CITY OF NOVI CITY COUNCIL
SEPTEMBER 14, 2026

SUBJECT: Approval of resolution to authorize Budget Amendment #2027-2.

SUBMITTING DEPARTMENT: Finance

KEY HIGHLIGHTS:

- The proposed amendment is for all funds with unspent capital and contractual items (no general operating items are included in rollover)
- Majority of this encumbrance is projects for Roads , Water and Sewer projects and the new Public Safety Building.
- The proposed amendment impacts multiple capital outlay accounts within each fund, the overall financial impact is summarized in the detail attached.

BACKGROUND INFORMATION: Annually the finance department brings forward a "encumbrance rollover budget amendment" to "rebudget" capital items budgeted in the previous fiscal year where the actual expenditure will not be incurred until the next fiscal year. Most of the items represent construction projects where work began in the spring of 2027 (FY 26/27) and will be completed in 2027(FY 26/27). 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 6/30/26 (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 #2027-2.

RESOLUTION

NOW, THEREFORE BE IT RESOLVED that the following
Budget Amendment# 2027-2 is authorized:

	INCREASE (DECREASE)
GENERAL FUND	
REVENUES	
	$ -
TOTAL REVENUES	**$ -**
APPROPRIATIONS	
City Council	
Contractual Services	186,128
City Manager	
Capital Outlay	5,000
City Clerk	
Capital Outlay	30,000
Assessing	
Capital Outlay	3,500
TOTAL APPROPRIATIONS	**$ 224,628**
Net Increase (Decrease) to Fund Balance	**$ -**
Ending Fund Balance	**$14,630,351**
Fund Balance as a % of total annual expenditures	**31%**
MAJOR STREET FUND	
REVENUES	
TOTAL REVENUES	**$ -**
APPROPRIATIONS	
Contractual Services	6,295
Capital Outlay	5,940,513
TOTAL APPROPRIATIONS	**$ 5,946,808**
Net Increase (Decrease) to Fund Balance	**$ (5,946,808)**
Ending Fund Balance	**$3,091,448**
Fund Balance as a % of total annual expenditures	**23%**

	INCREASE (DECREASE)
LOCAL STREET FUND	
REVENUES	
State Sources	$ -
TOTAL REVENUES	**$ -**
APPROPRIATIONS	
Contractual Services	32,289
Capital Outlay	5,222,639
TOTAL APPROPRIATIONS	**$ 5,254,928**
Net Increase (Decrease) to Fund Balance	**$ (5,254,928)**
Ending Fund Balance	**$1,103,784**
Fund Balance as a % of total annual expenditures	**11%**
MUNICIPAL STREET FUND	
APPROPRIATIONS	
Contractual Services	$ 40,965
Capital Outlay	2,474,280
TOTAL APPROPRIATIONS	**$ 2,515,245**
Net Increase (Decrease) to Fund Balance	**$ (2,515,245)**
Ending Fund Balance	**$1,559,512**
Fund Balance as a % of total annual expenditures	**9%**
PARKS, RECREATION, & CULTURAL SERVICES FUND	
APPROPRIATIONS	
Contractual Services	$ 33,520
Capital Outlay	$ 22,722
TOTAL APPROPRIATIONS	**$ 56,242**
Net Increase (Decrease) to Fund Balance	**$ (56,242)**
Ending Fund Balance	**$1,377,993**
Fund Balance as a % of total annual expenditures	**33%**
DRAIN FUND	
REVENUES	
TOTAL REVENUES	**$ -**
APPROPRIATIONS	
Capital Outlay	2,525,727
TOTAL APPROPRIATIONS	**$ 2,525,727**
Net Increase (Decrease) to Fund Balance	**$ (2,525,727)**

	INCREASE (DECREASE)
CAPITAL IMPROVEMENT PROGRAM (CIP) FUND	
REVENUES	
TOTAL REVENUES	**$ -**
APPROPRIATIONS	
Capital Outlay	$ 1,324,170
TOTAL APPROPRIATIONS	**$ 1,324,170**
Net Increase (Decrease) to Fund Balance	**$ (1,324,170)**
PUBLIC IMPROVEMENT FUND	
APPROPRIATIONS	
Capital Outlay	$ 669,899
TOTAL APPROPRIATIONS	**$ 669,899**
Net increase (Decrease) to Fund Balance	**$ (669,899)**
PUBLIC SAFETY BUILDING	
APPROPRIATIONS	
Capital Outlay	$ 31,017,550
TOTAL APPROPRIATIONS	**$ 31,017,550**
Net Increase (Decrease) to Fund Balance	**$ (31,017,550)**
ICE ARENA	
APPROPRIATIONS	
Capital Outlay	$ 360,500
TOTAL APPROPRIATIONS	**$ 360,500**
Net Increase (Decrease) to Fund Balance	**$ (360,500)**
SENIOR HOUSING FUND	
APPROPRIATIONS	
Capital outlay	$ 64,000
TOTAL APPROPRIATIONS	**$ 64,000**
Net Increase (Decrease) to Fund Balance	**$ (64,000)**
WATER & SEWER FUND	
REVENUES	
APPROPRIATIONS	
Capital Outlay	9,817,924
TOTAL APPROPRIATIONS	**$ 9,817,924**
Net Increase (Decrease) to Fund Balance	**$ (9,817,924)**

