for this millage was July 1, 2017.

CAPITAL IMPROVEMENT PROGRAM (CIP) FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|---|---------------------|------------------------|------------------------|------------------------|------------------------|
| ESTIMATED REVENUES | | | | | |
| Property tax revenue | \$ 3,400,855 | \$ 3,539,156 | \$ 3,686,322 | \$ 3,832,235 | \$ 3,984,359 |
| Interest income | 17,507 | 52,492 | 7,922 | 5,145 | 5,121 |
| Transfers in | | 4,049,715 | - | - | - |
| TOTAL ESTIMATED REVENUES | \$ 3,418,362 | \$ 7,641,363 | \$ 3,694,244 | \$ 3,837,380 | \$ 3,989,480 |
| APPROPRIATIONS | | | | | |
| Other services and charges | \$ 1,000 | \$ 1,748 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Debt service | - | 2,286,380 | 2,286,380 | 2,286,380 | 2,286,380 |
| Capital outlay | 1,297,890 | 25,627,230 | 909,930 | 770,000 | 848,900 |
| TOTAL APPROPRIATIONS | \$ 1,298,890 | \$ 27,915,358 | \$ 3,197,310 | \$ 3,057,380 | \$ 3,136,280 |
| NET OF REVENUES/APPROPRIATIONS - FUND 402 | \$ 2,119,472 | \$ (20,273,995) | \$ 496,934 | \$ 780,000 | \$ 853,200 |
| BEGINNING FUND BALANCE | 2,493 | 2,121,965 | (18,152,030) | (17,655,096) | (16,875,096) |
| ENDING FUND BALANCE * | \$ 2,121,965 | \$ (18,152,030) | \$ (17,655,096) | \$ (16,875,096) | \$ (16,021,896) |
| Fund balance as a percentage of total annual expenditures | 163% | -65% | -552% | -552% | -511% |
| Estimated Change in Fund Balance | 85017% | -955% | -3% | -4% | -5% |

* The City has opted to borrow internally utilizing long-term capital reserve funds in lieu of formally issuing bonds in order to complete several significant projects in FY 2018-19. Governmental accounting rules require this type of borrowing to be recorded on the balance sheet and not as revenue like it would if bonds were issued. The cash-basis summary below illustrates the borrowing repayment:

| | Interfund Borrowing Repayment Schedule | | | | | | | |
|---|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | 6/30/2020 | 6/30/2021 | 6/30/2022 | 6/30/2023 | 6/30/2024 | 6/30/2025 | 6/30/2026 | 6/30/2027 |
| Total Revenues | \$ 3,694,244 | \$ 3,837,380 | \$ 3,989,480 | \$ 4,133,812 | \$ 4,283,145 | \$ 4,437,530 | \$ 4,597,144 | \$ 4,762,169 |
| Capital Projects - six year capital budget | \$ 910,930 | \$ 771,000 | \$ 849,900 | \$ 996,690 | \$ 936,930 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Interfund Borrowing Repayment | \$ 2,286,380 | \$ 2,286,380 | \$ 2,286,380 | \$ 2,286,380 | \$ 2,286,380 | \$ 2,286,380 | \$ 2,286,380 | \$ 2,159,342 |
| Annual amount available for additional capital projects | \$ 496,934 | \$ 780,000 | \$ 853,200 | \$ 850,742 | \$ 1,059,835 | \$ 2,150,150 | \$ 2,309,764 | \$ 2,601,827 |
| Cumulative available for additional capital projects | \$ 496,934 | \$ 1,276,934 | \$ 2,130,134 | \$ 2,980,876 | \$ 4,040,711 | \$ 6,190,861 | \$ 8,500,624 | \$ 11,102,451 |

FINANCIAL SUMMARIES

Gun Range Facility Fund

As of July 1, 2014, the City Council has elected to place the gross revenue from users of the gun range facility (previously in the General Fund) into a separate capital project fund to be used toward planned future capital improvements.

GUN RANGE FACILITY FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|-------------------|----------------------|-------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Licenses, permits & charges for services | \$ 76,715 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 |
| Interest income | 3,014 | 6,000 | 500 | 750 | 1,000 |
| TOTAL ESTIMATED REVENUES | \$ 79,729 | \$ 76,000 | \$ 70,500 | \$ 70,750 | \$ 71,000 |
| APPROPRIATIONS | | | | | |
| Other services and charges | \$ - | \$ 5,174 | \$ - | \$ - | \$ - |
| Capital outlay | 70,476 | 90,800 | - | - | - |
| Transfers out | - | 245,915 | - | - | - |
| TOTAL APPROPRIATIONS | \$ 70,476 | \$ 341,889 | \$ - | \$ - | \$ - |
| NET OF REVENUES/APPROPRIATIONS - FUND 402 | \$ 9,253 | \$ (265,889) | \$ 70,500 | \$ 70,750 | \$ 71,000 |
| BEGINNING FUND BALANCE | 316,493 | 325,746 | 59,857 | 130,357 | 201,107 |
| ENDING FUND BALANCE | \$ 325,746 | \$ 59,857 | \$ 130,357 | \$ 201,107 | \$ 272,107 |
| Fund balance as a percentage of total annual expenditures | 462% | 18% | 0% | 0% | 0% |
| Estimated Change in Fund Balance | 3% | -82% | 118% | 54% | 35% |

FINANCIAL SUMMARIES

Street Improvement Fund

As of fiscal year 2013-2014, the City Council has elected to transfer the remaining unspent balances for ongoing construction projects in the Major, Local, and Municipal Street funds into this separate capital project fund until completion. The City expects all projects in this fund to be completed before the end of the following fiscal year.

