



# CITY of NOVI CITY COUNCIL

**Agenda Item 3  
October 20, 2014**

**SUBJECT:** Approval of resolution to authorize Budget Amendment #2015-1

**SUBMITTING DEPARTMENT:** Finance

**CITY MANAGER APPROVAL:** 

**BACKGROUND INFORMATION:**

The City's annual budget is adopted by the third Monday in May each year and is effective July 1<sup>st</sup> each year. The budget is adopted at a category level (vs. line item). In accordance with the State Budget Act, budget amendments are completed throughout the fiscal year in order to reflect the most current information available related to revenue and expenditure budgets. The proposed amendments are based on actual and projected activity-to-date. Amendments between line-items within the same budget category are managed at the administration level. Only budget amendments that have a positive or negative impact on fund balance or are not within the same budget category are prepared quarterly for Council approval.

The 1<sup>st</sup> quarter budget amendment has historically been included with the rollover budget amendment; however this year, and going forward, they are being brought before Council separately. The rollover budget amendment was approved by Council on Monday, September 15, 2014. The first quarter budget amendment is attached and it is also summarized below; fund balance summaries have been included for funds with minimum fund balance requirements.

**GENERAL FUND**

<b><u>GENERAL FUND</u></b>			
<b>Projected Ending Fund Balance, June 30, 2014</b>			\$ 7,376,366
Favorable variance, including rollover items			2,085,604
<b>Estimated Beginning Fund Balance, July 1, 2014</b>			<u>\$ 9,461,970</u>
	Amended Revenue as of Council Meeting 10/06/2014	30,569,635	
2015-1	1st QTR Budget Amendment	<u>65,447</u>	
	Amended Revenue as of Council Meeting 10/20/2014		30,635,082
	Amended Expenditures as of Council Meeting 10/06/2014	30,928,140	
2015-1	1st QTR Budget Amendment	<u>193,599</u>	
	Amended Expenditures as of Council Meeting 10/20/2014		<u>31,121,739</u>
<b>Revenues over (under) Expenditures</b>			<u>\$ (486,657)</u>
<b>Estimated Ending Fund Balance, June 30, 2015</b>			<u><u>\$ 8,975,313</u></u>
<b>Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :</b>			<b>28.8%</b>

The proposed General Fund budget amendment request decreases fund balance for the fiscal year ending June 30, 2015, by approximately \$128,152 through net increases in various revenue departments of approximately \$65,447 and net increases in various expenditure departments of approximately \$193,599. The amendment decreases General Fund fund balance but keeps within Council set limits. The following highlights some of the significant reasons for the change in fund balance included in the proposed amendment for this fund:

- Increase in revenue line items totaling \$65,447 which includes \$44,665 in property tax revenue.
- City manager vacancy increases fund balance \$64,826
- Reallocation of personnel services increases fund balance \$40,000
- Updated vehicle maintenance allocation increases fund balance \$50,000
- Personnel stipend budgets amended to reflect actual activity increases fund balance by \$15,212
- Anticipated insurance claims/deductibles through the end of the fiscal year reduces fund balance \$125,000
- Pistol purchases for patrol operations and police academy fees for cadets reduces fund balance \$21,200
- MAFF labor agreement reduces fund balance \$14,425
- Reallocation of engineering costs for the Villa Park Property Sewer Extension project from Water and Sewer Fund reduces fund balance by \$20,000
- Reallocation of police vehicle purchases to Forfeiture Fund increases fund balance \$82,100
- Changed citywide method for allocation of pension budgets to breakout normal and unfunded components of the annual contribution as required by the MERS actuarial report which decreases fund balance by \$199,665

**MAJOR STREET FUND**

<b><u>MAJOR STREET FUND</u></b>			
<b>Projected Ending Fund Balance, June 30, 2014</b>		\$	420,353
Favorable variance, including rollover items			176,149
<b>Estimated Beginning Fund Balance, July 1, 2014</b>		\$	596,502
	Amended Revenue as of Council Meeting 10/06/2014	2,839,955	
2015-1	1st QTR Budget Amendment	228,245	
	Amended Revenue as of Council Meeting 10/20/2014		3,068,200
	Amended Expenditures as of Council Meeting 10/06/2014	2,998,698	
2015-1	1st QTR Budget Amendment	-	
	Amended Expenditures as of Council Meeting 10/20/2014		2,998,698
<b>Revenues over (under) Expenditures</b>			69,502
<b>Estimated Ending Fund Balance, June 30, 2015</b>		\$	666,004
<b>Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :</b>			<b>22.2%</b>

The proposed Major Street Fund budget amendment request increases Gas and Weight Tax Revenue by \$228,245 to recognize additional funding from the State (as previously shared in the administrative e-packet on July 10, 2014 attached); therefore increasing fund balance.

**LOCAL STREET FUND**

<b><u>LOCAL STREET FUND</u></b>			
<b>Projected Ending Fund Balance, June 30, 2014</b>			\$ 534,525
Favorable variance, including rollover items			379,846
<b>Estimated Beginning Fund Balance, July 1, 2014</b>			<u>\$ 914,371</u>
2015-1	Amended Revenue as of Council Meeting 10/06/2014	3,985,656	
	1st QTR Budget Amendment	<u>81,712</u>	
	Amended Revenue as of Council Meeting 10/20/2014		4,067,368
2015-1	Amended Expenditures as of Council Meeting 10/06/2014	4,414,021	
	1st QTR Budget Amendment	<u>-</u>	
	Amended Expenditures as of Council Meeting 10/20/2014		4,414,021
<b>Revenues over (under) Expenditures</b>			<u>(346,653)</u>
<b>Estimated Ending Fund Balance, June 30, 2015</b>			<u><u>\$ 567,718</u></u>
<b>Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :</b>			<b>12.9%</b>

The proposed Local Street Fund budget amendment request increases Gas and Weight Tax Revenue by \$81,712 to recognize additional funding from the State; therefore increasing fund balance.

