



Legislation Text

File #: 17-0861, **Version:** 1

Resolution to Amend Ann Arbor City Budget for Fiscal Year 2017 (**8 Votes Required**)

Attached for your review and approval, please find a resolution to amend the Ann Arbor City Budget for Fiscal Year 2017.

The Michigan Public Act 621 of 1978, as amended, provides that the City shall not incur expenditures in excess of the amounts appropriated. In order to comply with PA 621, the City monitors expenditures against the adopted budget on a monthly basis and budget amendments are adopted by Council as deemed appropriate.

Management of the City has monitored the revenue and expenditure activity against the adopted budget for the various funds throughout the year. In addition, management has attempted to periodically forecast the remainder of the fiscal year's revenue and expenditures.

In monitoring the various funds, management has forecasted certain variances versus budget that require budget amendments to remain in compliance with PA 621 as indicated above. These variances and the reasons for the variances are listed on the attachment.

The total requested General Fund budget amendment is \$1,064,000. The budget amendment for all other funds totals \$25,270,300. A detail of the requested appropriations is attached.

Passage of this Resolution and approval of the fiscal year 2017 budget amendments as prepared is recommended.

Prepared by: Karen Lancaster, Finance Director

Reviewed by: Tom Crawford, CFO

Approved by: Howard Lazarus, City Administrator

Whereas, On May 16, 2016, City Council adopted the annual operating budget for FY 2017 for the City of Ann Arbor;

Whereas, The Michigan Public Act 621 of 1978, as amended, provides that the City shall not incur expenditures in excess of the amounts appropriated;

Whereas, The City's management have monitored revenues and expenditures and have forecasted revenues and expenditures against the adopted budget; and

Whereas, The forecasted expenditures are in excess of the City's adopted budget for some units in the General Fund, and certain other funds in total as listed below;

RESOLVED, That Council amend the General Fund expenditure budget by \$1,064,000.00 as follows, with the source of funding for the City Clerk from election reimbursement (\$54,000.00), severances of \$730,000.00 from assigned fund balance, Information Technology from a reimbursement from the

Information Technology Fund (\$55,000.00), and the remaining \$225,000.00 from use of fund balance:

GENERAL FUND EXPENDITURES

CITY ADMINISTRATOR	\$ 85,000.00
HUMAN RESOURCES	40,000.00
MAYOR	5,000.00
CITY ATTORNEY	35,000.00
CITY CLERK	54,000.00
NON-DEPARTMENTAL	750,000.00
PLANNING & DEVELOPMENT	40,000.00
INFORMATION TECHNOLOGY	55,000.00

TOTAL GENERAL FUND EXPENDITURES **\$1,064,000.00**

RESOLVED, That Council amend the following other funds' revenue and expenditure budgets for FY 2017, with the source of funding as indicated:

REVENUES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
0007	LOCAL LAW ENFORCEMENT	300.00
	balance (closing fund)	
0023	COURT FACILITIES FUND-T	20,000.00
	Fund	
0024	OPEN SPACE & PARKLAND	150,000.00
	fund balance	
0035	GENERAL DEBT SERVICE F	25,100,000.00
	proceeds	

EXPENDITURES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
0007	LOCAL LAW ENFORCEMENT	300.00
0024	OPEN SPACE & PARKLAND	150,000.00
0035	GENERAL DEBT SERVICE F	25,100,000.00

ATTACHMENT

**City of Ann Arbor
Proposed Fiscal Year 2017 Budgeted Amendments**

General Fund Expenditures

<u>Service Area/Unit</u>	<u>Reasons</u>	<u>Impact</u>
City Administrator:		
City Administrator	City Administrator severance, recruiting and hiring costs for new City Administrator	\$85,000.00
Human Resources	Overage on temporary employee costs, higher than expected professional services due to outside legal and consulting costs, and additional assessment costs due to higher hiring activity than planned	40,000.00
City Clerk Services	Cost of May special election, to be reimbursed	54,000.00
City Attorney:	One-time lump sum payment and increased salary for City Attorney	35,000.00
Mayor:	Salary adjustment for Mayor & Council	5,000.00
Community Services:		
Planning & Development	Unanticipated overtime, unanticipated severance and higher than anticipated bank services fees	40,000.00
Finance:		
Information Technology	Non-union pay increases	55,000.00
Non-departmental:	Higher than normal severance expenditures (coming from assigned fund balance) and increased transfer to Court Facilities to avoid fund deficit	750,000.00
Total		\$ 1,064,000.00

Non-General Funds

<u>Fund</u>	<u>Reasons</u>	<u>Impact</u>
Local Law Enforcement Block Grant Fund-Revenues & Expenditures	Closing Fund	\$300.00
Court Facilities Fund-Revenues	Underrun of revenue-this will avoid a fund balance deficit (transferring funds from the General Fund)	\$ 20,000.00
Open Space & Parkland Preservation Fund	Increased contract with The Conservation fund	150,000.00
General Debt Service Fund-Revenues & Expenditures	Bond refunding for the Justice Center bonds	25,100,000.00

Total Non-General Funds

\$ 25,270,300.00