STREET IMPROVEMENT FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED | |
|--|---------------------|----------------------|-------------------|-------------|-------------|
| | | | | 2020-21 | 2021-22 |
| ESTIMATED REVENUES | | | | | |
| Transfers in | \$ 3,530,000 | \$ - | \$ - | \$ - | \$ - |
| TOTAL ESTIMATED REVENUES | \$ 3,530,000 | \$ - | \$ - | \$ - | \$ - |
| APPROPRIATIONS | | | | | |
| Capital outlay | \$ 3,850,000 | \$ 3,735,000 | \$ - | \$ - | \$ - |
| TOTAL APPROPRIATIONS | \$ 3,850,000 | \$ 3,735,000 | \$ - | \$ - | \$ - |
| NET OF REVENUES/APPROPRIATIONS - FUND 403 | \$ (320,000) | \$ (3,735,000) | \$ - | \$ - | \$ - |
| BEGINNING FUND BALANCE | 4,055,000 | 3,735,000 | - | - | - |
| ENDING FUND BALANCE | \$ 3,735,000 | \$ - | \$ - | \$ - | \$ - |
| Fund balance as a percentage of total annual expenditures | 97% | 0% | 0% | 0% | 0% |
| Estimated Change in Fund Balance | -8% | -100% | 0% | 0% | 0% |

FINANCIAL SUMMARIES

Permanent Fund

Drain Perpetual Maintenance Fund

A citizen's committee has been established to oversee the building and maintenance of the drain system. This fund was initially created with allocations from the Drain Fund. Additional revenue has come from tap fees for properties connecting to regional systems. The intent is to build an investment base in which earnings will eventually cover the cost of maintaining the system and reduce or eliminate the need for the Drain Fund millage.

DRAIN PERPETUAL MAINTENANCE FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|--|---------------------|----------------------|---------------------|----------------------|----------------------|
| ESTIMATED REVENUES | | | | | |
| Interest income | \$ 77,488 | \$ 105,024 | \$ 70,000 | \$ 75,000 | \$ 80,000 |
| Tap-in fees | - | 25,000 | 5,000 | 5,000 | 5,000 |
| Transfers in | - | - | 807,000 | 482,000 | 477,000 |
| TOTAL ESTIMATED REVENUES | \$ 77,488 | \$ 130,024 | \$ 882,000 | \$ 562,000 | \$ 562,000 |
| APPROPRIATIONS | | | | | |
| Transfers out | \$ - | \$ 3,647,000 | \$ - | \$ - | \$ - |
| TOTAL APPROPRIATIONS | \$ - | \$ 3,647,000 | \$ - | \$ - | \$ - |
| NET OF REVENUES/APPROPRIATIONS - FUND 211 | \$ 77,488 | \$ (3,516,976) | \$ 882,000 | \$ 562,000 | \$ 562,000 |
| BEGINNING FUND BALANCE | 6,754,887 | 6,832,375 | 3,315,399 | 4,197,399 | 4,759,399 |
| ENDING FUND BALANCE | \$ 6,832,375 | \$ 3,315,399 | \$ 4,197,399 | \$ 4,759,399 | \$ 5,321,399 |
| Fund balance as a percentage of total annual expenditures | 0% | 91% | 0% | 0% | 0% |
| Estimated Change in Fund Balance | 1% | -51% | 27% | 13% | 12% |

FINANCIAL SUMMARIES

Enterprise Funds

Ice Arena Fund

The Novi Ice Arena opened in 1998 to provide ice skating services to Novi residents and other local communities. The facility is self-supporting and strives to generate positive cash flow under contract with Suburban Arena Management – Novi LLC, a third party vendor.

| ICE ARENA FUND | | | | | |
|---|---------------------|----------------------|---------------------|---------------------|---------------------|
| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED | |
| | | | | 2020-21 | 2021-22 |
| ESTIMATED REVENUES | | | | | |
| Program revenue | \$ 1,849,731 | \$ 2,024,202 | \$ 1,882,355 | \$ 1,941,650 | \$ 1,941,650 |
| Interest income | 24,183 | 25,387 | 20,447 | 30,554 | 30,794 |
| Other revenue | 107,818 | 89,400 | 109,400 | 89,900 | 89,900 |
| TOTAL ESTIMATED REVENUES | \$ 1,981,732 | \$ 2,138,989 | \$ 2,012,202 | \$ 2,062,104 | \$ 2,062,344 |
| APPROPRIATIONS | | | | | |
| Supplies | \$ 13,970 | \$ 11,800 | \$ 11,600 | \$ 11,800 | \$ 11,800 |
| Other services and charges | 1,496,288 | 1,429,668 | 1,297,022 | 1,358,924 | 1,359,924 |
| Capital outlay | 4,968 | 35,000 | 195,200 | 38,000 | 30,000 |
| Debt service | 82,740 | 562,140 | 560,380 | 538,380 | 536,620 |
| TOTAL APPROPRIATIONS | \$ 1,597,966 | \$ 2,038,608 | \$ 2,064,202 | \$ 1,947,104 | \$ 1,938,344 |
| NET OF REVENUES/APPROPRIATIONS - FUND 590 | \$ 383,766 | \$ 100,381 | \$ (52,000) | \$ 115,000 | \$ 124,000 |
| BEGINNING FUND BALANCE | 4,472,692 | 4,856,458 | 4,956,839 | 4,904,839 | 5,019,839 |
| ENDING FUND BALANCE | \$ 4,856,458 | \$ 4,956,839 | \$ 4,904,839 | \$ 5,019,839 | \$ 5,143,839 |
| Fund balance as a percentage of total annual expenditures | 304% | 243% | 238% | 258% | 265% |
| Estimated Change in Fund Balance | 9% | 2% | -1% | 2% | 2% |

FINANCIAL SUMMARIES

Water and Sewer Fund

The City of Novi takes pride in providing safe and efficient water distribution and sanitary sewage collection systems. The City has taken steps to further improve infrastructure, as recommended by the Water Distribution Study and Master Plan Update, and the sanitary sewer Capacity, Management, Operations and Maintenance Program (CMOM). These programs have allowed the City to fully examine the current operation of the City's utility-based infrastructure and provide recommendations for improvements to the water distribution and sanitary sewage collection systems.