**MUNICIPAL STREET FUND**

<b><u>MUNICIPAL STREET FUND</u></b>			
<b>Projected Ending Fund Balance, June 30, 2014</b>			\$ 728,680
Favorable variance, including rollover items			3,190,752
<b>Estimated Beginning Fund Balance, July 1, 2014</b>			<u>\$ 3,919,432</u>
2015-1	Amended Revenue as of Council Meeting 10/06/2014	4,932,500	
	1st QTR Budget Amendment	<u>488,000</u>	
	Amended Revenue as of Council Meeting 10/20/2014		5,420,500
2015-1	Amended Expenditures as of Council Meeting 10/06/2014	5,137,206	
	1st QTR Budget Amendment	<u>-</u>	
	Amended Expenditures as of Council Meeting 10/20/2014		5,137,206
<b>Revenues over (under) Expenditures</b>			<u>283,294</u>
<b>Estimated Ending Fund Balance, June 30, 2015</b>			<u><u>\$ 4,202,726</u></u>
<b>Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :</b>			<b>81.8%</b>

The proposed Municipal Street Fund budget amendment increases fund balance \$488,000 due to the transfer of self-funded earnings from the 12 Mile Road SAD Fund. The refinancing of the SAD bonds in 2012 for this project resulted in significant annual interest savings. The SAD regulations state the interest savings remain with the City and are proposed to be transferred to this fund. The SAD bonds will be paid in full in fiscal year 2015/2016.

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

<b><u>PARKS, RECREATION, &amp; CULTURAL SERVICES FUND</u></b>			
<b>Projected Ending Fund Balance, June 30, 2014</b>			\$ 461,639
	Favorable variance, including rollover items		431,923
<b>Estimated Beginning Fund Balance, July 1, 2014</b>			\$ 893,562
	Amended Revenue as of Council Meeting 10/06/2014	3,048,212	
2015-1	1st QTR Budget Amendment	<u>14,542</u>	
	Amended Revenue as of Council Meeting 10/20/2014		3,062,754
	Amended Expenditures as of Council Meeting 10/06/2014	3,284,748	
2015-1	1st QTR Budget Amendment	<u>88,539</u>	
	Amended Expenditures as of Council Meeting 10/20/2014		<u>3,373,287</u>
<b>Revenues over (under) Expenditures</b>			<u>(310,533)</u>
<b>Estimated Ending Fund Balance, June 30, 2015</b>			\$ <u>583,029</u>
<b>Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :</b>			<b>17.3%</b>

The proposed Parks, Recreation, & Cultural Services Fund budget amendment request decreases fund balance for the fiscal year ending June 30, 2015, by \$73,997 through net increases in various revenue departments of \$14,542 and net increases in various expenditure departments of \$88,539. The amendment decreases Parks, Recreation, Cultural Services Fund fund balance but keeps within Council set limits. The following highlights the reasons for the change in fund balance included in the proposed amendment for this fund:

- Contributions and Donations Fund-related expenditures for the Gazebo project decreases fund balance \$3,000 and is offset by the revenue received in the same amount.
- Reallocation of pension budgets to reflect the normal and unfunded accrued liability expenses reported on the MERS actuarial report decreases fund balance by \$71,106

**Contributions and Donations Fund**

The proposed Contributions and Donations Fund budget amendment request decreases fund balance for the fiscal year ending June 30, 2015, by \$3,992 in order to fund the Gazebo project located at Meadowbrook Commons. These funds were donated over the past couple years in anticipation of spending the contributions on the Gazebo project once enough funds were available to offset the cost of the project.

**Forfeiture Fund**

The proposed Forfeiture Fund budget amendment request decreases fund balance for the fiscal year ending June 30, 2015, by \$97,600 to purchase a GPS Tracker for South Oakland County Narcotic Intelligence Consortium (SONIC), to purchase four replacement RADAR units for patrol vehicles, and to reallocate police vehicle purchases from the General Fund in the amount of \$82,100.

**Library Fund**

The proposed Library Fund budget amendment request increases fund balance for the fiscal year ending June 30, 2015, by \$65,662. This amendment is needed in order to reflect the proper capital outlay budget category approved by the Library Board on May 19, 2014, to amend the personnel stipend budgets to reflect actual activity, and reallocate the pension budgets to reflect the normal and unfunded accrued liability expenses reported on the MERS actuarial report.

**Walker Fund**

The proposed Walker Fund budget amendment request increases fund balance for the fiscal year ending June 30, 2015, by \$32,062. This amendment is needed to create the budget approved by the Library Board on September 17, 2014.

**Water and Sewer Fund**

The proposed Water and Sewer Fund budget amendment request increases fund balance for the fiscal year ending June 30, 2015. The expenses related to the Villa Park Property Sewer Extension project is being reallocated to the General Fund in the amount of \$20,000, the inclusion of the 2003 Maybury SAD special assessment interest expense in the amount of \$11,700, to amend the personnel stipend budgets to reflect actual activity, and reallocate pension budgets to reflect the MERS actuarial report in the amount of \$223,815 results in a net increase to fund balance of \$231,755.

