

..Title

Resolution to Amend Ann Arbor City Budget for Fiscal Year 2022 (8 Votes Required)

..Memorandum

Attached for your review and approval, please find a resolution to amend the Ann Arbor City Budget for Fiscal Year 2022.

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 \$1,758,747. A portion of this amount is covered by \$1,291,747 from assigned fund balance for severances. The budget amendment for all other funds totals \$524,700. A detail of the requested appropriations is attached.

Passage of this Resolution and approval of the fiscal year 2022 budget amendments as prepared is recommended.

..Staff

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

..Body

Whereas, On May 17, 2021, City Council adopted the annual operating budget for FY 2022 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 General Fund expenditure budget by \$1,758,747 as follows, with the source of funding for severances of \$1,291,747 from assigned fund balance and the remaining \$467,000 from a use of fund balance:

GENERAL FUND EXPENDITURES

HUMAN RESOURCES	50,000
CLERK'S OFFICE	125,000
INFORMATION TECHNOLOGY	10,000
ENGINEERING	125,000
FIRE	100,000
NON-DEPARTMENTAL	1,291,747
CITY ATTORNEY	57,000
TOTAL GENERAL FUND EXPENDITURES	1,758,747

RESOLVED, That Council amend the following other funds' revenue and expenditure budgets for FY 2022, with the source of funding as indicated:

REVENUES

Fund	Fund Name	Amount
0014	INFORMATION TECHNOLOGY FUND-Use of fund balance	150,000
0023	COURT FACILITIES FUND-Transfer from the General Fund	61,700
0024	OPEN SPACE & PARK ACQUISITON MILLAGE FUND - Use of fund balance	227,000
0038	SPECIAL ASSISTANCE FUND - Use of fund balance	9,000
0058	WHEELER CENTER - Use of fund balance	25,000
00CP	GENERAL CAPITAL FUND - Grant from Washtenaw County	52,000

EXPENDITURES

Fund	Fund Name	Amount
0014	INFORMATION TECHNOLOGY FUND-Use of fund balance	150,000
0024	OPEN SPACE & PARK ACQUISITON MILLAGE FUND - Use of fund balance	227,000
0038	SPECIAL ASSISTANCE FUND - Use of fund balance	9,000
0058	WHEELER CENTER - Use of fund balance	25,000
00CP	GENERAL CAPITAL FUND - Grant from Washtenaw County	52,000

ATTACHMENT

**City of Ann Arbor
Proposed Fiscal Year 2022 Budgeted Amendments**

GENERAL FUND EXPENDITURES

Service Area/Unit	Reasons	Impact
City Administrator:		
Human Resources:	Contract for interim HR director	50,000
Clerk's Office:	November 2021 Special Election	125,000
Information Technology:	Salary increases	10,000
Public Services:		
Engineering:	Increased streetlight electricity costs and personnel costs	125,000
Safety Services:		
Fire:	Overtime	100,000
Finance:		
Non-departmental:	Higher than normal severance expenditures (coming from assigned fund balance) and increased transfer to Court Facilities to avoid fund deficit	1,291,747
City Attorney:	Salary increases and temporary pay	57,000
Total		<u>\$ 1,758,747</u>

Non- General Funds

Fund	Reasons	Impact
Information Technology Fund	I-Net Projects	150,000
Court Facilities Fund-Revenues	Underrun of revenue-this will avoid a fund balance deficit (transferring funds from the General Fund)	61,700
Open Space & Park Acquisition Millage	Due diligence for potential land purchases & land purchase	227,000
Special Assistance Fund	Utility billing assistance	9,000
Wheeler Center	Facility electricity costs	25,000
General Capital Fund	415 W. Washington	52,000
Total Non-General Funds		<u>\$ 524,700</u>