



City of Lathrup Village
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Lathrup Village, MI 48076
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TO: Mayor & City Council
FROM: Mike Greene – City Administrator
DATE: June 30, 2025
RE: Year-End Budget Amendments

Background Brief: At a minimum, two times each fiscal year City Council considers budget amendments to reflect current-year activity (CYA). Enclosed in your packet are recommended budget amendments that have been reviewed and discussed between the administration based on the current year's activity and forecasting for any bills that may be received in July that apply to FY 24-25. Approved budget amendments are necessary to limit findings during the audit process.

As mentioned during the June 16 Council meeting, while staff were conservative in their estimates for the remainder of the year, it is always difficult to perfectly forecast the remainder of the fiscal year when there were two full weeks left in the month.

Previous Action: June 16, 2025 – City Council Approved Budget Amendments

Economic Impact:

The FY 24-25 General Fund budget was approved last year with the expectation that the City would add ~\$12,000 to the City's Fund Balance. The June 16 approved budget amendments had the City adding ~\$3,300 to the City's Fund Balance. This includes the additional expenses, such as additional accounting services and the Patrol Car purchase. **After an additional review of all General Fund accounts, the City now projects to add ~\$74,000 to the City's Fund Balance.** The main driver in this large change is the reduction in cost for 101-301.000-703 (Public Safety – Employee Taxes & Benefits). Since the Police Department was not fully staffed for most of the fiscal year, the cost of benefits has drastically reduced for that department.

The Major Street fund is planned to utilize the minor fund balance in FY 24-25. This is due to the approved EB 11 Mile construction project while keeping the maximum transfer to the Local Road fund, as the City plans for large local road projects over the next year (Siren Gate & Rainbow Circle).

The DDA had an approved budget that included utilizing Fund Balance as they continued to tackle projects such as the HAWK Signals and alley improvements. Due to the City changing staffing and moving from two full-time personnel to one full-time and one intern, the impact on the DDA fund balance was reduced.

The Water/Sewer fund, on paper, takes a large hit to the fund balance. This is due to two main factors: 1) a large bond payment for the SRT was originally budgeted for in FY 23-24; however, the County did not finish the work and bill the City until FY 24-25 (discussed and approved at mid-year budget amendments), 2) approved engineering services for the two Southfield Water Main grant projects. Overall, the Water/Sewer funds are still projected to hold healthy fund balances.

Recommendation: It is my recommendation to approve the FY 24/25 budget amendments.

Recommended Motion:

Moved by Council Member _____ seconded by Council Member _____ to approve the fiscal year 2024/2025 budget amendments as presented.

Kelly Garrett
Mayor

Bruce Kantor
Mayor Pro-Tem

Jalen Jennings
Council Member

Jason Hammond
Council Member

Maria Mannarino
Council Member