**RECOMMENDED ACTION:**

Approval of resolution to authorize Budget Amendment #2015-1

	1	2	Y	N
<b>Mayor Gatt</b>				
<b>Mayor Pro Tem Staudt</b>				
<b>Council Member Casey</b>				
<b>Council Member Fischer</b>				

	1	2	Y	N
<b>Council Member Markham</b>				
<b>Council Member Mutch</b>				
<b>Council Member Wrobel</b>				

**RESOLUTION**

NOW, THEREFORE BE IT RESOLVED that the following  
Budget Amendment# 2015-1 is authorized:

**INCREASE  
(DECREASE)**

<b>GENERAL FUND</b>
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**REVENUES**

Property Tax Revenue	44,665
Licenses, Permits, & Charges for Services	10,000
Other Revenue	10,782
<b>TOTAL REVENUES</b>	<b>\$ 65,447</b>

**APPROPRIATIONS**

**City Manager**

Personnel Services	(30,854)
Other Services and Charges	3,316

**Finance Department**

Personnel Services	92,233
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**Information Technology Department**

Personnel Services	21,827
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**Assessing Department**

Personnel Services	55,681
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**City Clerk**

Personnel Services	51,171
Other Services and Charges	51,000

**Treasury Department**

Personnel Services	20,158
Supplies	13,210

**Facility Operations**

Personnel Services	19,390
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**Human Resources**

Personnel Services	9,740
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**Neighborhood & Business Relations**

Personnel Services	31,811
Other Services and Charges	15,000

<b>General Administration</b>	
Personnel Services	(581,776)
Other Services and Charges	88,649
<b>Police Department</b>	
Personnel Services	200,887
Supplies	5,000
Other Services and Charges	(72,900)
Capital Outlay	(23,000)
<b>Fire Department</b>	
Personnel Services	42,623
<b>Community Development - Building</b>	
Personnel Services	73,790
Other Services and Charges	15,770
<b>Department of Public Services</b>	
Personnel Services	19,221
Other Services and Charges	20,000
<b>Department of Public Services - Engineering</b>	
Personnel Services	10,708
Other Services and Charges	5,500
<b>Department of Public Services - Field Operations</b>	
Personnel Services	81,443
Other Services and Charges	10,782
<b>Department of Public Services - Fleet Asset</b>	
Personnel Services	(70,933)
Allocated to Other Funds	(50,000)
<b>Novi Youth Assistance</b>	
Personnel Services	30,358
Supplies	9,642
<b>Community Development - Planning</b>	
Personnel Services	24,152
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 193,599</b>
<b>Net Increase (Decrease) to Fund Balance</b>	<b>\$ (128,152)</b>

<b>MAJOR STREET FUND</b>	
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**REVENUES**

State Sources	228,245
<b>TOTAL REVENUES</b>	<b>\$ 228,245</b>
<b>Net Increase (Decrease) to Fund Balance</b>	<b>\$ 228,245</b>

<b>LOCAL STREET FUND</b>	
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**REVENUES**

State Sources	81,712
<b>TOTAL REVENUES</b>	<b>\$ 81,712</b>
<b>Net Increase (Decrease) to Fund Balance</b>	<b>\$ 81,712</b>

<b>MUNICIPAL STREET FUND</b>	
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**REVENUES**

Transfer In	488,000
<b>TOTAL REVENUES</b>	<b>\$ 488,000</b>

**APPROPRIATIONS**

Other Services and Charges	2,000
Capital Outlay	(2,000)
<b>TOTAL APPROPRIATIONS</b>	<b>\$ -</b>
<b>Net Increase (Decrease) to Fund Balance</b>	<b>\$ 488,000</b>

<b>PARKS, RECREATION, &amp; CULTURAL SERVICES FUND</b>	
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**REVENUES**

Program Revenue	8,000
Transfers In	6,542
<b>TOTAL REVENUES</b>	<b>\$ 14,542</b>

**APPROPRIATIONS**

691 Personnel Services	24,858
691 Supplies	27,000
691 Other Services and Charges	3,000
691 Capital Outlay	(27,000)
693 Personnel Services	74,725
693 Program Expenditures	(44,110)
695 Personnel Services	23,524
695 Capital Outlay	6,542
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 88,539</b>
<b>Net Increase (Decrease) to Fund Balance</b>	<b>\$ (73,997)</b>



<b>TREE FUND</b>
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**APPROPRIATIONS**

Other Services and Charges	120,000
Capital Outlay	(120,000)
<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ -</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ -</u></u>

<b>Community Development Block Grant (CDBG) Fund</b>
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**REVENUES**

Federal Grants	85,654
<b>TOTAL REVENUES</b>	<u><u>\$ 85,654</u></u>

**APPROPRIATIONS**

Other Services and Charges	85,654
<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ 85,654</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ -</u></u>

<b>CONTRIBUTIONS &amp; DONATIONS FUND</b>
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**REVENUES**

Donations	2,550
<b>TOTAL REVENUES</b>	<u><u>\$ 2,550</u></u>

**APPROPRIATIONS**

208 Transfer Out to Other Funds	6,542
<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ 6,542</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ (3,992)</u></u>

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

Supplies	15,500
Other Services and Charges	59,100
Capital Outlay	23,000
<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ 97,600</u></u>
<b>Net Increase (Decrease) to Fund Balance</b>	<u><u>\$ (97,600)</u></u>

