

..Title

Resolution to Amend Ann Arbor City Budget for Fiscal Year 2026 (8 Votes Required)

..Memorandum

Attached for your review and approval, please find a resolution to amend the Ann Arbor City Budget for Fiscal Year 2026.

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 recommends 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 \$1,892,203. Of this amount, \$1,126,388 is reimbursement for services. The budget amendment for all other funds totals \$1,976,972 A detail of the requested appropriations is attached.

Passage of this resolution and approval of the fiscal year 2026 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 19, 2025, City Council adopted the annual operating budget for FY 2026 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 FY 2026 General Fund expenditure budget by \$1,892,203 as follows: \$1,126,388 from reimbursements, \$512,500 from assigned

General Fund fund balance and the remaining \$253,315 from a use of fund balance (see attachment):

GENERAL FUND EXPENDITURES

Attorney	118,000
Fire	571,000
Police	12,000
Parks & Recreation	22,803
Planning	19,000
Fleet & Facilities	63,000
Housing Commission	50,000
Non-Departmental	1,036,400
TOTAL GENERAL FUND EXPENDITURES	\$ 1,892,203

RESOLVED, That Council amend the following other funds' revenue and expenditure budgets for FY 2026, with the source of funding as indicated (see attachment):

REVENUES

Fund	Fund Name	Amount
0014	INFORMATION TECHNOLOGY FUND-Use of Fund Balance	50,000
0016	COMMUNITY TELEVISION NETWORK FUND-Use of Fund Balance	51,000
0023	COURT FACILITIES FUND-Transfer from the General Fund	58,500
0024	OPEN SPACE & PARK ACQUISITION MILLAGE-Property Tax Revenue	20,000
0025	BANDEMER PROPERTY-Use of Fund Balance	500
0034	PARKS MEMORIALS & CONTRIBUTIONS FUND-Contributions Received	438,125
0035	GENERAL DEBT SERVICE-Transfer from other funds	81,800
0048	AIRPORT FUND-Use of Fund Balance	130,000
0070	AFFORDABLE HOUSING FUND-Use of Fund Balance	526
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENT MILLAGE-Insurance Reimbursement	246,521
0108	TECHNOLOGY FIBER FUND-Interest Income	10,000
0109	CLIMATE ACTION MILLAGE-Tax Revenue and Reimbursements	890,000

EXPENDITURES

Fund	Fund Name	Amount
0014	INFORMATION TECHNOLOGY FUND-Use of Fund Balance	50,000
0016	COMMUNITY TELEVISION NETWORK FUND-Use of Fund Balance	51,000
0023	COURT FACILITIES FUND-Transfer from the General Fund	58,500
0024	OPEN SPACE & PARK ACQUISITION MILLAGE-Property Tax Revenue	20,000
0025	BANDEMER PROPERTY-Use of Fund Balance	500
0034	PARKS MEMORIALS & CONTRIBUTIONS FUND-Contributions Received	438,125
0035	GENERAL DEBT SERVICE-Transfer from other funds	81,800
0048	AIRPORT FUND-Use of Fund Balance	130,000
0070	AFFORDABLE HOUSING FUND-Use of Fund Balance	526
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENT MILLAGE-Insurance Reimbursement	246,521
0108	TECHNOLOGY FIBER FUND-Interest Income	10,000
0109	CLIMATE ACTION MILLAGE-Tax Revenue and Reimbursements	890,000

ATTACHMENT

City of Ann Arbor Proposed Fiscal Year 2026 Budgeted Amendments (see attachment)

Service Area/Unit	Reason	Impact
City Administrator: Fleet & Facilities	Overtime, fleet repairs, contracted services and fringe costs	63,000
Community Services: Parks and Recreation	Fringe costs and air conditioning repairs	22,803
Planning	Information technology costs	19,000
Housing Commission	Documentary	50,000
Safety Services: Fire:	Ambulance transport allowance, overtime, fleet repairs, building maintenance and storm damage	571,000
Police:	Fringe costs	12,000
Attorney's Office:	Wages, fringes and software	118,000
Non-departmental:	Increased transfer to Court Facilities to avoid fund deficit, Severances & legal settlement	1,036,400
Total		<u>\$ 1,892,203</u>

Non- General Funds

Fund	Reason	Impact
Information Technology Fund	PC replacements	50,000
Community Television Network Fund	Wages, fringes, retirement severance and professional services	51,000
Court Facilities Fund-Revenues	Underrun of revenue-this will avoid a fund balance deficit (transferring funds from the General Fund)	58,500
Open Space & Park Acquisition Millage	Property tax settlement	20,000
Bandemer Property Fund	Contracted services	500
Parks Memorials & Contributions Fund	Fuller Park Improvements	438,125
General Debt Service Fund	Debt service payments	81,800
Airport Fund	depreciation	130,000
Affordable Housing Fund	Glendale/Dexter properties	526
Park Maintenance & Capital Improvement Millage Fund	April 2025 Storm damage repairs	246,521
Technology Fiber Fund	Contracted services	10,000
Climate Action Millage Fund	Contracted services	890,000
Total Non-General Funds		<u>\$ 1,976,972</u>