WATER AND SEWER FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED 2020-21 | PROJECTED 2021-22 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| ESTIMATED REVENUES | | | | | |
| Operating revenue | \$ 23,786,086 | \$ 24,017,183 | \$ 24,161,000 | \$ 24,261,000 | \$ 24,461,000 |
| Capital contributions | 5,203,886 | 2,850,000 | 1,350,000 | 1,350,000 | 1,350,000 |
| Federal Grants | 543,438 | 124,363 | - | - | - |
| Interest income | 788,466 | 972,722 | 915,061 | 909,213 | 903,004 |
| Other revenue | 211,380 | 210,500 | 207,500 | 209,500 | 211,500 |
| TOTAL ESTIMATED REVENUES | \$ 30,533,256 | \$ 28,174,768 | \$ 26,633,561 | \$ 26,729,713 | \$ 26,925,504 |
| APPROPRIATIONS | | | | | |
| Personnel services | \$ 1,528,688 | \$ 1,442,977 | \$ 1,435,523 | \$ 1,469,224 | \$ 1,508,161 |
| Supplies | 107,217 | 68,715 | 65,600 | 65,600 | 65,600 |
| Other services and charges | 24,444,434 | 21,334,729 | 21,315,375 | 21,383,076 | 22,031,626 |
| Capital outlay | 129,105 | 20,386,123 | 2,787,063 | 4,119,813 | 3,952,117 |
| Debt service | 2,250 | - | - | - | - |
| Transfers out | - | 3,103,100 | - | - | - |
| TOTAL APPROPRIATIONS | \$ 26,211,694 | \$ 46,335,644 | \$ 25,603,561 | \$ 27,037,713 | \$ 27,557,504 |
| NET OF REVENUES/APPROPRIATIONS - FUND 592 | \$ 4,321,562 | \$ (18,160,876) | \$ 1,030,000 | \$ (308,000) | \$ (632,000) |
| BEGINNING FUND BALANCE | 183,584,688 | 187,906,250 | 169,745,374 | 170,775,374 | 170,467,374 |
| ENDING FUND BALANCE | \$ 187,906,250 | \$ 169,745,374 | \$ 170,775,374 | \$ 170,467,374 | \$ 169,835,374 |

| | | | | | |
|---|------|------|------|------|------|
| Fund balance as a percentage of total annual expenditures | 717% | 366% | 667% | 630% | 616% |
|---|------|------|------|------|------|

| | | | | | |
|----------------------------------|----|------|----|----|----|
| Estimated Change in Fund Balance | 2% | -10% | 1% | 0% | 0% |
|----------------------------------|----|------|----|----|----|

FINANCIAL SUMMARIES

Senior Housing Fund

Meadowbrook Commons is an older adult housing community owned by the City of Novi and managed by a contractual management company. Financing for this project was provided through bonds issued by the Building Authority. The total construction cost was \$12.5 million and all operational expenses and the bond debt retirement are covered by rental revenue.

SENIOR HOUSING FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED | |
|--|---------------------|----------------------|---------------------|---------------------|---------------------|
| | | | | 2020-21 | 2021-22 |
| ESTIMATED REVENUES | | | | | |
| Operating revenue | \$ 2,032,485 | \$ 2,049,210 | \$ 2,077,550 | \$ 2,099,000 | \$ 2,120,000 |
| Interest income | 15,849 | 18,899 | 15,262 | 16,430 | 17,020 |
| Other revenue | 22,011 | 19,200 | 20,600 | 20,800 | 21,000 |
| TOTAL ESTIMATED REVENUES | \$ 2,070,345 | \$ 2,087,309 | \$ 2,113,412 | \$ 2,136,230 | \$ 2,158,020 |
| APPROPRIATIONS | | | | | |
| Supplies | \$ 9,992 | \$ 11,475 | \$ 11,075 | \$ 11,475 | \$ 11,475 |
| Other services and charges | 1,178,920 | 852,824 | 843,843 | 853,527 | 858,389 |
| Capital outlay | - | 11,280 | 50,750 | 14,350 | 284,800 |
| Debt service | 173,209 | 1,048,010 | 1,017,744 | 972,878 | 948,356 |
| TOTAL APPROPRIATIONS | \$ 1,362,121 | \$ 1,923,589 | \$ 1,923,412 | \$ 1,852,230 | \$ 2,103,020 |
| NET OF REVENUES/APPROPRIATIONS - FUND 594 | \$ 708,224 | \$ 163,720 | \$ 190,000 | \$ 284,000 | \$ 55,000 |
| BEGINNING FUND BALANCE | 3,696,583 | 4,404,807 | 4,568,527 | 4,758,527 | 5,042,527 |
| ENDING FUND BALANCE | \$ 4,404,807 | \$ 4,568,527 | \$ 4,758,527 | \$ 5,042,527 | \$ 5,097,527 |
| Fund balance as a percentage of total annual expenditures | 323% | 238% | 247% | 272% | 242% |
| Estimated Change in Fund Balance | 19% | 4% | 4% | 6% | 1% |

FINANCIAL SUMMARIES

Fiduciary Fund

Retiree Health Care Benefits Fund

The Retiree Health Care Benefits Fund accounts for medical benefits provided to retirees and is funded through contributions from the various funds of the City as a percentage of payroll.