<b>LIBRARY FUND</b>
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**APPROPRIATIONS**

Personnel Services	(26,112)
Capital Outlay	(39,550)

<b>TOTAL APPROPRIATIONS</b>	<b><u>\$ (65,662)</u></b>
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<b>Net Increase (Decrease) to Fund Balance</b>	<b><u>\$ 65,662</u></b>
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<b>WALKER LIBRARY FUND</b>
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**REVENUES**

Other Revenue	62,333
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<b>TOTAL REVENUES</b>	<b><u>\$ 62,333</u></b>
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**APPROPRIATIONS**

Supplies	30,271
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<b>TOTAL APPROPRIATIONS</b>	<b><u>\$ 30,271</u></b>
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<b>Net Increase (Decrease) to Fund Balance</b>	<b><u>\$ 32,062</u></b>
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<b>STREETLIGHTING SAD FUND - WEST OAKS ST</b>
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**REVENUES**

Interest Income	150
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<b>TOTAL REVENUES</b>	<b><u>\$ 150</u></b>
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**APPROPRIATIONS**

Other Services & Charges	10,000
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<b>TOTAL APPROPRIATIONS</b>	<b><u>\$ 10,000</u></b>
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<b>Net Increase (Decrease) to Fund Balance</b>	<b><u>\$ (9,850)</u></b>
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<b>STREETLIGHTING SAD FUND - WEST LAKE DR</b>
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**REVENUES**

Special Assessments Levied	3,300
<b>TOTAL REVENUES</b>	<b>\$ 3,300</b>

**APPROPRIATIONS**

Other Services & Charges	3,300
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 3,300</b>

<b>Net Increase (Decrease) to Fund Balance</b>	<b>\$ -</b>
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<b>STREETLIGHTING SAD FUND - TOWN CENTER ST</b>
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**REVENUES**

Special Assessments Levied	15,000
<b>TOTAL REVENUES</b>	<b>\$ 15,000</b>

**APPROPRIATIONS**

Other Services & Charges	15,000
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 15,000</b>

<b>Net Increase (Decrease) to Fund Balance</b>	<b>\$ -</b>
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<b>12 MILE RD SAD DEBT FUND</b>
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**REVENUES**

Special Assessments Levied	1,841,000
Interest Income	100,000
<b>TOTAL REVENUES</b>	<b>\$ 1,941,000</b>

**APPROPRIATIONS**

Debt Service	1,453,000
Transfers Out	488,000
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 1,941,000</b>

<b>Net Increase (Decrease) to Fund Balance</b>	<b>\$ -</b>
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<b>WATER &amp; SEWER FUND</b>
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**APPROPRIATIONS**

Personnel Services	(253,455)
Other Services & Charges	33,700
Capital Outlay	(23,700)
Debt Service	11,700

<b>TOTAL APPROPRIATIONS</b>	<b>\$ (231,755)</b>
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<b>Net Increase (Decrease) to Fund Balance</b>	<b>\$ 231,755</b>
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<b>SENIOR HOUSING FUND</b>
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**APPROPRIATIONS**

Other Services & Charges	(16,000)
Capital Outlay	16,000

<b>TOTAL APPROPRIATIONS</b>	<b>\$ -</b>
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<b>Net Increase (Decrease) to Fund Balance</b>	<b>\$ -</b>
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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 20, 2014

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Maryanne Cornelius  
City Clerk

