



CITY of NOVI CITY COUNCIL

Agenda Item 3 September 12, 2016

SUBJECT: Approval of budget amendment to transfer \$2.1 million of the projected General Fund net revenues over expenditures from fiscal year ended June 30, 2016 to a new CIP Fund along with an additional transfer of \$1 million from the General Fund to the CIP Fund for fiscal year ending June 30, 2017.

SUBMITTING DEPARTMENT: Finance

CITY MANAGER APPROVAL: 

EXPENDITURE REQUIRED	\$ 2,100,000 fiscal 16 and \$1,000,000 fiscal 17
AMOUNT BUDGETED	\$ 0 101-940.00-965.400 Trans to CIP Fund \$ 0 400-000.00-676.101 Trans from Gen Fund
APPROPRIATION REQUIRED	\$3,100,000 from General to CIP Fund
LINE ITEM NUMBER	Fiscal Year 2015/2016 \$ 2,100,000 101-940.00-965.400 Trans to CIP Fund \$ 2,100,000 400-000.00-676.101 Trans from GF Fiscal Year 2016/2017 \$ 1,000,000 101-940.00-965.400 Trans to CIP Fund \$ 1,000,000 400-000.00-676.101 Trans from GF

BACKGROUND INFORMATION:

As the fiscal year 15/16 recently came to an end it is projected, due to City staff's conscientious stewardship of their respective departmental budget, that expenditures were \$1.5 million less than anticipated/budgeted. On Monday, August 29, 2016, the Mayor and City Council discussed the possibility of using a portion of the projected revenues from the General Fund to help fund a new Capital Improvement Program (CIP) Fund. Any transfer from the General Fund would be used in conjunction with the recently voter approved property tax levy which will begin July 1, 2017. Ultimately, the Mayor and City Council requested the City's Administration to present a formal recommendation regarding transferring additional funding from the General Fund to the CIP Fund. Based on review of the Charter required 60 day budget to actual report for the 2015/16 fiscal year-end, dated August 25, 2016, revenues are projected to be over expenditures by \$1.5 million. Administration is recommending using the entire projected \$1.5 million along with an additional \$600,000 from the total fund balance (currently estimated at \$15.70 million) for a total transfer from 2015/16, fiscal year of \$2.1 million. After review of the General Fund 2016/2017 fiscal year budget as directed, staff is recommending using the budgeted one-time escrow closeout revenue toward an additional contribution to the CIP Fund of \$1 million.

RECOMMENDED ACTION: Approval of budget amendment to transfer \$2.1 million of the projected General Fund net revenues over expenditures from fiscal year ended June 30, 2016 to a new CIP Fund along with an additional transfer of \$1 million from the General Fund to the CIP Fund for fiscal year ending June 30, 2017.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Burke				
Council Member Casey				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				

RESOLUTION

NOW, THEREFORE BE IT RESOLVED that the following
Budget Amendment for the General Fund transfer to the Capital
Improvement Program (CIP) Fund is authorized:

	INCREASE (DECREASE)
General Fund	
APPROPRIATIONS	
Transfer to Other Funds	
Transfer Out	2,100,000
TOTAL APPROPRIATIONS	<u><u>\$ 2,100,000</u></u>
Net Increase (Decrease) to Fund Balance	<u><u>\$ (2,100,000)</u></u>
Capital Improvement Program (CIP) Fund	
REVENUES	
Transfers In	2,100,000
TOTAL REVENUES	<u><u>\$ 2,100,000</u></u>
Net Increase (Decrease) to Fund Balance	<u><u>\$ 2,100,000</u></u>

I hereby certify that the foregoing is a true and complete copy of a
resolution adopted by the City Council of the City of Novi
at a regular meeting held on September 12, 2016

Cortney Hanson
City Clerk

RESOLUTION

NOW, THEREFORE BE IT RESOLVED that the following
Budget Amendment for the General Fund transfer to the Capital
Improvement Program (CIP) Fund is authorized:

	INCREASE (DECREASE)
General Fund	
APPROPRIATIONS	
Transfer to Other Funds	
Transfer Out	1,000,000
TOTAL APPROPRIATIONS	<u><u>\$ 1,000,000</u></u>
Net Increase (Decrease) to Fund Balance	<u><u>\$ (1,000,000)</u></u>
Capital Improvement Program (CIP) Fund	
REVENUES	
Transfers In	1,000,000
TOTAL REVENUES	<u><u>\$ 1,000,000</u></u>
Net Increase (Decrease) to Fund Balance	<u><u>\$ 1,000,000</u></u>

I hereby certify that the foregoing is a true and complete copy of a
resolution adopted by the City Council of the City of Novi
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Cortney Hanson
City Clerk