



CITY OF NOVI CITY COUNCIL
MAY 8, 2023

SUBJECT: Approval of Resolution for Fiscal-Year 2023-2024 Budget and Acknowledging the Multi-Year Budget, Including Projections of Future Fiscal-Years 2024-2025 and 2025-2026.

SUBMITTING DEPARTMENT: Finance

BACKGROUND INFORMATION:

Attached for your consideration is the adopting resolution for the Fiscal-Year 2023-2024 Budget and acknowledgement of the multi-year budget. The budget process started in August 2022 with development of the capital improvement program then multiple meetings were held with all departments in order to draft a budget that complied with the overall goals set by the Novi City Council in February 2022. The Recommended Budget was presented to City Council on April 3, 2023.

At the City Council Budget Session held on Wednesday, April 12, 2023, City Council discussed the Recommended FY 2023-24 Budget and City Council provided one adjustment to the budget through an approved motion which is summarized below.

- MOTION 1: Establish a one-time \$250,000 expenditure budget placeholder in fiscal year 2023-24 for additional costs associated with the possible creation of a stand-alone Senior Department within the General Fund funded by General Fund fund balance.

A financial summary is provided on the following page to show the impact of the amendment on the General Fund.

Also attached are specific pages from the Financial Schedules section of the Recommended Budget document which incorporate the City Council's amendment approved at the April 12, 2023 Budget Session.

All budgeted funds are within the required fund balances of the City's aforementioned policy and most of the funds' budgets presented with this Resolution are projected to cover expenditures with incoming revenues.

The City of Novi utilizes multi-year budgets as a planning tool to fulfill the City Council's strategic goals and objectives as well as operate within its means by maintaining a low tax burden on its citizens. The Multi-Year Budget balances future revenues with the corresponding expenditures and maintains the fund balances for the General Fund and Special Revenue Funds within the limits set by the City of Novi's Fund Balance Policy. Furthermore, the Multi-Year Budget also incorporates the long-range elements of the Capital Improvement Program (CIP) as approved by the City's Planning Commission and presented to the Public Hearing on February 22, 2023.

City of Novi General Fund				
Recommended Budget (provided to City Council 4/3/23)				
	Estimated 2022-23	Budget 2023-24	Projected 2024-25	Projected 2025-26
Total Revenues	\$ 40,212,888	\$ 41,211,977	\$ 42,457,989	\$ 43,974,187
Total Appropriations	43,647,348	41,211,977	43,386,799	43,974,187
Net Revenues (Appropriations)	(3,434,460)	-	(928,810)	-
Beginning Fund Balance	16,409,153	12,974,693	12,974,693	12,045,883
Ending Fund Balance	\$ 12,974,693	\$ 12,974,693	\$ 12,045,883	\$ 12,045,883
Fund balance as a % of expenditures	30%	31%	28%	27%
City Council Budget Adjustments (4/12/23 Budget Session)				
	Estimated 2022-23	Budget 2023-24	Projected 2024-25	Projected 2025-26
Appropriations				
M1 Dept 757.00 - PRCS: OAS DEPT (Personnel Services)	-	250,000	-	-
Total appropriations increase (decrease)	-	250,000	-	-
Net increase (decrease) to fund balance	-	(250,000)	-	-
Recommended Budget (5/8/23 City Council Meeting)				
	Estimated 2022-23	Budget 2023-24	Projected 2024-25	Projected 2025-26
Total Revenues	\$ 40,212,888	\$ 41,211,977	\$ 42,457,989	\$ 43,974,187
Total Appropriations	43,647,348	41,461,977	43,386,799	43,974,187
Net Revenues (Appropriations)	(3,434,460)	(250,000)	(928,810)	-
Beginning Fund Balance	16,409,153	12,974,693	12,724,693	11,795,883
Ending Fund Balance	\$ 12,974,693	\$ 12,724,693	\$ 11,795,883	\$ 11,795,883
Fund balance as a % of expenditures	30%	31%	27%	27%
Notes				
M1	MOTION 1 - Establish a one-time \$250,000 expenditure budget placeholder in fiscal year 2023-24 for additional costs associated with the possible creation of a stand-alone Senior Department within the General Fund funded by General Fund fund balance.			

RECOMMENDED ACTION: Approval of Resolution for Fiscal-Year 2023-2024 Budget and Acknowledging the Multi-Year Budget, Including Projections of Future Fiscal-Years 2024-2025 and 2025-2026.