Budget Amendment# 2015-1 - October 20, 2014

GL#	GL Description	Budget Category	Amt
<b>General Fund</b>			
<b>Revenues</b>			
101-000.00-403.000	Property Tax Revenue - Current Levy	Property Tax Revenue	44,665
101-000.00-632.000	Miscellaneous Revenue - Police Department	Licenses, permits & charges for services	10,000
101-000.00-633.100	Insurance Reimbursement	Other Revenue	9,782
101-000.00-665.000	Miscellaneous Income	Other Revenue	1,000
			\$ 65,447
<b>Expenditures</b>			
101-172.00-704.000	Permanent Salaries	Personnel Services	(47,314)
101-172.00-704.200	Wages-Stipend	Personnel Services	(3,404)
101-172.00-715.000	Social Security	Personnel Services	(3,848)
101-172.00-716.000	Insurance	Personnel Services	3,263
101-172.00-718.000	Pension - DB Normal Cost	Personnel Services	1,939
101-172.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	32,034
101-172.00-718.200	Pension - defined contribution	Personnel Services	(15,576)
101-172.00-718.210	Pension - ICMA	Personnel Services	11,985
101-172.00-718.450	Retiree Health Savings	Personnel Services	(9,700)
101-172.00-720.000	Workers Compensation	Personnel Services	(233)
101-172.00-809.000	Memberships & Dues	Other Services and Charges	5,316
101-172.00-816.000	Professional Services	Other Services and Charges	(10,000)
101-172.00-850.000	Internal Technology	Other Services and Charges	8,000
101-201.00-718.000	Pension - DB Normal Cost	Personnel Services	974
101-201.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	91,259
101-205.00-704.200	Wages - Stipend	Personnel Services	(713)
101-205.00-718.000	Pension - DB Normal Cost	Personnel Services	2,062
101-205.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	20,478
101-209.00-704.200	Wages - Stipend	Personnel Services	(336)
101-209.00-718.000	Pension - DB Normal Cost	Personnel Services	(278)
101-209.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	56,295
101-215.00-718.000	Pension - DB Normal Cost	Personnel Services	3,992
101-215.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	98,568
101-215.00-722.000	Election Workers	Personnel Services	(51,000)
101-215.00-722.000	Election Workers	Other Services & Charges	51,000
101-215.00-704.200	Wages - Stipend	Personnel Services	(389)
101-253.00-704.200	Wages - Stipend	Personnel Services	(146)
101-253.00-718.000	Pension - DB Normal Cost	Personnel Services	717
101-253.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	19,587
101-253.00-740.300	Tax Bill Processing	Supplies	13,210
101-265.00-704.200	Wages - Stipend	Personnel Services	(197)
101-265.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	19,587
101-270.00-704.200	Wages - Stipend	Personnel Services	(184)
101-270.00-718.000	Pension - DB Normal Cost	Personnel Services	(326)
101-270.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	10,250
101-295.00-704.200	Wages - Stipend	Personnel Services	(408)
101-295.00-718.000	Pension - DB Normal Cost	Personnel Services	2,393
101-295.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	29,826
101-295.00-816.015	Ambassador (Citizen) Academy	Other Services and Charges	10,000
101-295.00-900.000	Printing & Publishing	Other Services and Charges	5,000
101-299.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	(581,776)
101-299.00-809.000	Memberships & Dues	Other Services and Charges	8,649
101-299.00-883.000	Youth Assistance	Other Services and Charges	(40,000)
101-299.00-900.000	Printing & Publishing	Other Services and Charges	(5,000)
101-299.00-910.001	Insurance Deductibles/Unisured Claims	Other Services and Charges	125,000
101-301.00-704.000	Permanent Salaries	Personnel Services	56,235
101-301.00-704.200	Wages - Stipend	Personnel Services	(1,675)
101-301.00-705.900	Cadet Program	Personnel Services	3,990
101-301.00-715.000	Social Security	Personnel Services	4,413
101-301.00-716.000	Insurance	Personnel Services	20,698
101-301.00-718.000	Pension - DB Normal Cost	Personnel Services	(91,993)
101-301.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	140,000
101-301.00-718.500	Retiree Healthcare Benefits	Personnel Services	67,239
101-301.00-720.000	Workers Compensation	Personnel Services	1,980
101-301.00-741.000	Uniforms	Supplies	5,000
101-301.00-850.000	Internal Technology	Other Services and Charges	10,000
101-301.00-935.000	Vehicle Maintenance	Other Services and Charges	(40,000)
101-301.00-935.100	Vehicle - new install	Other Services and Charges	(59,100)
101-301.00-957.500	Education & Training	Other Services and Charges	16,200
101-301.00-983.000	Vehicles	Capital Outlay	(23,000)

Budget Amendment# 2015-1 - October 20, 2014

<u>GL#</u>	<u>GL Description</u>	<u>Budget Category</u>	<u>Amt</u>
101-337.00-704.200	Wages - Stipend	Personnel Services	(182)
101-337.00-715.000	Social Security	Personnel Services	1,025
101-337.00-718.000	Pension - DB Normal Cost	Personnel Services	(1,446)
101-337.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	29,826
101-337.00-721.000	Part time firefighters -schedule/shifts	Personnel Services	4,956
101-337.00-721.100	POC Firefighters-pretraining	Personnel Services	400
101-337.00-721.200	Part-time Firefighters-standby	Personnel Services	2,400
101-337.00-721.300	Part time firefighters-tone outs/runs	Personnel Services	600
101-337.00-721.400	Part time Firefighters-training nonshift	Personnel Services	1,400
101-337.00-721.500	Auxillary firefighter wages	Personnel Services	3,344
101-337.00-721.708	POC -holiday pay	Personnel Services	300
101-371.00-704.200	Wages - Stipend	Personnel Services	(1,693)
101-371.00-705.000	Temporary Salaries	Personnel Services	(15,770)
101-371.00-718.000	Pension - DB Normal Cost	Personnel Services	(5,789)
101-371.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	97,042
101-371.00-816.000	Professional Services	Other Services and Charges	15,770
101-442.00-704.200	Wages - Stipend	Personnel Services	(573)
101-442.00-718.000	Pension - DB Normal Cost	Personnel Services	(684)
101-442.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	20,478
101-442.00-805.000	Engineering Consulting	Other Services and Charges	20,000
101-442.10-704.200	Wages - Stipend	Personnel Services	(644)
101-442.10-718.000	Pension - DB Normal Cost	Personnel Services	1,113
101-442.10-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	10,239
101-442.10-805.000	Engineering Consulting	Other Services and Charges	5,500
101-442.20-704.200	Wages - Stipend	Personnel Services	(2,681)
101-442.20-718.000	Pension - DB Normal Cost	Personnel Services	(679)
101-442.20-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	84,803
101-442.20-941.000	Grounds Maintenance	Other Services and Charges	10,782
101-442.30-704.000	Permanent Salaries	Personnel Services	(56,235)
101-442.30-704.200	Wages - Stipend	Personnel Services	(1,453)
101-442.30-715.000	Social Security	Personnel Services	(4,413)
101-442.30-716.000	Insurance	Personnel Services	(20,698)
101-442.30-718.000	Pension - DB Normal Cost	Personnel Services	(1,062)
101-442.30-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	9,348
101-442.30-718.500	Retiree Healthcare Benefits	Personnel Services	5,560
101-442.30-720.000	Workers Compensation	Personnel Services	(1,980)
101-442.30-997.100	Allocated to Other Funds	Allocation to Other Funds	(50,000)
101-665.00-705.000	Temporary Salaries	Personnel Services	28,080
101-665.00-715.000	Social Security	Personnel Services	2,148
101-665.00-720.000	Worker's Compensation	Personnel Services	130
101-665.00-740.000	Supplies	Supplies	9,642
101-807.00-704.200	Wages - Stipend	Personnel Services	(534)
101-807.00-718.000	Pension - DB Normal Cost	Personnel Services	(466)
101-807.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	25,152
			<u>\$ 193,599</u>

