CITY OF NOVI CITY COUNCIL
OCTOBER 14, 2024

SUBJECT: Approval of Resolution to authorize Budget Amendment #2025-1

SUBMITTING DEPARTMENT: Finance

KEY HIGHLIGHTS:
- The proposed amendment is for all funds except the General and Parks & Recreation Funds.
- The actual amendment is only for the amounts shown below for FY 24/25, the FY 23/24 amounts are the unspent funds at 6/30/24.
- The proposed amendment has no net impact on fund balance as the unspent funds in fiscal year 2024 created a favorable variance which will be offset by the exact amount in fiscal 2025.
- The proposed amendment impacts multiple capital outlay accounts within each fund, the overall financial impact is summarized below with the detail attached.

FINANCIAL IMPACT

	FY 23/24	FY 24/25	Total Amendment
EXPENDITURE REQUIRED	**($28,516,049)**	**$28,516,049**	**$28,516,049**
BUDGET			
1. Major Streets transfer in revenue from Muni Streets 202-000.00-699.204	($440,000)	$440,000	$440,000
2. Major Streets Capital Outlay Exp Account(s) 202-449.20-975.XXX	($6,090,360)	$6,090,360	$6,090,360
3. Local Streets transfer in revenue from Muni Streets 203-000.00-699.204	($170,000)	$170,000	$170,000
4. Local Streets Capital Outlay Exp Account(s) 203-449.30-975.XXX	($2,073,885)	$2,073,885	$2,073,885
5. Municipal Streets Capital Outlay Exp Account(s) 204-446.00-975.XXX	($1,460,440)	$1,460,440	$1,460,440
6. Municipal Streets transfer out expenditure to Major and Local Streets 204-000.00-995.203 & 995.204	($610,000)	$610.000	$610,000

7. Drain Fund Capital Outlay Account(s) 211-445.00-975.XXX	($1,998,851)	$1,998,851	$1,998,851
8. Drain Fund transfer in revenue from Drain PM Fund 211-000.00-699.211	($1,998,851)	$1,998,851	$1,998,851
9. Drain PM Fund transfer out Exp to Drain Fund 152-000.00-995.211	($1,998,851)	$1,998,851	$1,998,851
10. Forfeiture Fund Capital Outlay Account 262-302.00-983.245	($25,520)	$25,520	$25,520
11. CIP Fund Capital Outlay Exp Account(s) 401-XXX.00-979.XXX	($3,042,628)	$3,042,628	$3,042,628
12. PEG Fund Capital Outlay Exp Account(s) 463-725.10-976.XXX	($6,650)	$6,650	$6,650
13. Ice Arena Capital Outlay Exp Account(s) 570-000.00-976.XXX	($296,582)	$296,582	$296,582
14. Senior Housing Capital Outlay Exp Account(s) 574-000.00-976.XXX	($245,583)	$245,583	$245,583
15. Water and Sewer Capital Outlay Exp Account(s) 592-536.00-976.XXX	($10,666,699)	$10,666,699	$10,666,699
APPROPRIATION REQUIRED (NET)	**($25,907,198)**	**$25,907,198**	**$25,907,198**
FUND BALANCE IMPACT	**($25,907,198)**	**$25,907,198**	**$25,907,198**
Note: The amounts shown in the FY 23/24 column represent the total amount under budget at 6/30/24 due to the capital items not being completed. The amount for FY 24/25 is the balance of the capital item that will be expended by 6/30/25.			

BACKGROUND INFORMATION:

Annually, the finance department brings forward a “rollover budget amendment” to “re-budget” capital items budgeted in the previous fiscal year, where the actual expenditure will not be incurred until the next fiscal year. The majority of the items represent construction projects where work began in the spring of 2024 (FY 23/24) and will be completed in the fall of 2024 (FY 24/25). In addition, there are also capital-related items that have been impacted by supply chain issues where noncancelable orders have been placed, but the item was not received by 6/30/24 (such as fire trucks and other large DPW trucks). The proposed amendment has no net impact on fund balance as this is just a timing issue between the two fiscal years.

RECOMMENDED ACTION: Approval of Resolution to authorize Budget Amendment #2025-1