

**RESOLUTION TO PUT FORWARD AN AMENDMENT TO
THE FISCAL YEAR 2023 BUDGET**

Whereas, PA 57 of 2018 requires that the Director of the Authority prepare and submit for the approval of the DDA Board a budget for the operation of the Authority for the ensuing fiscal year;

Whereas, Before the budget may be adopted by the board, the statute requires that it be approved by the governing body of the municipality before final adoption by the DDA Board;

Whereas, The DDA did completed the budget creation process for FY23 and did adopt the FY23 budget in June of 2022 for its five funds, including the Parking Fund;

Whereas, The DDA does monitor its activities compared to budget on an on-going basis and at March 31 it became apparent that a deviation at June 30 could be anticipated in the Parking Fund due to an increase in parking activity/revenues and a resulting increase in certain expenditures which are directly related to revenue streams;

Whereas, The Michigan Uniform Budget Manual requires that a legislative body amend the budget as soon as a deviation is apparent and prior to the close of the budget year;

Whereas, The DDA’s Finance Committee has reviewed the budget analysis and proposed budget amendment and recommends that the DDA Board approve putting forward this FY23 amendment to City Council;

Whereas, Once City Council has approved the amendment, the amendment will be bought back to the DDA Board for final appropriation into the FY23 Budget in the same manner as the process for the adoption of the original budget;

RESOLVED, The DDA Board accepts the recommendation of its Finance Committee and authorizes DDA staff to put forward the following amendment for the FY23 Budget to the Ann Arbor City Council for their approval:

Ann Arbor DDA FY23 Budget Amendment			
231 Parking Fund	Original Budget	Proposed Amendment	Amended Budget
Revenue	17,994,100	3,578,400	21,572,500
Expenditure	19,944,567	806,100	20,750,667
Net Rev (Exp)	(1,950,467)	2,772,300	821,833
Beginning Fund Balance	10,378,325		10,378,325
Ending Fund Balance	8,427,858		11,200,158

A vote on the resolution showed:

Ayes: Bartelme, Dieck, Kinley, Letaw, McKinnon, Michelin, Nichols, Vaughn

Nays: None

Absent: Brummer, Dohoney, Massey

The resolution was approved.

May 3, 2023



Agenda Item

TO: Members of the Ann Arbor DDA Finance Committee

FROM: Sara McCallum, Deputy Director

ITEM: FY23 Budget Amendment – to put forward to City Council

MEETING DATE: April 27, 2023 at 9:00 AM

Presented for your consideration is an FY23 budget amendment for the Parking Fund.

You may recall that when the FY22 and FY23 budgets were developed in February of 2021, we discussed that due to the uncertainty of the post pandemic effects on parking activities, a conservative approach to estimating revenues was implemented.

While revenues can exceed the budget without triggering the need for an amendment, expenditures cannot. The Michigan Uniform Budget Manual requires that legislative bodies amend their budgets as soon as they become aware that their actual expenditures will exceed budgeted limits.

The parking system has two expenditure items that are directly affected by revenue levels – the City 20% payment, and credit card fees. When the original budgets were considered, we discussed that these line items may need to be amended if revenues came in high. The FY22 budget for these items was amended last year, and an analysis of these items for FY23 indicates that an amendment is needed for this year as well.

An analysis and amendment calculation is attached for your review. The amendment affects the parking fund only. The net effect is **an increase to fund balance of approximately \$2.8 million.**

A resolution to put forward this resolution to City Council is also included for your review. Budget amendments follow the same 3-step approval process as the adoption of the original budget – 1) the DDA Board puts the amendment forward to City Council, 2) City Council approves it, and 3) it returns for adoption by the DDA Board.

ACTION REQUESTED:

Review the budget analysis and recommend the *Resolution to Put Forward an Amendment to the FY23 Budget* to the DDA Board at the May 3 meeting.

Ann Arbor DDA
 Budget Analysis and Amendment Calculation
 FY23 Parking Fund

Category	Item	FY23 Budget	3/31 Actual	YTD %	Balance Remaining	4th Qtr Projection	Calculated Amendment
Revenues	Parking Revenues	17,784,100	14,862,500	84%	2,921,600	6,500,000	3,578,400
	Budget Amendment - Revenues						3,578,400
Expenditures	City 20% Payment	3,580,000	2,960,900	83%	619,100	1,300,000	680,900
	Credit Card Charges	895,000	695,200	78%	199,800	325,000	125,200
Budget Amendment - Expenditures						806,100	
Net Amendment						2,772,300	

Note:
 The City 20% Payment and Credit Card Fees are expenditures that are directly related to revenue levels.
 Parking revenues at 3/31/23 are 84%, compared to the anticipated 75% at this point in the year.
 4th Quarter revenues are anticipated to be as much as \$6.5M (high end estimate).
 Related expenditures are anticipated to be 25% of revenues.
 A budget amendment is needed to allow the DDA to meet it's expenditure obligations to the City and others.