**Major Street Fund**

**Revenues**

202-000.00-546.000	Gas & Weight Tax	State Sources	228,245
			<u>\$ 228,245</u>

**Local Street Fund**

**Revenues**

203-000.00-546.000	Gas & Weight Tax	State Sources	81,712
			<u>\$ 81,712</u>

**Municipal Street Fund**

**Revenues**

204-000.00-676.841	Transfer from 12 Mile Rd SAD Debt Service Fund	Transfer In	488,000
			<u>\$ 488,000</u>

**Expenditures**

204-204.00-958.000	License Fees	Other Services and Charges	2,000
204-204.00-974.430	ITC Corridor - Beck Rd to Medilodge Site	Capital Outlay	(2,000)
			<u>\$ -</u>

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GL#	GL Description	Budget Category	Amf
<b>Parks, Recreation, &amp; Cultural Services Fund</b>			
<b>Revenues</b>			
208-000.00-653.629	Cultural Arts Camps	Program Revenue	8,000
208-000.00-676.265	Transfer In from Contributions & Donatirons Fund	Transfers In	6,542
			<u>\$ 14,542</u>
<b>Expenditures</b>			
208-691.00-704.000	Permanent salaries	Personnel Services	(10,805)
208-691.00-704.200	Wages - Stipend	Personnel Services	(2,392)
208-691.00-718.000	Pension - DB Normal Cost	Personnel Services	2,664
208-691.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	35,391
208-691.00-740.601	Operating Supplies - Park Amenities	Supplies	27,000
208-691.00-963.100	Fund 265 Expenditures	Other Services and Charges	3,000
208-691.00-974.050	Park Development Fuerst Estate	Capital Outlay	(27,000)
208-693.00-704.000	Permanent salaries	Personnel Services	47,273
208-693.00-704.200	Wages - Stipend	Personnel Services	1,078
208-693.00-715.000	Social security	Personnel Services	3,616
208-693.00-716.000	Insurance	Personnel Services	2,100
208-693.00-716.200	H S A-employer contribution	Personnel Services	1,875
208-693.00-718.000	Pension - DB Normal Cost	Personnel Services	2,181
208-693.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	10,239
208-693.00-718.200	Pension - defined contribution	Personnel Services	3,782
208-693.00-718.450	Retiree health savings	Personnel Services	1,300
208-693.00-720.000	Workers compensation	Personnel Services	1,281
208-693.00-960.624	Novi Theatres	Program Expenditure	(52,110)
208-693.00-960.629	Cultural Arts Camps	Program Expenditure	8,000
208-695.00-704.000	Permanent salaries	Personnel Services	45,022
208-695.00-704.200	Wages - Stipend	Personnel Services	1,205
208-695.00-715.000	Social security	Personnel Services	3,444
208-695.00-716.000	Insurance	Personnel Services	14,257
208-695.00-716.200	H S A-employer contribution	Personnel Services	1,690
208-695.00-718.000	Pension - DB Normal Cost	Personnel Services	(4,487)
208-695.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	20,478
208-695.00-718.200	Pension - defined contribution	Personnel Services	8,242
208-695.00-718.450	Retiree health savings	Personnel Services	1,300
208-695.00-720.000	Workers compensation	Personnel Services	1,220
208-695.00-960.558	Social Services	Personnel Services	(68,847)
208-695.00-976.007	Gazebo Expenses	Capital Outlay	6,542
			<u>\$ 88,539</u>
<b>Tree Fund</b>			
<b>Expenditures</b>			
209-000.00-972.100	Trees	Capital Outlay	(120,000)
209-000.00-972.100	Trees	Other Services and Charges	120,000
			<u>\$ -</u>
<b>Community Development Block Grant (CDBG) Fund</b>			
<b>Revenues</b>			
264-000.00-502.100	HCD Programs Reimbursement	Federal Grants	85,654
			<u>\$ 85,654</u>
<b>Expenditures</b>			
264-264.00-891.000	HCD	Other Services and Charges	85,654
			<u>\$ 85,654</u>
<b>Contributions &amp; Donations Fund</b>			
<b>Revenues</b>			
265-000.00-665.254	Senior Housing gazebo donation	Donation	2,550
			<u>\$ 2,550</u>
<b>Expenditures</b>			
265-000.00-965.208	Transfer to parks & rec.fund	Transfer Out	6,542
			<u>\$ 6,542</u>
<b>Forfeiture Fund</b>			
<b>Expenditures</b>			
266-266.00-740.000	Operating Supplies	Supplies	15,500
266-266.00-935.100	Vehicle - new install (federal)	Other Services and Charges	59,100
266-266.00-983.000	Vehicles - Federal Forfeitures	Capital Outlay	23,000
			<u>\$ 97,600</u>

