



CITY OF NOVI CITY COUNCIL JULY 13, 2026

SUBJECT: Approval of resolution to authorize Budget Amendment #2027-1

SUBMITTING DEPARTMENT: Finance

KEY HIGHLIGHTS:

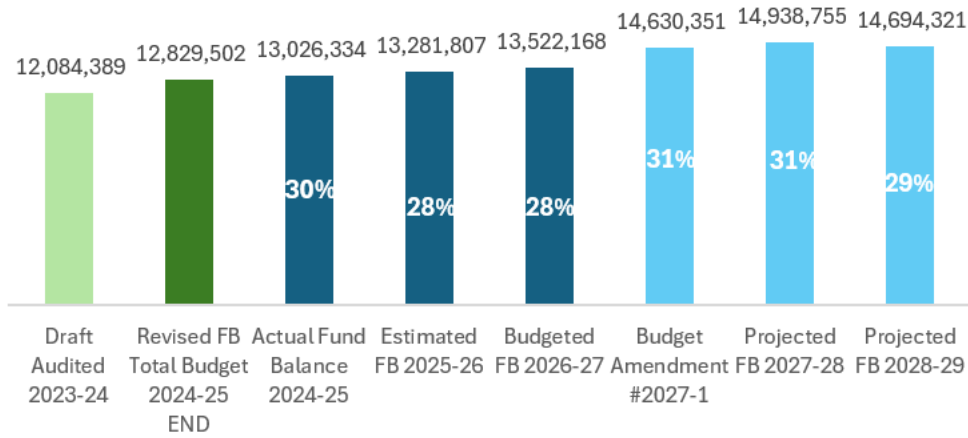
- An increase to the General Fund fund balance of \$1,108,183.
- Individual General Fund departments are adjusted per the resolution adopted on June 22, 2026.
- 10 FTEs are removed from the General Fund.
- General Fund revenue has increased \$117,321 for anticipated tax revenue increases.
- Overall, the General Fund budgeted revenues exceed budgeted expenditures by \$1,348,544 after this amendment resolution. Fund balance is projected at 31% of expenditures.

BACKGROUND INFORMATION:

The City's annual budget is adopted by the third Monday in May each year and is effective July 1st each year. The budget is adopted at a function level (vs. line item). In accordance with the State Budget Act, budget amendments are completed throughout the fiscal year to reflect the most current information available related to revenue and expenditure budgets. Budget amendments that have a positive or negative impact on fund balance or change the function total are prepared for Council approval. Amendments between line items within the same budget function (that do not have any impact on fund balance) are managed at the administration level. The amendments are based on actual and projected activity to date.

This budget amendment is part of a plan to reduce costs over the next three budget cycles and is amending the fiscal year 2026-27 budget adopted by Council on May 4, 2026. The budget amendment resolution and budget amendment details are attached.

General Fund Fund Balance (Recent History)



RECOMMENDED ACTION: Approval of resolution to authorize Budget Amendment #2027-1.