



CITY OF NOVI CITY COUNCIL
FEBRUARY 9, 2026

SUBJECT: Approval of resolution to authorize Budget Amendment #2026-3

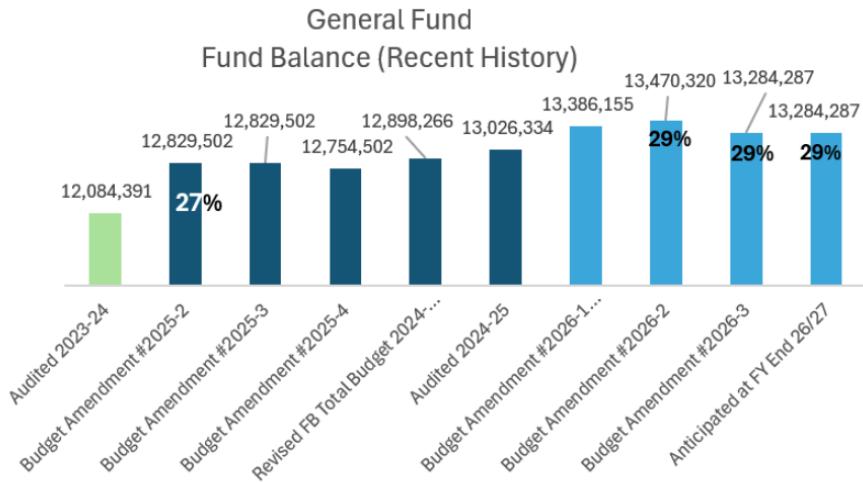
SUBMITTING DEPARTMENT: Finance

KEY HIGHLIGHTS:

- \$188,513 use of General Fund fund balance.
- No net change to Major Street's fund balance. Reduction of Transfer from Municipal Street Fund to Major to account for project changes.
- Parks Fund 208 and Public Improvement Fund 445 have reductions in expenditure budget needed.
- Public Safety Building Fund 464 has no net change. Expenditure budgets need to be established awaiting funds from the spring bond sale.

BACKGROUND INFORMATION:

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



The second quarter budget amendment resolution and budget amendment details are attached. Budget Amendment 2026-3 proposes the use of fund balance to support weekend staffing of the City's four fire stations.

RECOMMENDED ACTION: Approval of resolution to authorize Budget Amendment #2026-3.

RESOLUTION

NOW, THEREFORE BE IT RESOLVED that the following
Budget Amendment# 2026-3 is authorized:

	INCREASE (DECREASE)
GENERAL FUND	
REVENUES	
State Sources	\$ 208,818
Federal Sources	
Donations	
TOTAL REVENUES	<u>\$ 208,818</u>
APPROPRIATIONS	
Assessing Department	
Other Services and Charges	90,500
Police Department	
Other Services and Charges	34,000
Capital Outlay	
Fire Department	
Personnel Services	366,000
Capital Outlay	<u>(93,169)</u>
TOTAL APPROPRIATIONS	<u>\$ 397,331</u>
Net Increase (Decrease) to Fund Balance	<u>\$ (188,513)</u>
Ending Fund Balance	\$13,281,807
Fund Balance as a % of total annual expenditures	28%

INCREASE
(DECREASE)

MAJOR STREET FUND				
REVENUES				
Federal Grants	\$	(28,337)		
TOTAL REVENUES	\$	(28,337)		
APPROPRIATIONS				
Capital Outlay		(28,337)		
TOTAL APPROPRIATIONS	\$	(28,337)		
Net Increase (Decrease) to Fund Balance	\$	-		
Ending Fund Balance	\$1,420,231			
Fund Balance as a % of total annual expenditures	10%			
MUNICIPAL STREET FUND				
APPROPRIATIONS				
Capital Outlay	\$	28,337		
Transfers Out		(28,337)		
TOTAL APPROPRIATIONS	\$	-		
Net Increase (Decrease) to Fund Balance	\$	-		
Ending Fund Balance	\$1,292,388			
Fund Balance as a % of total annual expenditures	8%			

**INCREASE
(DECREASE)**

PARKS, RECREATION, & CULTURAL SERVICES FUND		
REVENUES		
Property Tax Revenue	\$	-
TOTAL REVENUES	\$	-
APPROPRIATIONS		
757 Capital Outlay		(122,000)
TOTAL APPROPRIATIONS	\$	(122,000)
Net Increase (Decrease) to Fund Balance	\$	122,000
Ending Fund Balance	\$1,054,155	
Fund Balance as a % of total annual expenditures	24%	

**INCREASE
(DECREASE)**

**INCREASE
(DECREASE)**

PUBLIC IMPROVEMENT FUND

APPROPRIATIONS

Capital Outlay	\$ (397,933)
TOTAL APPROPRIATIONS	<u>\$ (397,933)</u>
Net Increase (Decrease) to Fund Balance	<u>\$ 397,933</u>

PUBLIC SAFETY BUILDING FUND

REVENUES

Sale of Bonds	1,675,000
TOTAL REVENUES	<u>\$ 1,675,000</u>

APPROPRIATIONS

Capital Outlay	\$ 1,675,000
TOTAL APPROPRIATIONS	<u>\$ 1,675,000</u>
	<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 January 26, 2026.