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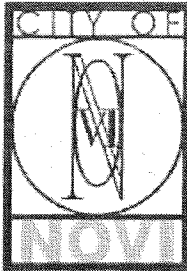
<u>GL#</u>	<u>GL Description</u>	<u>Budget Category</u>	<u>Amt</u>
<b>Library Fund</b>			
<b>Expenditures</b>			
268-000.00-704.200	Wages - Stipend	Personnel Services	(22,956)
268-000.00-718.000	Pension - DB Normal Cost	Personnel Services	14,964
268-000.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	(18,120)
268-000.00-986.000	Data Processing - Capital Outlay	Capital Outlay	(39,550)
			<u>\$ (65,662)</u>
<b>Walker Library Fund</b>			
<b>Revenues</b>			
269-000.00-665.230	Interest on investments	Other Revenue	2,000
269-000.00-665.231	Library Programming - Book It	Other Revenue	14,000
269-000.00-665.232	Donation-general-youth collections	Other Revenue	4,650
269-000.00-665.233	Donation--Friends Novi Library -Other	Other Revenue	8,100
269-000.00-665.234	Donations-brick pavers	Other Revenue	33,583
			<u>\$ 62,333</u>
<b>Expenditures</b>			
269-000.00-742.230	BookIt costs & childrens collections	Supplies	3,705
269-000.00-742.231	Books - parenting	Supplies	18,700
269-000.00-742.232	Friends of the Novi Library - Other Exp	Supplies	2,266
269-000.00-742.233	Novi Newbies expenditures	Supplies	3,600
269-000.00-742.234	Community Read expenditures	Supplies	2,000
			<u>\$ 30,271</u>
<b>Streetlighting SAD Fund - West Oaks St</b>			
<b>Revenues</b>			
854-000.00-664.000	Interest on investments	Interest Income	150
			<u>\$ 150</u>
<b>Expenditures</b>			
854-000.00-924.000	Street lighting	Other Services and Charges	10,000
			<u>\$ 10,000</u>
<b>Streetlighting SAD Fund - West Lake Dr</b>			
<b>Revenues</b>			
855-000.00-402.000	Special Assessments Levied	Special Assessments Levied	3,300
			<u>\$ 3,300</u>
<b>Expenditures</b>			
855-000.00-924.000	Street lighting	Other Services and Charges	3,300
			<u>\$ 3,300</u>
<b>Streetlighting SAD Fund - Town Center St</b>			
<b>Revenues</b>			
856-000.00-402.000	Special assessments levied	Special Assessments Levied	15,000
			<u>\$ 15,000</u>
<b>Expenditures</b>			
856-000.00-924.000	Street lighting	Other Services and Charges	15,000
			<u>\$ 15,000</u>
<b>12 Mile Road SAD Debt Fund</b>			
<b>Revenues</b>			
841-000.00-402.000	Special Assessments Levied	Special Assessments Levied	1,841,000
841-000.00-664.000	Interest on Investments	Interest Income	30,000
841-000.00-664.500	Unrealized Gain (Loss) on Investments	Interest Income	70,000
			<u>\$ 1,941,000</u>
<b>Expenditures</b>			
841-000.00-965.204	Transfer to Municipal Street Fund	Transfers Out	488,000
841-000.00-991.000	Principal	Debt Service	1,390,000
841-000.00-995.000	Interest expense	Debt Service	63,000
			<u>\$ 1,941,000</u>



Budget Amendment# 2015-1 - October 20, 2014

<u>GL#</u>	<u>GL Description</u>	<u>Budget Category</u>	<u>Amt</u>
<b>Water and Sewer Fund</b>			
<b>Expenditures</b>			
592-000.00-701.000	Allocated Expenses	Personnel Services	(30,000)
592-000.00-701.000	Allocated Expenses	Other Services & Charges	30,000
592-000.00-704.200	Wages - Stipend	Personnel Services	359
592-000.00-718.000	Pension - DB Normal Cost	Personnel Services	1,857
592-000.00-718.010	Pension - DB Unfunded Accrued Liability	Personnel Services	(225,671)
592-592.00-934.000	Building Maintenance	Other Services & Charges	3,700
592-592.00-974.098	Capital Outlay - Sewer	Capital Outlay	(20,000)
592-592.00-974.099	Capital Outlay - Water	Capital Outlay	(3,700)
592-592.00-995.000	Interest Expense	Debt Service	11,700
			<u>\$ (231,755)</u>
<b>Senior Housing Fund</b>			
<b>Expenditures</b>			
594-000.00-934.000	Building Maintenance	Other Services and Charges	(16,000)
594-000.00-969.000	Capital Outlay	Capital Outlay	16,000
			<u>\$ -</u>

## MEMORANDUM



cityofnovi.org

TO: VICTOR CARDENAS, INTERIM CITY MANAGER  
FROM: ROB HAYES, PUBLIC SERVICES DIRECTOR/CITY ENGINEER *RH*  
CARL JOHNSON, FINANCE DIRECTOR  
SUBJECT: STATE OF MICHIGAN ROAD FUNDING INCREASES  
DATE: JULY 10, 2014

*Mayor & Council,  
Good news more \$  
for road projects.*

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Recent legislative action at the State level has resulted in three discrete increases in road funding that will total \$542,008. This memorandum describes each revenue injection and the corresponding actual or planned expenditures.

