

..Title

Resolution to Amend Ann Arbor City Budget for Fiscal Year 2024 (8 Votes Required)

..Memorandum

Attached for your review and approval, please find a resolution to amend the Ann Arbor City Budget for Fiscal Year 2024.

The Michigan Public Act 2 of 1968, as amended, provides that the City shall not incur expenditures in excess of the amounts appropriated. In order to comply with PA 2, the City monitors expenditures against the adopted budget on a monthly basis and appropriates budget amendments be adopted by Council as needed.

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 2 as indicated above. These variances and the reasons for the variances are listed on the attachment.

The total requested General Fund budget amendment is \$1,848,100. A portion of this amount is covered by \$592,000 from assigned fund balance for severances and \$340,800 is reimbursement for services. The budget amendment for all other funds totals \$3,378,346. A detail of the requested appropriations is attached.

Passage of this Resolution and approval of the fiscal year 2024 budget amendments as prepared is recommended.

..Staff

Prepared by: Kim Buselmeier, Financial Manager
Reviewed by: Marti Praschan, Financial Services Area Administrator & CFO
Approved by: Milton Dohoney Jr, City Administrator

..Body

Whereas, On May 15, 2023, City Council adopted the annual operating budget for FY 2024 for the City of Ann Arbor;

Whereas, The Michigan Public Act 2 of 1968, 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;

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 FY24 General Fund expenditure budget by \$1,848,100 as follows, with the source of funding for severances of \$592,000 from assigned fund balance, \$340,800 from reimbursements, and the remaining \$915,300 from a use of fund balance:

GENERAL FUND EXPENDITURES

Engineering	200,000
Building and Rental	40,000
Fire	310,000
City Administrator	25,000
Communications	300
Information Technology	219,800
Non-Departmental	652,000
Parks & Recreation	401,000

TOTAL GENERAL FUND EXPENDITURES \$ 1,848,100

RESOLVED, That Council amend the following other funds' revenue and expenditure budgets for FY 2024, with the source of funding as indicated:

REVENUES

Fund	Fund Name	Amount
0014	INFORMATION TECHNOLOGY FUND-Use of Fund Balance	857,115
0023	COURT FACILITIES FUND-Transfer from the General Fund	60,000
0041	OPEN SPACE ENDOWMENT-Use of Fund Balance	45,000
0064	MICHIGAN JUSTICE TRAINING FUND-Funds Received from the State	23,362
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENT MILLAGE-Use of Fund Balance & Contributions	460,000
0103	AFFORDABLE HOUSING MILLAGE-Additional Tax Revenue	73,850
0108	TECHNOLOGY FIBER FUND-Transfer from Information Technology Fund	641,315
0109	CLIMATE ACTION MILLAGE-Additional Tax Revenue and Rebate	77,704
00CP	GENERAL CAPITAL FUND-Transfer from the General Fund	140,000
00MG	MAJOR GRANTS PROGRAMS-Funds Received from the State	1,000,000

EXPENDITURES

Fund	Fund Name	Amount
0014	INFORMATION TECHNOLOGY FUND-Use of Fund Balance	857,115
0041	OPEN SPACE ENDOWMENT-Use of Fund Balance	45,000
0064	MICHIGAN JUSTICE TRAINING FUND-Funds Received from the State	23,362
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENT MILLAGE-Use of Fund Balance & Contributions	460,000
0103	AFFORDABLE HOUSING MILLAGE-Additional Tax Revenue	73,850
0108	TECHNOLOGY FIBER FUND-Transfer from Information Technology Fund	641,315
0109	CLIMATE ACTION MILLAGE-Additional Tax Revenue and Rebate	77,704
00CP	GENERAL CAPITAL FUND-Transfer from the General Fund	140,000
00MG	MAJOR GRANTS PROGRAMS-Funds Received from the State	1,000,000

ATTACHMENT

**City of Ann Arbor
Proposed Fiscal Year 2024 Budgeted Amendments**

GENERAL FUND EXPENDITURES

Service Area/Unit	Reason	Impact
City Administrator:		
City Administrator:	Bicentennial banners	25,000
Information Technology:	training	219,800
Communications:	Communications share of badge readers for Larcom front stairwell	300
Public Services:		
Engineering:	Increased streetlight electricity costs and personnel costs	200,000
Community Services:		
Parks and Recreation:	gasoline & pool chemicals	401,000
Building and Rental:	AFSCME levels by contract and benefit costs	40,000
Safety Services:		
Fire:	Fire vehicle repairs	310,000
Non-departmental:	Higher than normal severance expenditures (coming from assigned fund balance) and increased transfer to Court Facilities to avoid fund deficit	652,000
Total		<u>\$ 1,848,100</u>

Non- General Funds

Fund	Reason	Impact
Information Technology Fund	Retirement severances, temporary pay and transfers to Technology Fiber Fund for I-Net	857,115
Court Facilities Fund-Revenues	Underrun of revenue-this will avoid a fund balance deficit (transferring funds from the General Fund)	60,000
Open Space Endowment	Conservation easement monitoring	45,000
Michigan Justice Training Fund	Police training	23,362
Park Maintenance & Capital Improvement	and Fuller Park improvements	460,000
Affordable Housing Millage	Additional staff costs	73,850
Technology Fiber Fund	Retirement Severance and contingency for fiber projects	641,315
Climate Action Millage	Equipment	77,704
General Capital Fund	Pauline/Runnymede Path design	140,000
Major Grants Programs	Election Center Grant	1,000,000
Total Non-General Funds		<u>\$ 3,378,346</u>