

MEMORANDUM



TO: VICTOR CARDENAS, INTERIM-CITY MANAGER
FROM: CARL JOHNSON, JR., CPA, CFO
SUBJECT: CITY COUNCIL BUDGET SESSION RECAP – APRIL 12, 2023
DATE: APRIL 17, 2023

Mayor and Council –

FYI, summary from the recent budget session last week.

- Victor

At the City Council Budget Session held on Wednesday, April 12, 2023, City Council discussed the Recommended FY 2023-24 Budget and provided an adjustment to the proposed budget through one 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 Parks, Recreation, and Cultural Services Fund Older Adult Services Department funded by a transfer from the General Fund fund balance.

Financial summaries of the impact of the amendment on the two funds impacted are on the following pages.

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	<u>\$ 12,974,693</u>	<u>\$ 12,974,693</u>	<u>\$ 12,045,883</u>	<u>\$ 12,045,883</u>
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 Transfer out to Parks, Recreation, and Cultural Svcs Fund	-	250,000	-	-
Total appropriations increase (decrease)	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Net increase (decrease) to fund balance	<u>-</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>

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	<u>\$ 12,974,693</u>	<u>\$ 12,724,693</u>	<u>\$ 11,795,883</u>	<u>\$ 11,795,883</u>
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 Parks, Recreation, and Cultural Services Fund Older Adult Services Department funded by a transfer from the General Fund fund balance.

City of Novi
Parks, Recreation, & Cultural Services Fund

Recommended Budget (provided to City Council 4/3/23)

	Estimated 2022-23	Budget 2023-24	Projected 2024-25	Projected 2025-26
Total Revenues	\$ 3,259,775	\$ 3,731,440	\$ 3,691,303	\$ 3,707,039
Total Appropriations	3,296,355	4,299,440	3,755,303	3,731,039
Net Revenues (Appropriations)	(36,580)	(568,000)	(64,000)	(24,000)
Beginning Fund Balance	1,202,439	1,165,859	597,859	533,859
Ending Fund Balance	<u>\$ 1,165,859</u>	<u>\$ 597,859</u>	<u>\$ 533,859</u>	<u>\$ 509,859</u>
Fund balance as a % of expenditures	35%	14%	14%	14%

City Council Budget Adjustments (4/12/23 Budget Session)

	Estimated 2022-23	Budget 2023-24	Projected 2024-25	Projected 2025-26
Revenues				
M1 Transfer In from General Fund	-	250,000	-	-
Total revenue increase (decrease)	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Appropriations				
M1 Personnel Services	-	250,000	-	-
Total appropriations increase (decrease)	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Net increase (decrease) to fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Recommended Budget (5/8/23 City Council Meeting)

	Estimated 2022-23	Budget 2023-24	Projected 2024-25	Projected 2025-26
Total Revenues	\$ 3,259,775	\$ 3,981,440	\$ 3,691,303	\$ 3,707,039
Total Appropriations	3,296,355	4,549,440	3,755,303	3,731,039
Net Revenues (Appropriations)	(36,580)	(568,000)	(64,000)	(24,000)
Beginning Fund Balance	1,202,439	1,165,859	597,859	533,859
Ending Fund Balance	<u>\$ 1,165,859</u>	<u>\$ 597,859</u>	<u>\$ 533,859</u>	<u>\$ 509,859</u>
Fund balance as a % of expenditures	35%	13%	14%	14%

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 Parks, Recreation, and Cultural Services Fund Older Adult Services Department funded by a transfer from the General Fund fund balance.