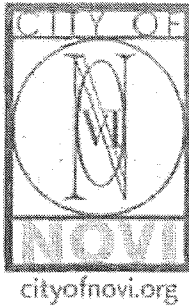
As reported in late March, the City of Novi received \$212,345 for local streets and major roads as a way to address increased maintenance caused by the abnormally severe weather during this past winter (see attached memo dated March 26, 2014). This additional road funding was put into effect by Senate Bill 608. Also, this week RCOC disbursed an additional \$19,706 that was due the City of Novi for winter maintenance on County roads. This represents Novi's pro-rated share of the additional road funding RCOC received from the State as a result of the enactment of SB 608. The total amount of \$232,051 was applied proportionally to the City's Local Street and Major Street Funds to partially cover the additional and unanticipated winter maintenance expenditures that were encountered during FY 13/14.

The State's FY15 transportation budget, which goes into effect on October 1, 2014, includes \$31.5M in additional road funding for municipalities. Accordingly, the Michigan Department of Transportation announced that Novi's share, to be disbursed evenly throughout the year according to the Act 51 distribution formula, will be \$309,957 (see // attached breakdown from MML, which also shows an additional \$56.5M to be disbursed to county road commissions). We propose that this amount be used to supplement routine maintenance activities (i.e., pothole patching, joint/crack sealing, street sweeping, tree/limb clearing, etc.) on local streets and major roads during FY 14/15.

Please contact us with any questions or comments regarding this matter.

Cc: Matt Wiktorowski, Field Operations Senior Manager  
Brian Coburn, Engineering Senior Manager  
Jessica Dorey, Senior Budget Analyst

# MEMORANDUM

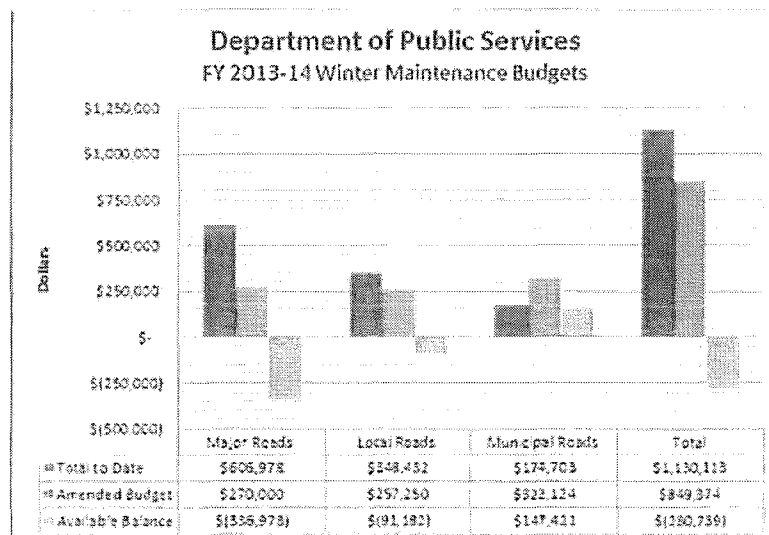


TO: VICTOR CARDENAS, INTERIM CITY MANAGER  
 FROM: ROB HAYES, DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER  
 SUBJECT: ADDITIONAL MID-YEAR ROAD REVENUE  
 DATE: MARCH 26, 2014

Mayor and Council,  
 Actual good news from Lansing as we've been allocated \$212,000 extra in road maintenance dollars. It will definitely assist in offsetting the expenses incurred during this harsh winter.  
 Victor

On March 14, the Lieutenant Governor signed a mid-year budget supplemental bill (Senate Bill 608) that includes \$100 million in additional road funding to help road agencies statewide to address unexpectedly high winter maintenance costs and the unprecedented road repairs that are likely to be needed this spring. Of this amount, \$21.8 million will be distributed to Michigan cities using the Act 51 distribution formula, which is based on a community's population and the number of centerline miles it maintains. The City of Novi's share, totaling \$212,345, will be disbursed by the end of this month. (Attached is a list showing the breakdown of the \$100 million to Michigan counties, cities and incorporated villages, not including MDOT's share of \$39.1 million.)

Because of the abnormally severe nature of this past winter season, DPS's overall winter maintenance budget across all road funds was exceeded (see chart below). Therefore, we propose to use the additional funding to help cover the \$280,739 negative winter maintenance budget variance. Although the special road maintenance funding is to be used only for road maintenance, DPS's overtime labor that gets charged to the General Fund and used for other winter maintenance activities (such as municipal parking lot and sidewalk/pathway clearing, and indirect/ancillary services that support roadway winter maintenance work) is also over-budget by \$80,852, bringing the total negative variance to \$361,591 for all FY13/14 winter maintenance work. The allocation of the additional revenue will appear as a 4<sup>th</sup> Quarter budget amendment item.



SB 608 also contains another \$115 million for high priority road construction projects that are to be identified and prioritized by the State legislature. Individual projects are to be under \$1 million in value and would need to be obligoted (i.e., design completed and out for bid) by July 1, 2014. Working with State Representative Crawford's office, City staff submitted the Eleven Mile/Town Center to Meadowbrook project and the Town Center/Grand River to Crescent project as "shovel ready" candidates for priority funding. It is expected that the list of approved projects will be released by mid-May at the latest.

Please let me know if you have any questions or comments in regard to this matter.

cc: Carl Johnson, Finance Director  
Matt Wiktorowski, Field Operations Senior Manager  
Brian Coburn, Engineering Manager  
Becky Arold, Analyst Planner