



CITY OF NOVI CITY COUNCIL OCTOBER 21, 2025

SUBJECT: Approval of resolution to authorize Budget Amendment #2026-2

SUBMITTING DEPARTMENT: Finance

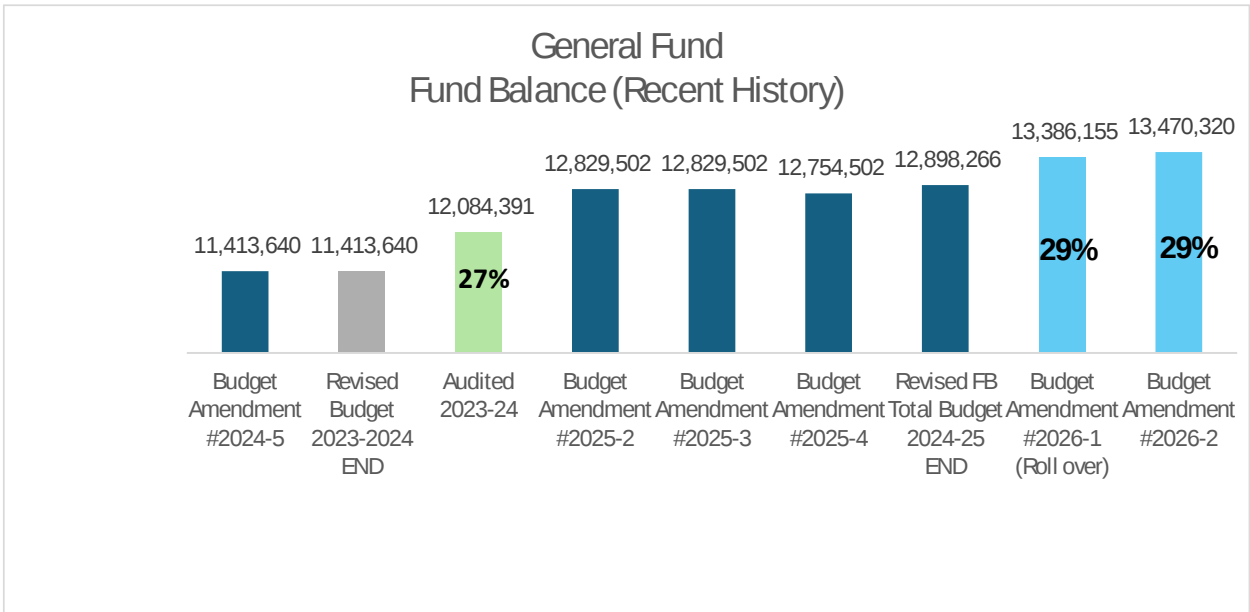
KEY HIGHLIGHTS:

- \$131,475 use of General Fund fund balance – mainly related to the Novi 2050 Plan
- No net change to Major Street and Local Street Fund's fund balance. Transfer from Municipal Street Fund to both Major and Local to cover rollover expenditures
- Remaining funds have capital rollover expenditures for projects budgeted in fiscal year 2025 yet they were not completed, and the funds are needed to complete the project in FY 2026.

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.

Many of the changes proposed in the General Fund are related to increased costs in vehicle maintenance and outfitting of police squad cars. Additionally, in years past the City financed the acquisition of police vehicles through funds received from Drug Forfeitures. These funds from the federal government have failed to materialize, despite years of being shown in reports.



The first quarter budget amendment resolution and budget amendment details are attached.

RECOMMENDED ACTION: Approval of resolution to authorize Budget Amendment #2026-2.