RETIREE HEALTHCARE BENEFITS FUND

| | ACTUAL 2017-18 | ESTIMATED 2018-19 | BUDGET 2019-20 | PROJECTED | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | 2020-21 | 2021-22 |
| ESTIMATED REVENUES | | | | | |
| Contributions-Employer | \$ 613,678 | \$ 277,674 | \$ 277,238 | \$ 275,000 | \$ 275,000 |
| Interest income | 2,845,010 | 1,729,326 | 2,000,762 | 2,100,000 | 2,200,000 |
| Other revenue | 244 | - | - | - | - |
| TOTAL ESTIMATED REVENUES | \$ 3,458,932 | \$ 2,007,000 | \$ 2,278,000 | \$ 2,375,000 | \$ 2,475,000 |
| APPROPRIATIONS | | | | | |
| Personnel Services | \$ 948,145 | \$ 1,050,000 | \$ 1,254,000 | \$ 1,304,000 | \$ 1,356,000 |
| Other services and charges | 293,400 | 304,000 | 319,000 | 320,000 | 344,000 |
| TOTAL APPROPRIATIONS | \$ 1,241,545 | \$ 1,354,000 | \$ 1,573,000 | \$ 1,624,000 | \$ 1,700,000 |
| NET OF REVENUES/APPROPRIATIONS - FUND 590 | \$ 2,217,387 | \$ 653,000 | \$ 705,000 | \$ 751,000 | \$ 775,000 |
| BEGINNING FUND BALANCE | 27,315,165 | 29,532,552 | 30,185,552 | 30,890,552 | 31,641,552 |
| ENDING FUND BALANCE | \$ 29,532,552 | \$ 30,185,552 | \$ 30,890,552 | \$ 31,641,552 | \$ 32,416,552 |
| Fund balance as a percentage of total annual expenditures | 2379% | 2229% | 1964% | 1948% | 1907% |
| Estimated Change in Fund Balance | 8% | 2% | 2% | 2% | 2% |



FINANCIAL SUMMARIES

Fund Balance

Fund Balance is the difference between assets and liabilities in a governmental fund. The governmental funds account for the City's bread-and-butter, are typically tax-supported activities of a government (as opposed to enterprise funds, which are self-supporting, business-like activities), and include the following:

- General Fund – where a government accounts for everything not reported in another fund
- Special Revenue Funds – for reporting specific sources that are limited to being used for a particular purpose
- Debt Service Funds – which account for the repayment of debt
- Capital Project Funds – which track the accumulation and use of resources for construction, acquiring, and rehabilitating capital assets (such as buildings and roads)
- Permanent Funds – where a government reports principal amounts that are restricted to being invested to produce income but cannot be spent

GASB 54

GASB Statement No. 54 creates five components of fund balance, though not every government or governmental fund will report all components. This approach is intended to provide users consistent and understandable information about a fund's net resources. The five components are:

Nonspendable Fund Balance

**cannot be spent (legally restricted or in unspendable form)*

- Amounts that cannot be spent due to form; for example, inventories and prepaid amounts. Also, long-term loan and notes receivables, and property held for resale would be reported here unless the proceeds are restricted, committed or assigned.
- Amounts that must be maintained intact legally or contractually (corpus or principal of a permanent fund)

Restricted Fund Balance

**externally imposed (law, creditor, bond covenant)*

- Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation. This is the same definition used by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, for restricted net assets.

Committed Fund Balance

**constraints approved by Council*

- Amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources.
- Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.

FINANCIAL SUMMARIES

Assigned Fund Balance

*constrained by intent by City Council, or by the City Manager, or by a body/person to which City Council designates the authority

- For all governmental funds other than the general fund, any remaining positive amounts not classified as non-spendable, restricted or committed.
- For the general fund, amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Amount reported as assigned should not result in a deficit in unassigned fund balance.

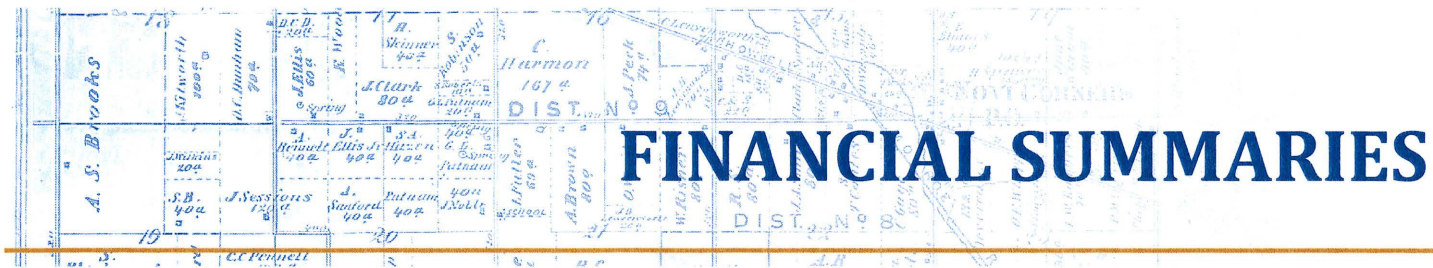
Unassigned Fund Balance

*available to spend, unrestricted

- For the general fund, amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance.
- For all governmental funds other than the general fund, amount expended in excess of resources that are nonspendable, restricted, committed or assigned (a residual deficit). In determining a residual deficit, no amount should be reported as assigned.

