



**CITY OF NOVI CITY COUNCIL
OCTOBER 14, 2024**

SUBJECT: Approval of Resolution to authorize Budget Amendment #2025-1

SUBMITTING DEPARTMENT: Finance

KEY HIGHLIGHTS:

- The proposed amendment is for all funds except the General and Parks & Recreation Funds.
- The actual amendment is only for the amounts shown below for FY 24/25, the FY 23/24 amounts are the unspent funds at 6/30/24.
- The proposed amendment has no net impact on fund balance as the unspent funds in fiscal year 2024 created a favorable variance which will be offset by the exact amount in fiscal 2025.
- The proposed amendment impacts multiple capital outlay accounts within each fund, the overall financial impact is summarized below with the detail attached.

FINANCIAL IMPACT

	FY 23/24	FY 24/25	Total Amendment
EXPENDITURE REQUIRED	(\$28,516,049)	\$28,516,049	\$28,516,049
BUDGET			
1. Major Streets transfer in revenue from Muni Streets 202-000.00-699.204	(\$440,000)	\$440,000	\$440,000
2. Major Streets Capital Outlay Exp Account(s) 202-449.20-975.XXX	(\$6,090,360)	\$6,090,360	\$6,090,360
3. Local Streets transfer in revenue from Muni Streets 203-000.00-699.204	(\$170,000)	\$170,000	\$170,000
4. Local Streets Capital Outlay Exp Account(s) 203-449.30-975.XXX	(\$2,073,885)	\$2,073,885	\$2,073,885
5. Municipal Streets Capital Outlay Exp Account(s) 204-446.00-975.XXX	(\$1,460,440)	\$1,460,440	\$1,460,440
6. Municipal Streets transfer out expenditure to Major and Local Streets 204-000.00-995.203 & 995.204	(\$610,000)	\$610,000	\$610,000

7. Drain Fund Capital Outlay Account(s) 211-445.00-975.XXX	(\$1,998,851)	\$1,998,851	\$1,998,851
8. Drain Fund transfer in revenue from Drain PM Fund 211-000.00-699.211	(\$1,998,851)	\$1,998,851	\$1,998,851
9. Drain PM Fund transfer out Exp to Drain Fund 152-000.00-995.211	(\$1,998,851)	\$1,998,851	\$1,998,851
10. Forfeiture Fund Capital Outlay Account 262-302.00-983.245	(\$25,520)	\$25,520	\$25,520
11. CIP Fund Capital Outlay Exp Account(s) 401-XXX.00-979.XXX	(\$3,042,628)	\$3,042,628	\$3,042,628
12. PEG Fund Capital Outlay Exp Account(s) 463-725.10-976.XXX	(\$6,650)	\$6,650	\$6,650
13. Ice Arena Capital Outlay Exp Account(s) 570-000.00-976.XXX	(\$296,582)	\$296,582	\$296,582
14. Senior Housing Capital Outlay Exp Account(s) 574-000.00-976.XXX	(\$245,583)	\$245,583	\$245,583
15. Water and Sewer Capital Outlay Exp Account(s) 592-536.00-976.XXX	(\$10,666,699)	\$10,666,699	\$10,666,699
APPROPRIATION REQUIRED (NET)	(\$25,907,198)	\$25,907,198	\$25,907,198
FUND BALANCE IMPACT	(\$25,907,198)	\$25,907,198	\$25,907,198
Note: The amounts shown in the FY 23/24 column represent the total amount under budget at 6/30/24 due to the capital items not being completed. The amount for FY 24/25 is the balance of the capital item that will be expended by 6/30/25.			

BACKGROUND INFORMATION:

Annually, the finance department brings forward a “rollover budget amendment” to “re-budget” capital items budgeted in the previous fiscal year, where the actual expenditure will not be incurred until the next fiscal year. The majority of the items represent construction projects where work began in the spring of 2024 (FY 23/24) and will be completed in the fall of 2024 (FY 24/25). In addition, there are also capital-related items that have been impacted by supply chain issues where noncancelable orders have been placed, but the item was not received by 6/30/24 (such as fire trucks and other large DPW trucks). The proposed amendment has no net impact on fund balance as this is just a timing issue between the two fiscal years.