Cortney Hanson
City Clerk

<u>GL #</u>	<u>Project/Item Description</u>	<u>Budget Category</u>	<u>Amount</u>
General Fund 101			
Revenues			
101-000.00-543.200	Police Training Grant	State Shared Revenue	34,000
101-000.00-569.001	Other State Grants-Qualified Heavy Equipment Rental Personal Property	State Shared Revenue	150,712
101-000.00-569.002	Other State Grants-Small Business Taxpayer Exemptions	State Shared Revenue	24,106
			<u><u>\$ 208,818</u></u>
Expenditures			
101-257.00-806.000	Legal Fees	Other services and charges	65,000
101-257.00-816.900	Tax Tribunal Appraisals	Other services and charges	25,500
101-301.00-957.008	MCOLES-CPE Grant Expenditures	Other services and charges	34,000
101-336.00-704.200	Wages - Stipend (if program continues)	Personnel Services	104,000
101-336.00-705.310	POC firefighters-pretraining	Personnel Services	87,000
101-336.00-705.350	Auxiliary firefighters	Personnel Services	175,000
101-336.00-983.000	Remove Fire vehicle		(93,169)
			<u><u>\$ 397,331</u></u>
		Net Increase (decrease) to fund balance	\$ (188,513)
Ending Fund Balance		\$13,281,807	
Fund Balance as a % of total annual expenditures		28%	
Major Street Fund 202			
Revenues			
202-000.00-699.204	Transfer from Municipal Street	Transfers in	\$ (28,337)
			<u><u>\$ (28,337)</u></u>
Expenditures			
202-449.20-975.226	162-07 Beck Rd Widen(11Mi-Prov Dr/CP Bv)	Capital outlay	(28,337)
			<u><u>\$ (28,337)</u></u>
		Net Increase (decrease) to fund balance	\$ -
Ending Fund Balance		\$1,420,231	
Fund Balance as a % of total annual expenditures		10%	
Municipal Street Fund 204			
Expenditures			
204-000.00-995.202	Transfer to Major Street	Transfers out	\$ (28,337)
204-446.00-976.222	Bosco-ITC Connector Pathway	Capital outlay	28,337
			<u><u>\$ -</u></u>
		Net Increase (decrease) to fund balance	\$ -
Ending Fund Balance		\$1,292,388	
Fund Balance as a % of total annual expenditures		8%	

<u>GL #</u>	<u>Project/Item Description</u>	<u>Budget Category</u>	<u>Amount</u>
Parks, Recreation, and Cultural Services Fund 208			
Revenues			
Expenditures			<u>\$</u> -
208-752.00-974.491	ENG085 Asphalt Paths & drain - PowerPark	Capital outlay	\$ (130,000)
208-752.00-977.091	Villa Barr Pathway	Capital outlay	8,000
			<u>\$</u> <u>(122,000)</u>
		Net Increase (decrease) to fund balance	\$ 122,000
Ending Fund Balance		\$1,054,155	
Fund Balance as a % of total annual expenditures		24%	
Public Improvement Fund 445			
Revenues			
Expenditures			<u>\$</u> -
445-441.30-984.037	FLT010 RDS Body Truck	Capital outlay	(195,716)
445-441.30-984.039	FLT011 RDS Body Truck	Capital outlay	(202,217)
			<u>\$</u> <u>(397,933)</u>
		Net Increase (decrease) to fund balance	\$ 397,933
Ending Fund Balance		\$617,989	
Public Safety Building Fund 464			
Revenues			
464-000.00-696.000 Proceeds from long-term debt		\$ 1,675,000	
		<u>\$ 1,675,000</u>	
Expenditures			
464-309.00-977.044	Public Safety Building		\$ 125,000
464-336.00-975.954	Fire Station 2 - W 13 Mi Rd		900,000
464-336.00-975.955	Fire Station 3 - Venture Drive		650,000
			<u>\$ 1,675,000</u>
		Net Increase (decrease) to fund balance	\$ -