All Funds FY 2019-20 Budget

| | Governmental Funds | | | | | | | TOTAL BUDGET |
|---|--------------------|-----------------------|--------------------|-----------------------|-----------------|------------------|-----------------|----------------|
| | GENERAL FUND | SPECIAL REVENUE FUNDS | DEBT SERVICE FUNDS | CAPITAL PROJECT FUNDS | PERMANENT FUNDS | ENTERPRISE FUNDS | FIDUCIARY FUNDS | |
| | BUDGET 2019-20 | BUDGET 2019-20 | BUDGET 2019-20 | BUDGET 2019-20 | BUDGET 2019-20 | BUDGET 2019-20 | BUDGET 2019-20 | |
| TOTAL ESTIMATED REVENUES | \$ 35,871,634 | \$ 30,481,033 | \$ 1,320,950 | \$ 3,815,244 | \$ 882,000 | \$ 30,759,175 | \$ 2,278,000 | \$ 105,408,036 |
| TOTAL APPROPRIATIONS | 35,622,849 | 32,326,076 | 1,370,950 | 3,197,810 | - | 29,591,175 | 1,573,000 | 103,681,860 |
| NET OF REVENUES/APPROPRIATIONS - ALL FUNDS | \$ 248,785 | \$ (1,845,043) | \$ (50,000) | \$ 617,434 | \$ 882,000 | \$ 1,168,000 | \$ 705,000 | \$ 1,726,176 |
| BEGINNING FUND BALANCE | 10,098,300 | 12,612,123 | 163,083 | (14,069,056) | 3,315,399 | 179,270,740 | 30,185,552 | 221,576,141 |
| ENDING FUND BALANCE | \$ 10,347,085 | \$ 10,767,080 | \$ 113,083 | \$ (13,451,622) | \$ 4,197,399 | \$ 180,438,740 | \$ 30,890,552 | \$ 223,302,317 |
| Fund balance as a percentage of total annual expenditures | 29% | 33% | 8% | -421% | 0% | 610% | 1964% | 215% |



The following governmental funds are anticipated to have significant changes in fund balance for FY 2019-20 (increase or decrease more than 10%):

Special Revenue Funds

The Local Street Fund is projected to increase fund balance by \$320,000 in FY 2019-20. These funds will be used for future local street projects throughout the City which are listed in the capital improvement program.

The Municipal Street Fund is projected to decrease fund balance by \$1.584 million in FY 2019-20 to fund major and local street projects throughout the City which are listed in the capital improvement program.

The Parks, Recreation, and Cultural Service Fund is projected to decrease fund balance by \$233,613 in FY 2019-20 to fund \$717,640 in capital expenditures.

The Forfeiture Fund is projected to use \$148,000 of fund balance in FY 2019-20 to fund \$329,900 in capital expenditures.

Debt Service Funds

The Library Construction Debt Fund is projected to use \$50,000 of fund balance in FY 2019-20 to help fund debt service payments.

Capital Project Funds

The Gun Range Facility Fund is projected to increase fund balance by \$70,500 in FY 2019-20. These funds will be used for future capital projects which are listed in the capital improvement program.

Permanent Fund

The Drain Perpetual Maintenance Fund is projected to increase fund balance by \$882,000 in FY 2019-20 mostly due to the anticipated Drain Special Revenue Fund transfer in to replenish the fund.



FINANCIAL SUMMARIES

Major Revenue Sources, Assumptions, and Trends

Revenue forecasting is a standard practice for the City of Novi. Individual revenue line-items are reviewed for their historical trends in order to project revenues over the next three years. The forecast is also based on economic factors, as well as information provided by the State and County. In order to be prepared for unexpected events and lower than anticipated revenues or higher than anticipated expenditures, the City budgets conservatively. The following are summaries of revenue sources including underlying assumptions and significant trends.

Property Tax Revenue

The maximum allowable millage rates are used for all funds except the Drain Fund. Taxable value projections are as of February 12, 2019. The 2019 taxable value increased approximately \$77,368,000 for net new construction. The future property values for 2019 and beyond include approximately \$65,000,000 in cumulative net new construction. Penalties and interest are based on historical collections. Inflation for the 2019 tax year was 2.4% but due to new construction, the City anticipates an overall net increase (see loss of personal property taxes discussed below) in revenue of 5.0%. The City closed the Public Safety Fund as of June 30, 2017 and the dedicated public safety millage is recorded directly in the General Fund rather than a transfer in.

The proposed millage rate is 10.5376 mills (which remains unchanged from tax year 2018). A significant factor that has been taken into account for the future year's taxable value is the expected decrease in the personal property tax, per the new State of Michigan law (SB 10) that erases the personal property tax on the industrial property and other businesses with equipment less than \$40,000.

Licenses, Permits & Charges for Services

This revenue includes fees for various services and licenses. Revenues also include estimated fees paid by developers and contractors for the plan review, inspection of commercial, industrial and residential construction which partially covers the cost of the Community Development Department. This revenue is difficult to project since it is directly related to construction activity. The City's building activity is projected to remain strong with consistent fees projected for each of the next fiscal years. The remaining revenue relates to liquor licenses, cable television fees, and other fees collected by the Clerks Department.

Transfers In

The transfers into the special revenue funds represent transfers between the three street funds to cover construction costs as detailed in the six-year CIP plan. The primary source of the transfers is a dedicated road millage in the Municipal Street Fund. The Parks, Recreation and Cultural Services Fund receives a transfer in from the General Fund to help fund capital outlay projects. The Drain Perpetual Maintenance Fund receives a transfer in from the Drain Fund to replenish some of the endowment used in FY 2018/19. The new Capital Improvement Fund received transfers in the prior year from various enterprise funds to cover their share of the costs for the department of public works building improvement project (planned for FY 2018) as well as a transfer from the Special Assessment Revolving Fund to fund the Crescent Blvd (Ring Road) project (planned for construction in FY 2020).