RECOMMENDED ACTION: Approval of Resolution to authorize Budget Amendment #2025-1

RESOLUTION

NOW, THEREFORE BE IT RESOLVED that the following
Budget Amendment# 2025-1 is authorized:

	INCREASE (DECREASE)
MAJOR STREET FUND	
REVENUES	
Transfers In	440,000
TOTAL REVENUES	\$ 440,000
APPROPRIATIONS	
Capital Outlay	6,090,360
TOTAL APPROPRIATIONS	\$ 6,090,360
Net Increase (Decrease) to Fund Balance	\$ (5,650,360)
Ending Fund Balance	\$1,474,344
Fund Balance as a % of total annual expenditures	10%
LOCAL STREET FUND	
REVENUES	
Transfers In	170,000
TOTAL REVENUES	\$ 170,000
APPROPRIATIONS	
Capital Outlay	2,073,885
TOTAL APPROPRIATIONS	\$ 2,073,885
Net Increase (Decrease) to Fund Balance	\$ (1,903,885)
Ending Fund Balance	\$925,171
Fund Balance as a % of total annual expenditures	10%
MUNICIPAL STREET FUND	
APPROPRIATIONS	
Capital Outlay	1,460,440
Transfers Out	610,000
TOTAL APPROPRIATIONS	\$ 2,070,440
Net Increase (Decrease) to Fund Balance	\$ (2,070,440)
Ending Fund Balance	\$3,370,426
Fund Balance as a % of total annual expenditures	29%

**INCREASE
(DECREASE)**

DRAIN FUND

REVENUES

Transfers In	1,998,851
TOTAL REVENUES	<u>\$ 1,998,851</u>

APPROPRIATIONS

Capital Outlay	1,998,851
TOTAL APPROPRIATIONS	<u>\$ 1,998,851</u>

Net Increase (Decrease) to Fund Balance	<u>\$ -</u>
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DRAIN PERPETUAL MAINTENANCE FUND

APPROPRIATIONS

Transfers Out	1,998,851
TOTAL APPROPRIATIONS	<u>\$ 1,998,851</u>

Net Increase (Decrease) to Fund Balance	<u>\$ (1,998,851)</u>
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FORFEITURE FUND

APPROPRIATIONS

Capital Outlay	25,520
TOTAL APPROPRIATIONS	<u>\$ 25,520</u>

Net Increase (Decrease) to Fund Balance	<u>\$ (25,520)</u>
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CAPITAL IMPROVEMENT PROGRAM (CIP) FUND

APPROPRIATIONS

Capital Outlay	3,042,628
TOTAL APPROPRIATIONS	<u>\$ 3,042,628</u>

Net Increase (Decrease) to Fund Balance	<u>\$ (3,042,628)</u>
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PEG CABLE CAPITAL FUND

APPROPRIATIONS

Capital Outlay	6,650
TOTAL APPROPRIATIONS	<u>\$ 6,650</u>

Net Increase (Decrease) to Fund Balance	<u>\$ (6,650)</u>
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**INCREASE
(DECREASE)**

ICE ARENA FUND

APPROPRIATIONS

Capital Outlay	296,582
TOTAL APPROPRIATIONS	<u>\$ 296,582</u>

Net Increase (Decrease) to Fund Balance **\$ (296,582)**

SENIOR HOUSING FUND

APPROPRIATIONS

Capital Outlay	245,583
TOTAL APPROPRIATIONS	<u>\$ 245,583</u>

Net Increase (Decrease) to Fund Balance **\$ (245,583)**

WATER & SEWER FUND

APPROPRIATIONS

Other Charges and Services	1,031,785
Capital Outlay	9,634,914
TOTAL APPROPRIATIONS	<u>\$ 10,666,699</u>

Net Increase (Decrease) to Fund Balance **\$ (10,666,699)**

I hereby certify that the foregoing is a true and complete copy of a
resolution adopted by the City Council of the City of Novi
at a regular meeting held on October 14, 2024

Cortney Hanson
City Clerk

GL #	Project/Item Description	Budget Category	Amount
MAJOR STREET FUND			
Revenues			
202-000.00-699.204	Transfer from Municipal Street	Transfer in	440,000
			<u>\$ 440,000</u>
Expenditures			
202-449.20-975.035	Fountain Walk Dr Recon	Capital outlay	278,400
202-449.20-975.152	ENG093 West Park Drive (12 Mile-Pnt Trl)	Capital outlay	143,046
202-449.20-975.153	ENG016 13 Mile Rd (M5-Haggerty)	Capital outlay	38,289
202-449.20-975.182	082-30 11 Mile Rehab (Taft to Beck)	Capital outlay	74,000
202-449.20-975.214	ENG058 Wixom Rd& Lft Trm Ln (10Mi-CL)	Capital outlay	3,017,092
202-449.20-975.226	162-07 Beck Rd Widen(11Mi-Prov Dr/CP Bv)	Capital outlay	442,169
202-449.20-975.227	ENG075 Mdwbrk Rd Rehab (10 Mi-11 Mi)	Capital outlay	19,223
202-449.20-975.229	ENG078 9 Mile Rd Rehab (Mdwbrk-Haggerty)	Capital outlay	14,090
202-449.20-975.232	Beck Road Rehab (10 Mile to 11 Mile Rds)	Capital outlay	125,000
202-449.20-975.248	ENG079 Industrial Bus Parks Rd Rehab	Capital outlay	66,216
202-449.20-975.271	ENG073 Taft Rd(Sth CL-10 Mile)&R@9MiRd	Capital outlay	801,232
202-449.20-976.089	ENG067a/b GLWA 14 Mi WM Trans Red Route	Capital outlay	1,003,198
202-449.20-976.219	13 Mile Rd Rehab (Mdwbrk-M-5)	Capital outlay	68,405
			<u>\$ 6,090,360</u>
Net Increase (decrease) to fund balance			\$ (5,650,360)
Ending Fund Balance		\$1,474,344	
Fund Balance as a % of total annual expenditures		10%	