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 14, 2026

Cortney Hanson
City Clerk

Budget Amendment# 2027-2 Encumbrance Rollover September 14, 2026

GL #	Project/Item Description	Budget Category	Amount
General Fund 101			
Revenues			-
			$ -
Expenditures			
101-101.00-963.003	Council Study Project	Contractual Services	75,000
101-101.00-963.005	Miscellaneous-special projects Novi 2050	Contractual Services	111,128
101-172.00-816.002	Entryway Signage Grant	Capital Outlay	5,000
101-215.00-816.062	SIP053 Recodification- City Clerk	Capital Outlay	30,000
101-257.00-976.000	Building Improvements	Capital Outlay	3,500
			$ 224,628
		Net Increase (decrease) to fund balance	**$ -**
	Ending Fund Balance	**$14,630,351**	
	Fund Balance as a % of total annual expenditures	**31%**	
Major Street Fund 202			
Revenues			
			$ -
Expenditures			
202-449.20-805.000	Engineering consulting	Contractual Services	$ 6,295
202-449.20-975.152	ENG093 West Park Drive (12 Mile-Pnt Trl)	Capital Outlay	975,980
202-449.20-975.153	ENG016 13 Mile Rd (M5-Haggerty)	Capital Outlay	198,487
202-449.20-975.201	Strm Sewer/Rd Impv - Meadowbrk (9-10 Mi)	Capital Outlay	57,109
202-449.20-975.206	ENG109 11 Mile/Taft Roundabout Const	Capital Outlay	261,393
202-449.20-975.226	162-07 Beck Rd Widen(11Mi-Prov Dr/CP Bv)	Capital Outlay	1,790,017
202-449.20-975.227	ENG075 Mdwbrk Rd Rehab (10 Mi-11 Mi)	Capital Outlay	186,419
202-449.20-975.229	ENG078 9 Mile Rd Rehab (Mdwbrk-Haggerty)	Capital Outlay	149,368
202-449.20-975.231	ENG074 Novi Rd Rehab (13-14 Mile)	Capital Outlay	153,184
202-449.20-975.239	10 Mile & Taft Intersection Upgrades	Capital Outlay	150,000
202-449.20-975.274	11 Mile Rehab (Wixom-Beck) & 11/Beck RAB	Capital Outlay	174,303
202-449.20-975.275	Main Street Rehabilitation	Capital Outlay	1,844,252
			$ 5,946,808
		Net Increase (decrease) to fund balance	**$ (5,946,808)**
	Ending Fund Balance	**$3,091,448**	
	Fund Balance as a % of total annual expenditures	**23%**	
Local Street Fund 203			
Revenues			
			$ -
Expenditures			
203-449.30-805.000	Engineering consulting	Contractual Services	$ 32,289
203-449.30-974.251	102-01 NRP 2024 - Concrete (FY 2024-25)	Capital Outlay	1,598
203-449.30-974.261	102-01 NRP 2025 - Concrete (FY 2025-26)	Capital Outlay	10,874
203-449.30-974.263	102-01 NRP 2025 - Asphalt (FY 2025-26)	Capital Outlay	13,027
203-449.30-974.270	102-01 NRP 2026 - Design (FY 2026-27)	Capital Outlay	15,925
203-449.30-974.280	102-01 NRP 2027 - Design (FY 2027-28)	Capital Outlay	15,925
203-449.30-974.282	2027 NRP Concrete	Capital Outlay	3,926,055
203-449.30-975.155	ENG081 Village Wood(Crnbrk-Hggrty)&Sec25	Capital Outlay	1,239,236
			$ 5,254,928
		Net Increase (decrease) to fund balance	**$ (5,254,928)**
	Ending Fund Balance	**$1,103,784**	
	Fund Balance as a % of total annual expenditures	**11%**	

Budget Amendment# 2027-2 Encumbrance Rollover September 14, 2026

GL #	Project/Item Description	Budget Category		Amount
Municipal Street Fund 204				
Expenditures				
204-446.00-805.000	Engineering consulting	Contractual Services	$	40,965
204-446.00-975.028	ENG068 NSP 2026 (FY 2026-27)	Capital Outlay		950,341
204-446.00-975.034	162-01 12 Mile Rd Widen (Beck - Cabaret)	Capital Outlay		877,729
204-446.00-975.242	ENG100 12 Mi Rehab Novi to Haggerty Rd	Capital Outlay		150,000
204-446.00-976.222	Bosco-ITC Connector Pathway	Capital Outlay		496,209
				-
			$	2,515,245
		Net Increase (decrease) to fund balance	**$**	**(2,515,245)**
	Ending Fund Balance	**$1,559,512**		
	Fund Balance as a % of total annual expenditures	**9%**		
Parks, Recreation, and Cultural Services Fund 208				
Expenditures				
208-752.00-740.205	Villa Barr Property Operating Costs	Contractual Services	$	33,520
208-752.00-977.091	Villa Barr Pathway	Capital Outlay		22,722
			$	56,241
		Net Increase (decrease) to fund balance	**$**	**(56,241)**
	Ending Fund Balance	**$1,377,993**		
	Fund Balance as a % of total annual expenditures	**33%**		