FINANCIAL SUMMARIES

State Sources

State Revenue Sharing The State Shared Revenue program distributes sales tax collected by the State of Michigan to local governments as unrestricted revenues on a per capita basis (2010 Census population for Novi was 55,224). The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971, as amended (MCL 141.901). For fiscal year (FY) 2016, the legislature established the City, Village, and Township Revenue Sharing (CVTRS) program (a simplified version of the Economic Vitality Incentive Program (EVIP)). Each eligible local unit must meet all of the requirements of Accountability and Transparency in order to receive the full CVTRS payments. A Consolidation of Services Plan and an Unfunded Accrued Liability Plan are not required under the CVTRS program. The City estimates a 2% increase in overall revenue sharing in fiscal year 19/20, 20/21 and 21/22.

MDOT Act 51 The City receives monthly payments from the State of Michigan, Department of Transportation for their share of the motor fuels taxes collected that are earmarked specifically for use on the roads. The distribution is based on the number of miles of road within the city. As the roads across the State continue to deteriorate, the Governor has promised to focus on increasing spending for roads. The City anticipates an increase in funding from the State of approximately 8.0% for fiscal years 19/20, 20/21, and 21/22.

Interest on Investments

This revenue is from investing available cash balances based on cash flow forecasts, capital reserves, and fund balance reserves. Interest rates are budgeted to increase over the next few years resulting in greater overall earnings however this will be offset by lower cash balances due significant planned investments in capital projects. The net result is little growth in overall earnings.

Program Revenue/Older Adult Program Revenue

This revenue source is from the many programs offered by the Parks, Recreation, and Cultural Services department and Ice Arena. The Parks, Recreation, and Cultural Services Fund have approximately half its revenue funded from a dedicated property tax levy and the balance funded by program revenue. Program revenue is anticipated to remain flat for all future years.

Operating Revenue

This revenue represents charges to customers for water and sewer usage as well as fees collected at the ice arena and rents collected at the senior housing facility. Operating revenue in the Water and Sewer Fund is anticipated to increase by 1% in 19/20 (primarily due to increased consumption) and future annual increases of 0-1% annually based on projections and anticipated new customers. Ice arena and senior housing revenues are anticipating 0-1% annual inflationary increases.

The revenues discussed above are the major revenue categories as identified by the City and make up the majority of the total revenues of all appropriated funds, including enterprise funds. The schedule on the following page summarizes total revenue for all fund types of the City.

FINANCIAL SUMMARIES

Revenue Schedule

| | Governmental Funds | | | | |
|---|----------------------|-----------------------|---------------------|-----------------------|-------------------|
| | GENERAL FUND | SPECIAL REVENUE FUNDS | DEBT SERVICE FUNDS | CAPITAL PROJECT FUNDS | PERMANENT FUNDS |
| | BUDGET 2019-20 | BUDGET 2019-20 | BUDGET 2019-20 | BUDGET 2019-20 | BUDGET 2019-20 |
| ESTIMATED REVENUES | | | | | |
| Property tax revenue | \$ 24,065,202 | \$ 11,896,735 | \$ 1,320,734 | \$ 3,686,322 | \$ - |
| Capital Contributions | - | - | - | - | - |
| Contributions-Employer | - | - | - | - | - |
| Donations | 1,000 | 138,500 | - | - | - |
| Federal grants | 65,000 | 111,207 | - | - | - |
| Fines and forfeitures | 525,000 | 386,000 | - | - | - |
| Interest income | 747,033 | 238,672 | 216 | 58,922 | 70,000 |
| Licenses, permits, and charges for services | 4,777,604 | 2,855,000 | - | 70,000 | - |
| Older adult program revenue | - | 155,350 | - | - | - |
| Operating Revenue | - | - | - | - | - |
| Other revenue | 792,870 | 703,400 | - | - | - |
| Program Revenue | - | 1,229,340 | - | - | - |
| Special Assessments Levied | - | 35,829 | - | - | - |
| State sources | 4,897,925 | 6,196,000 | - | - | - |
| Tap In Fees | - | - | - | - | 5,000 |
| Transfers in | - | 6,535,000 | - | - | 807,000 |
| TOTAL ESTIMATED REVENUES | \$ 35,871,634 | \$ 30,481,033 | \$ 1,320,950 | \$ 3,815,244 | \$ 882,000 |

FINANCIAL SUMMARIES

Revenue Schedule (continued)

| | ENTERPRISE FUNDS BUDGET 2019-20 | FIDUCIARY FUNDS BUDGET 2019-20 | TOTAL BUDGET 2019-20 | % of Total Revenues BUDGET 2019-20 | % of Total Revenues (discussed) BUDGET 2019-20 |
|---|--|---|----------------------------|---|--|
| ESTIMATED REVENUES | | | | | |
| Property tax revenue | \$ - | \$ - | \$ 40,968,993 | 40% | 40% |
| Capital Contributions | 1,350,000 | - | 1,350,000 | 1% | |
| Contributions-Employer | - | 277,238 | 277,238 | 0% | |
| Donations | - | - | 139,500 | 0% | |
| Federal grants | - | - | 176,207 | 0% | |
| Fines and forfeitures | - | - | 911,000 | 1% | |
| Interest income | 337,500 | 2,000,762 | 3,453,105 | 3% | 3% |
| Licenses, permits, and charges for services | - | - | 7,702,604 | 7% | 7% |
| Older adult program revenue | - | - | 155,350 | 0% | 0% |
| Operating Revenue | 26,238,550 | - | 26,238,550 | 25% | 25% |
| Other revenue | 950,770 | - | 2,447,040 | 2% | |
| Program Revenue | 1,882,355 | - | 3,111,695 | 3% | 3% |
| Special Assessments Levied | - | - | 35,829 | 0% | |
| State sources | - | - | 11,093,925 | 11% | 11% |
| Tap In Fees | - | - | 5,000 | 0% | |
| Transfers in | - | - | 7,342,000 | 7% | 7% |
| TOTAL ESTIMATED REVENUES | \$ 30,759,175 | \$ 2,278,000 | \$ 105,408,036 | 100% | 96% |