LOCAL STREET FUND			
Revenues			
203-000.00-699.204	Transfer from Municipal Street	Transfer in	170,000
			<u>\$ 170,000</u>
Expenditures			
203-449.30-974.231	102-01 NRP 2022 - Concrete (FY 2022-23)	Capital outlay	4,201
203-449.30-974.233	102-01 NRP 2022 - Asphalt (FY 2022-23)	Capital outlay	2,303
203-449.30-974.241	102-01 NRP 2023 - Concrete (FY 2023-24)	Capital outlay	65,437
203-449.30-974.243	102-01 NRP 2023 - Asphalt (FY 2023-24)	Capital outlay	102,150
203-449.30-974.251	102-01 NRP 2024 - Concrete (FY 2024-25)	Capital outlay	878,952
203-449.30-974.251	102-01 NRP 2024 - Concrete (FY 2024-25)	Capital outlay	986,831
203-449.30-975.170	ENG038 Flint St - Ph2; SW Ring Rd	Capital outlay	11,810
203-449.30-975.272	Drakes Bay Drive Reconstruction	Capital outlay	22,201
			<u>\$ 2,073,885</u>
Net Increase (decrease) to fund balance			\$ (1,903,885)
Ending Fund Balance		\$925,171	
Fund Balance as a % of total annual expenditures		10%	

MUNICIPAL STREET FUND			
Expenditures			
204-446.00-974.464	Safe Streets and Roads for All (SS4A)	Capital outlay	100,400
204-446.00-974.475	085-81 Seg80B81A&81B-10Mi(SS;Mdwbrk-Hagg)	Capital outlay	57,495
204-446.00-975.020	ENG068 NSP 2021 (FY 2021-22) Alloc GF	Capital outlay	(160,874)
204-446.00-975.021	ENG068 NSP 2021 (FY 2021-22)	Capital outlay	86,966
204-446.00-975.023	ENG068 NSP 2023 (FY 2023-24)	Capital outlay	398,735
204-446.00-975.034	162-01 12 Mile Rd Widen (Beck - Cabaret)	Capital outlay	734,417
204-446.00-975.156	ENG089 Novi Rd (8 Mile - 9 Mile) RCOC	Capital outlay	15,500
204-446.00-975.187	ENG060 10 Mile Rd & Oper Enhance RCOC	Capital outlay	227,801
204-000.00-995.202	Transfer to Major Street Fund	Transfer out	440,000
204-000.00-995.203	Transfer to Local Street Fund	Transfer out	170,000
			<u>\$ 2,070,440</u>
Net Increase (decrease) to fund balance			\$ (2,070,440)
Ending Fund Balance		\$3,370,426	
Fund Balance as a % of total annual expenditures		29%	

