



CITY OF NOVI CITY COUNCIL
SEPTEMBER 22, 2025

SUBJECT: Approval of resolution to authorize Budget Amendment #2026-1

SUBMITTING DEPARTMENT: Finance

KEY HIGHLIGHTS:

- The proposed amendment is for all funds with unspent capital and/or contractual items (no general operating items are included in rollover)
- The proposed amendment has no net impact on fund balance as the unspent funds in fiscal year 2025 created a favorable variance, which will be offset by the exact amount in fiscal year 2026.
- The proposed amendment impacts multiple capital outlay accounts within each fund; the overall financial impact is summarized in the detail attached.

FINANCIAL IMPACT - See attached spreadsheet.

BACKGROUND INFORMATION:

Annually the finance department brings forward a "rollover budget amendment" to "re-budget" capital items budgeted in the previous fiscal year, where the actual expenditure will not be incurred until the next fiscal year. The majority of the items represent construction projects where work began in the spring of 2025 (FY 24/25) and will be completed in 2026 (FY 25/26). 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 6/30/25 (such as fire trucks and other large DPW trucks). The proposed amendment has no net impact on fund balance, as this is a timing issue between the two fiscal years.

RECOMMENDED ACTION: Approval of resolution to authorize Budget Amendment #2026-1.