FINANCIAL SUMMARIES

Revenue Trends

The following is a historical look at projected and actual taxable values as well as the property tax revenue and mileage rates (assuming no rollback) required based on the estimated taxable values:

| CITY OF NOVI: TAXABLE VALUE, MILLAGE RATE AND PROPERTY TAX REVENUE HISTORY, BUDGET AND PROJECTIONS | | | | | | | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | ESTIMATED | BUDGET | PROJECTED | |
| | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 | 2018 | 2019 | 2020 | 2021 |
| | | | | | | | FY 2018-19 | FY 2019-20 | FY 2020-21 | FY 2021-22 |
| Taxable Value | | | | | | | | | | |
| taxable Value - Real (Residential) | \$ 2,699,988,360 | \$ 2,748,382,830 | \$ 1,984,120,840 | \$ 2,087,604,500 | \$ 2,169,188,620 | \$ 2,267,135,430 | \$ 2,389,711,290 | \$ 2,479,208,026 | \$ 2,594,970,780 | \$ 2,711,744,465 |
| taxable Value - Real (Commercial / Industrial) | - | - | 861,684,810 | 878,128,690 | 916,563,180 | 936,712,960 | 999,114,730 | 1,023,698,625 | 1,074,810,634 | 1,123,177,112 |
| taxable Value - Personal Property | 220,345,290 | 223,698,750 | 225,066,560 | 239,836,740 | 237,292,830 | 246,268,600 | 256,827,350 | 247,055,860 | 245,000,000 | 240,000,000 |
| Subtotal Taxable Value | \$ 2,920,333,650 | \$ 2,972,081,580 | \$ 3,070,872,210 | \$ 3,205,569,930 | \$ 3,323,044,630 | \$ 3,450,116,990 | \$ 3,645,653,370 | \$ 3,749,962,511 | \$ 3,914,781,414 | \$ 4,074,921,577 |
| taxable Value - New Construction | - | - | - | - | - | - | - | 77,367,899 | 65,000,000 | 65,000,000 |
| Total Taxable Value | \$ 2,920,333,650 | \$ 2,972,081,580 | \$ 3,070,872,210 | \$ 3,205,569,930 | \$ 3,323,044,630 | \$ 3,450,116,990 | \$ 3,645,653,370 | \$ 3,827,330,410 | \$ 3,979,781,414 | \$ 4,139,921,577 |
| Less various allowances | - | - | - | (25,000,000) | (10,000,000) | (2,807,970) | (6,000,000) | (4,000,000) | (4,000,000) | (4,000,000) |
| Adjusted Taxable Value* | \$ 2,920,333,650 | \$ 2,972,081,580 | \$ 3,070,872,210 | \$ 3,180,569,930 | \$ 3,313,044,630 | \$ 3,447,309,020 | \$ 3,639,653,370 | \$ 3,823,330,410 | \$ 3,975,781,414 | \$ 4,135,921,577 |
| % Change in taxable value from prior year without new construction estimate | -2.0% | 1.8% | 3.3% | 4.4% | 3.7% | 3.8% | 5.7% | 2.9% | 4.4% | 4.1% |
| % Change in total taxable value from prior year | -2.0% | 1.8% | 3.3% | 4.4% | 3.7% | 3.8% | 5.7% | 5.0% | 4.0% | 4.0% |
| Millage Rate ** | | | | | | | | | | |
| General Fund | 5.0182 | 5.0182 | 5.0182 | 5.0056 | 4.9925 | 4.9206 | 4.8458 | 4.7755 | 4.7755 | 4.7755 |
| General Fund - PA 359 Advertising | - | - | - | - | - | - | 0.0137 | 0.0129 | 0.0129 | 0.0129 |
| Municipal Street Fund | 0.7719 | 1.5000 | 1.5000 | 1.4962 | 1.4923 | 1.4708 | 1.4484 | 1.4273 | 1.4273 | 1.4273 |
| Police and Fire | 1.4282 | 1.4282 | 1.4282 | 1.4246 | 1.4208 | 1.4003 | 1.3790 | 1.3590 | 1.3590 | 1.3590 |
| Parks, Recreation, and Cultural Services Fund | 0.3857 | 0.3857 | 0.3857 | 0.3847 | 0.3836 | 0.3780 | 0.3722 | 0.3668 | 0.3668 | 0.3668 |
| Drain Fund | 0.3435 | 0.1057 | - | - | 0.2120 | 0.2648 | 0.4157 | 0.5583 | 0.5606 | 0.5711 |
| Capital Improvement Program (CIP) Fund | - | - | - | - | - | 0.9856 | 0.9706 | 0.9565 | 0.9565 | 0.9565 |
| Library Fund | 0.7719 | 0.7719 | 0.7719 | 0.7699 | 0.7678 | 0.7567 | 0.7451 | 0.7342 | 0.7342 | 0.7342 |
| Total Operating | 8.7194 | 9.2097 | 9.1040 | 9.0810 | 9.2690 | 10.1768 | 10.1905 | 10.1905 | 10.1928 | 10.2033 |
| Library Construction Debt Fund | 0.3281 | 0.3852 | 0.3716 | 0.4566 | 0.4540 | 0.3608 | 0.3471 | 0.3471 | 0.3448 | 0.3343 |
| 2010 Refunding Debt Fund | - | 0.3698 | 0.3462 | 0.3374 | - | - | - | - | - | - |
| 2003 Refunding Debt Fund | 0.3488 | - | - | - | - | - | - | - | - | - |
| 2002 Street & Refunding Debt Fund | 0.4339 | 0.2564 | 0.3782 | 0.3250 | 0.2270 | - | - | - | - | - |
| Total Debt | 1.4806 | 0.9903 | 1.0960 | 1.1190 | 0.6810 | 0.3608 | 0.3471 | 0.3471 | 0.3448 | 0.3343 |
| Total Millage Rate | 10.2000 | 10.2000 | 10.2000 | 10.2000 | 9.9500 | 10.5376 | 10.5376 | 10.5376 | 10.5376 | 10.5376 |
| Property Tax Revenue | | | | | | | | | | |
| General Fund | \$ 14,463,208 | \$ 14,699,475 | \$ 15,618,990 | \$ 16,252,340 | \$ 16,707,967 | \$ 17,200,885 | \$ 18,215,984 | \$ 18,731,592 | \$ 19,469,405 | \$ 20,236,962 |
| General Fund - PA 359 Advertising | - | - | - | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 |
| Municipal Street Fund | 2,226,168 | 4,293,742 | 4,754,081 | 4,803,774 | 4,931,808 | 5,069,973 | 5,371,752 | 5,502,800 | 5,722,433 | 5,981,989 |
| Police and Fire | 4,119,209 | 4,211,853 | 4,390,579 | 4,574,743 | 4,687,841 | 4,843,646 | 5,130,968 | 5,283,610 | 5,494,675 | 5,714,198 |
| Parks, Recreation, and Cultural Services Fund | 1,112,311 | 1,137,385 | 1,185,648 | 1,235,317 | 1,267,594 | 1,295,457 | 1,371,654 | 1,411,336 | 1,470,729 | 1,529,390 |
| Drain Fund | 982,539 | 315,771 | 9,920 | 1,096 | 698,072 | 908,899 | 961,410 | 2,152,659 | 2,237,845 | 2,326,484 |
| Capital Improvement Program (CIP) Fund | - | - | - | - | - | 3,400,871 | 3,611,648 | 3,686,322 | 3,832,235 | 3,984,359 |
| Library Fund | 2,226,168 | 2,276,337 | 2,372,929 | 2,472,349 | 2,537,262 | 2,604,070 | 2,752,785 | 2,829,940 | 2,941,938 | 3,068,475 |
| Total Operating | \$ 25,129,603 | \$ 26,934,563 | \$ 28,332,147 | \$ 29,339,619 | \$ 30,830,544 | \$ 35,323,801 | \$ 37,466,201 | \$ 39,648,259 | \$ 41,219,260 | \$ 42,881,757 |
| Library Construction Debt Fund | 943,480 | 1,134,064 | 1,141,259 | 1,472,133 | 1,507,421 | 1,245,100 | 1,265,832 | 1,320,734 | 1,373,334 | 1,428,929 |
| 2010 Refunding Debt Fund | 1,063,856 | 1,029,037 | 1,065,166 | 1,061,000 | - | - | - | - | - | - |
| 2003 Refunding Debt Fund | 1,018,612 | - | - | - | - | - | - | - | - | - |
| 2002 Street & Refunding Debt Fund | 1,330,622 | 780,142 | 1,134,897 | 1,040,000 | 747,000 | - | - | - | - | - |
| Total Debt | \$ 4,356,570 | \$ 2,943,243 | \$ 3,341,322 | \$ 3,573,133 | \$ 2,254,421 | \$ 1,245,100 | \$ 1,265,832 | \$ 1,320,734 | \$ 1,373,334 | \$ 1,428,929 |
| Total Property Tax Revenue | \$ 29,486,173 | \$ 29,877,806 | \$ 31,673,469 | \$ 32,712,752 | \$ 33,084,965 | \$ 36,568,901 | \$ 38,732,033 | \$ 40,968,993 | \$ 42,592,594 | \$ 44,310,686 |