<u>GL #</u>	<u>Project/Item Description</u>	<u>Budget Category</u>	<u>Amount</u>
DRAIN FUND			
Revenues			
211-000.00-699.152	Transfer in from Drain Perpetual	Transfer in	1,998,851
			<u>\$ 1,998,851</u>
Expenditures			
211-445.00-975.000	Construction	Capital outlay	666,120
211-445.00-975.137	ENG034 Basin Repairs-Orchard Hill Place	Capital outlay	669,000
211-445.00-975.146	133-08 Strmbnk Stb -Mid Rouge Rvr nr ML	Capital outlay	430,586
211-445.00-975.201	Storm Sewer Impv - Meadowbrook (9-10 Mi)	Capital outlay	93,175
211-445.00-975.269	ENG051 BasinClean-LvnwrthRg(\$ GR; E Tfft)	Capital outlay	129,700
211-445.00-976.125	FLD045 Salt Dome Replace w/Pit &Conveyor	Capital outlay	3,265
211-445.00-984.022	FLD018 Trck Mntd Cmb Swr Clnr(repl #614)	Capital outlay	7,005
			<u>\$ 1,998,851</u>
Net Increase (decrease) to fund balance			\$ -
DRAIN PERPETUAL MAINTENANCE FUND			
Expenditures			
152-000.00-995.211	Transfer to Drain Fund	Transfer out	1,998,851
			<u>\$ 1,998,851</u>
Net Increase (decrease) to fund balance			\$ (1,998,851)
FORFEITURE FUND			
Expenditures			
262-302.00-983.245	Vehicles - State Forfeitures	Capital outlay	25,520
			<u>\$ 25,520</u>
Net Increase (decrease) to fund balance			\$ (25,520)
CAPITAL IMPROVEMENT PROGRAM (CIP) FUND			
Expenditures			
401-336.00-979.005	FIR024 Engine (replace #313)	Capital outlay	990,423
401-336.00-979.006	FIR029 Engine (replace 322)	Capital outlay	1,324,169
401-752.00-977.037	PRC043 City Splash Pad	Capital outlay	88,469
401-752.00-977.112	ENG082 PickleBall Crts w/SW, lot, &stair	Capital outlay	639,567
			<u>\$ 3,042,628</u>
Net Increase (decrease) to fund balance			\$ (3,042,628)
PEG CABLE - CAPITAL FUND			
Expenditures			
463-725.10-976.193	Studio VI Renovations	Capital outlay	1,590
463-725.10-986.051	SIP024 Firewall Replacement - Studio 6	Capital outlay	5,060
			<u>\$ 6,650</u>
Net Increase (decrease) to fund balance			\$ (6,650)
ICE ARENA FUND			
Expenditures			
570-000.00-976.142	Zamboni Purchase	Capital outlay	110,800
570-000.00-976.149	ICE004 Dehumidification Unit	Capital outlay	167,505
570-000.00-976.162	COR003 Smke/Fire Detection Replace	Capital outlay	12,670
570-000.00-976.175	ICE022 Roof Restoration - Ice Arena	Capital outlay	5,607
			<u>\$ 296,582</u>
Net Increase (decrease) to fund balance			\$ (296,582)

<u>GL #</u>	<u>Project/Item Description</u>	<u>Budget Category</u>	<u>Amount</u>
SENIOR HOUSING FUND			
Expenditures			
574-000.00-976.196	SNR017 Air Cond Units (98)-MC Mn Bldg	Capital outlay	80,000
574-000.00-977.110	ENG092 PickBall Crts(4) incl sdwlk etc.	Capital outlay	165,583
			<u>\$ 245,583</u>
Net Increase (decrease) to fund balance			\$ (245,583)

WATER AND SEWER FUND			
Expenditures			
592-536.00-816.056	SIP043 Comp Dist System Mat Inv -EGLE req	Other services and charges	190,678
592-536.00-816.057	SIP044 PRV Cathodic Protection Analysis	Other services and charges	12,100
592-536.00-816.059	SIP046 City Survey Bnchmrks Updt(ph1&2)	Other services and charges	25,000
592-536.00-816.066	Island Lk Booster Assessment	Other services and charges	21,150
592-536.00-816.088	PCCP TransMainCondAssess (under I96)	Other services and charges	78,269
592-536.00-936.040	Water Main Valve Maint Program	Other services and charges	704,588
592-536.00-976.009	SAD 170(Ph 3B) Pump Station aka Garfield	Capital outlay	70,575
592-536.00-976.082	WTS036 Asb-Cement (AC) Wtr Main Rep-PH1	Capital outlay	248,775
592-536.00-976.089	ENG067a/b GLWA 14 Mi WM Trans Red Route	Capital outlay	52,130
592-536.00-976.110	SS CapUpgrd Lanny's InfInt&Drakes Bay Ef	Capital outlay	1,370,132
592-536.00-976.111	WTS040 Asb-Cement WM repl 10Mi(mdw-hag)	Capital outlay	160,300
592-536.00-976.112	WTS039 PCCP Water Main Repairs	Capital outlay	90,651
592-536.00-976.116	Water Main Install Flint/Bond Ph 2	Capital outlay	2,801
592-536.00-976.124	WTS042 Water Main Replace -Roethel Drive	Capital outlay	56,709
592-536.00-976.139	West Park Booster Station Improvements	Capital outlay	100,934
592-536.00-976.194	ENG090 Huron-Rouge Sew Disp System(HRSDDS)	Capital outlay	6,000,000
592-536.00-976.214	WTS045 Water Main Loop Conn - Southwest	Capital outlay	565,576
592-536.00-976.220	Bellagio SS PumpStation	Capital outlay	891,414
592-536.00-983.075	LDV021 LDV w/ plow 734 - DPW WS	Capital outlay	24,917
			<u>\$ 10,666,699</u>
Net Increase (decrease) to fund balance			\$ (10,666,699)