



CITY OF NOVI CITY COUNCIL JUNE 22, 2026

SUBJECT: Consideration of Resolution Acknowledging the Updated Multi-Year Budget Projections for Fiscal Years 2027/28 and 2028/29

SUBMITTING DEPARTMENT: City Manager

KEY HIGHLIGHTS:

- At its April 13, 2026, meeting City Council directed City staff to bring back only the finalized Fiscal Year (FY) 2026/27 annual budget at the May 4, 2026, Council meeting for adoption. Council determined that the information provided for projecting budget information the two "out" years of the usual multi-year budget, FY 2027/28 and 2028/29, should be brought back for consideration at a later date (but before the start of the new Fiscal Year).
- Staff has prepared revised information for the two out years for Council's consideration. If acceptable to the Council, a Resolution acknowledging the updated projections.
- The proposed projections, as described in the Resolution, recognize ten (10) positions--all currently open/unfilled--as being eliminated from FY 2026/27 through 2028/29.
- By the final fiscal year 2028/29, the City's fund balance is projected to be at **29%**, or **\$14.6 million**, in line with Council's direction.

BACKGROUND INFORMATION:

The recommendation for City Council's consideration is to reduce the operational or recurring expenses by (on average) **\$1.4 million** over the next three years. Not filling open positions (10 in total) that have gone unfilled for quite some time is how the city administration realizes the \$1.4 million. The ten positions reflect the actual staffing levels that the City has maintained over the last few years, rather than the anticipated or budgeted levels.

The other main area being recommended for reduction is capital expenditures. Anticipated capital expenditures (heavy-duty equipment like plow trucks, fire apparatus, building generators, network servers, software licenses, etc.) are an issue

that will need further review and action to address during the course of each budget year. In order to meet Council's stated goals, and because staff has yet to identify the resources to fund them, some larger items are being pushed past year three while keeping some of the smaller things in the proposal.

All the changes reflected in this resolution are initially shown by department, as that is how the budget is officially adopted:

Department	Fiscal Year 2027-2028	Fiscal Year 2028-2029
000-Revenue	\$117,321	\$117,321
101-City Council	\$5,250	\$5,250
172-City Manager	\$12,150	\$12,150
228-Integrated Services	\$5,898	\$5,898
257-Assessing	\$505	\$630
265-Facility Management	\$89,869	\$89,869
265.10-Parks Maintenance	\$1,375	\$1,375
301-Police	\$616,342	\$636,047
336-Fire	\$139,850	\$143,558
371-Building	\$134,278	\$135,930
441-DPW Admin	\$1,750	\$1,750
441.10-Engineering	\$116,491	\$120,310
441.20-Field Operations	\$7,500	\$7,500
441.30-Fleet	\$1,375	\$1,250
701-Planning	\$208,768	\$213,637
725-Community Relations Admin	\$5,125	\$5,125
725.10-Community Relations-Studio 6	\$1,750	\$1,750
901-Capital	\$602,277	\$1,936,042
Total	\$2,067,874	\$3,435,392

A financial table is also attached to show the detailed impact of the updates on the General Fund.

The final Budget document will incorporate these changes into the fiscal year 2027-2028 and 2028-2029 projections. The 2026-2027 adopted budget will remain as adopted by the Council at the May 4, 2026, meeting. A budget amendment will be submitted to Council in July to reduce the 2026-2027 budget.

RECOMMENDED ACTION: Approval of Resolution Acknowledging the Updated Multi-Year Budget Projections for Fiscal Years 2027/28 and 2028/29

Specific details on the open positions that are not being filled and capital that is being moved or delayed:

	FY26	FY27	FY28	FY29
FY 26/27 Manager Recommended/Proposed		47,895,669	50,783,602	53,819,723
Recurring Expenditure Reductions				
Vacancy-Landscape Architect		(72,108)	(72,108)	(72,108)
Vacancy-Planner		(128,984)	(133,660)	(138,529)
Vacancy-Plan Examiner		(126,196)	(127,754)	(129,406)
Vacancy-Fire Protection Officer		(120,000)	(123,600)	(127,308)
Vacancy-Police Officer		(145,000)	(149,350)	(154,287)
Vacancy-Police Officer		(145,000)	(149,350)	(154,288)
Vacancy-Police Officer		(145,000)	(149,350)	(154,289)
Vacancy - Dispatch		(87,738)	(90,370)	(93,081)
Filled Position-Police (Emergency Mgmt)		(65,815)	(67,922)	(70,102)
Vacancy-Engineering		(112,805)	(116,491)	(120,310)
Other Reductions/changes		(168,321)	(168,321)	(168,321)
Capital expenditure reductions				
FLT021 RDS Truck w/scrap & plow			(353,246)	
FLT026 Single-axle RDS truck				(326,903)
FLT029 Squad/Ambul (replace #314)				(482,434)
FLT023 One-Ton Dump Truck (#654)				(148,440)
FAC041 Bldg Generator & Tech inclusion expansion- Civic Center				(495,660)
IFT012 Onbase Software Subscription			(159,031)	
Reduction of One Police Car			(90,000)	(90,000)
FAC045 Parks Maint Office Generator				(66,500)
City Light-Duty Vehicles (Non-Public Safety)		326,105		(326,105)
TOTAL		(990,862)	(1,950,553)	(3,318,071)
Recommended Total minus Total additional impact reduction		46,904,807	48,833,049	50,501,652
		46,904,807	48,833,049	50,501,652
Recurring Revenue Increase				
Additional Tax Revenue		117,321	117,321	117,321
Fund Balance	13,281,807	14,630,351	14,938,755	14,694,321
Fund Balance %	28%	31%	31%	29%