*Includes reduction for Personal Property Tax write-off, Tax Tribunal Adjustments and chargebacks
 ** No Headlee rollback has been assumed for fiscal years ending 2021 and 2022

Additional revenue trends for property taxes, revenue sharing, MDOT Act 51 and overall revenue by fund is available in the Budget Overview section.



FINANCIAL SUMMARIES

Expenditure Analysis

Personnel Services

The City of Novi budgets for full employment, maintaining a strong staff position control and budgeting system. Any additional cost savings as a result of vacancies, or positions filled at lower than budgeted amounts increases the fund balance, and is used in planning for the subsequent year's budget.

Personnel cost increases and decreases are pursuant to each of the current collective bargaining agreements. An increase of 0-2.5% each year, using 2017-18 as base year, is assumed based on total personnel costs. Defined benefit pension contributions are increasing 47% for 19/20 and are assumed to increase by approximately 3.8% increase in both 20/21 and 21/22. Employee health insurance costs are assumed to increase 3.5% for 19/20 and at 5.5% annually for the subsequent two years. The personnel assumptions are based on the number of staff as presented in the Departmental Information - Personnel Summary section for the fiscal year 2019/20.

Supplies, Maintenance, and Other Services and Charges

Most expenditures range from 0%-3% increase; certain maintenance items increased based on historical median rate (i.e. road maintenance items). Liability and property and workers compensation insurance are assumed to increase 3-20% annually.

Capital Outlay, Non-Recurring Items, & Technology

The Capital Outlay and/or non-recurring items are based on actual budget requests from departments. The City of Novi has a track record of replacing and maintaining assets, which not unlike businesses, allows the City flexibility in deferring capital purchases for a period of time during financially tight years.

Certain programs, like Personal Computer replacement, are included in the 2018/19 budget and while department allocation may change, total estimated replacement remains the same plus inflationary adjustment of 3%.

Capital Improvements

The General, Major Street, Local Street, Municipal Street, Drain, Parks, Recreation and Cultural Services, PEG Cable, Forfeiture, Capital Improvement, Gun range, Ice Arena, Water and Sewer, and Senior Housing Funds reflect anticipated expenditures for each year based on the Capital Improvement Program.