GL #	Project/Item Description	Budget Category		Amount
Drain Fund 211				
Revenues				
			$	-
Expenditures				
211-445.00-975.126	ENG081 Village Wood Rd(Crnbrk-Hggrty)	Capital Outlay	$	229,351
211-445.00-975.135	Stream Mitigation-12/Crescent/ Lee Begol	Capital Outlay		1,180,019
211-445.00-975.159	ENG097 Ashbury Bridge Rehab Drain	Capital Outlay		82,000
211-445.00-975.201	Strm Sewer/Rd Impv - Meadowbrk (9-10 Mi)	Capital Outlay		17,759
211-445.00-975.209	Drain Impov Novi Rd (12 to 13)	Capital Outlay		804,610
211-445.00-975.210	Foxton Dr -Storm sewer rehab-'25 NRP Con	Capital Outlay		1,955
211-445.00-975.269	ENG051 BasinClean-LvnwrthRg(S GR; E Tft)	Capital Outlay		152,564
211-445.00-975.270	11 Mile (Wixom to Beck) & 11/ Beck RAB	Capital Outlay		37,468
			$	2,505,727
		Net Increase (decrease) to fund balance	**$**	**(2,505,727)**

Budget Amendment# 2027-2 Encumbrance Rollover September 14, 2026

GL #	Project/Item Description	Budget Category		Amount
Capital Improvement Program 401				
Revenues				
			$	-
Expenditures				
401-336.00-979.006	FIR029 Engine (replace 322)	Capital Outlay		1,324,170
			$	1,324,170
		Net Increase (decrease) to fund balance	**$**	**(1,324,170)**
Public Improvement Fund- Capital Fund 445				
Expenditures				
445-441-30.984.034	FLT007 Sign Truck (replace 635)	Capital Outlay		80,960
445-725-00-982.077	COR040 Wayfinding & Park Sign Replace	Capital Outlay		30,000
445-301-00-983.100	POL Vehicle-new install	Capital Outlay		284,938
445-265-00-977-043	ITC-Building Generator &GenTrack	Capital Outlay	$	64,266
445-441-00-984.040	FLT017 RDS Truck w/scrap &plow (602)	Capital Outlay	$	209,735
			$	669,899
		Net Increase (decrease) to fund balance	**$**	**(669,899)**
Public Safety Building 464				
Expenditures				
464-309.00-977.044	Public Safety Building	Capital Outlay	$	27,066,783
464-336.00-975.954	Fire Station 2 - W. 13 Mi Rd	Capital Outlay		1,956,489
464-336.00-975.955	Fire Station 3 - Venture Drive	Capital Outlay		1,951,152
464-446.00-975.952	LeeBeGole Road Project	Capital Outlay		43125
			$	31,017,550
		Net Increase (decrease) to fund balance	**$**	**(31,017,550)**
Ice Arena 570				
Expenditures				
570-000.00-934.028	ICE031 Interior Painting of Facility	Capital Outlay	$	36,000
570-000.00-976.155	ICE014 Hot Wtr &Ht Blrs Replace (2)	Capital Outlay		24,500
570-000.00-981.011	ICE016 Parking Lot Improvements	Capital Outlay		300,000
			$	360,500
		Net Increase (decrease) to fund balance	**$**	**(360,500)**
Senior Housing Fund 574				
Expenditures				
574-000.00-976.171	COR006 Elevator Cab Replace(2	Capital Outlay	$	64,000
			$	64,000
		Net Increase (decrease) to fund balance	**$**	**(64,000)**
Water & Sewer Fund 592				
Expenditures				
592-536.00-816.053	Water Master Plan & AWIA Compliance	Capital Outlay	$	56,280
592-536.00-936.010	Sanitary Maintenance (incl. CMOM)	Capital Outlay		18,680
592-536.00-936.025	Water line maintenance	Capital Outlay		1,880
592-536.00-936.040	Water Main Valve Maint Program	Capital Outlay		161,230
592-536.00-976.195	WTS031 Generator Replace - Hudson Pump	Capital Outlay		105,410
592-536.00-976.198	WTS036 Asb-Cement (AC) Wtr Main Rep-PH3	Capital Outlay		147,800
592-536.00-976.214	WTS045 Water Main Loop Conn - Southwest	Capital Outlay		6,667,998
592-536.00-976.220	Bellagio SS PumpStation	Capital Outlay		853,620
592-536.00-976.242	Cedar Springs Sub Water Main Lining	Capital Outlay		1,690,847
592-536.00-976.259	12 MILE WIDENING (BECK-NOVI) WATER MAIN	Capital Outlay		26,400
592-536.00-983.098	LDV057 LDV w/plow & SB (701)	Capital Outlay		87,778
			$	9,817,924
		Net Increase (decrease) to fund balance	**$**	**(9,817,924)**