

## **..Title**

Resolution to Amend Ann Arbor City Budget for Fiscal Year 2025 (**8 Votes Required**)

## **..Memorandum**

Attached for your review and approval, please find a resolution to amend the Ann Arbor City Budget for Fiscal Year 2025.

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 \$2,047,500. Of this amount, \$1,143,500 is reimbursement for services. The budget amendment for all other funds totals \$5,635,022. A detail of the requested appropriations is attached.

Passage of this resolution and approval of the fiscal year 2025 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 20, 2024, City Council adopted the annual operating budget for FY 2025 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 2025 General Fund expenditure budget by \$2,047,500 as follows: \$1,143,500 from reimbursements, and the remaining \$904,000 from a use of fund balance (see attachment):

### **GENERAL FUND EXPENDITURES**

Communications	10,000
Clerk's Office	398,500
Safety	6,000
Facilities	130,000
Parks & Recreation	235,000
Information Technology	1,000
Fire	621,000
Police	416,000
Sustainability	26,000
Building	150,000
Non-Departmental	54,000
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 2,047,500</b>

RESOLVED, That Council amend the following other funds' revenue and expenditure budgets for FY 2025, with the source of funding as indicated (see attachment):

#### **REVENUES**

Fund	Fund Name	Amount
0002	ENERGY FUND-Use of Fund Balance	197,740
0012	FLEET FUND-Fleet Maintenance Revenue & Use of Fund Balance	1,700,000
0014	INFORMATION TECHNOLOGY FUND-Use of Fund Balance	66,800
0023	COURT FACILITIES FUND-Transfer from the General Fund & Use of Fund Balance	65,000
0035	GENERAL DEBT SERVICE-Revenue received for debt payment	47,985
0042	WATER SUPPLY SYSTEM FUND-Use of Fund Balance	520,000
0048	AIRPORT FUND-Use of Fund Balance	219,700
0062	STREET, BRIDGE & SIDEWALK FUND-Use of Fund Balance	1,500,000
0064	MICHIGAN JUSTICE TRAINING FUND-Funds Received from the State	132,797
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENT MILLAGE-Use of Fund Balance, Reimbursements & Tax Revenue	1,000,000
0103	AFFORDABLE HOUSING MILLAGE-Additional Tax Revenue	155,000
0108	TECHNOLOGY FIBER FUND-Interest Income	30,000

#### **EXPENDITURES**

Fund	Fund Name	Amount
0002	ENERGY FUND-Use of Fund Balance	197,740
0012	FLEET FUND-Fleet Maintenance Revenue & Use of Fund Balance	1,700,000
0014	INFORMATION TECHNOLOGY FUND-Use of Fund Balance	66,800
0023	COURT FACILITIES FUND-Transfer from the General Fund & Use of Fund Balance	65,000
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ATTACHMENT

**City of Ann Arbor**  
**Proposed Fiscal Year 2025 Budgeted Amendments** (see attachment)

**GENERAL FUND EXPENDITURES**

Service Area/Unit	Reason	Impact
City Administrator:		
Communications:	Communications director search	10,000
Information Technology:	Telecommunications, motor pool vehicle cost and payroll taxes	1,000
Clerk's Office:	Presidential election costs and vaccine mandate lawsuit	398,500
Safety:	Payroll costs	6,000
Facilities:	Tipping fees	130,000
Sustainability:	Grant matches and payroll costs	26,000
Community Services:		
Parks and Recreation:	Payroll costs, training and propane	235,000
Building	Vaccine mandate lawsuit	150,000
Safety Services:		
Fire:	Ambulance transport allowance & retiree healthcare costs per contract, training, fleet repairs, legal expenses, and dues & licenses	621,000
Police:	Training, overtime and vehicle costs	416,000
Non-departmental:	Increased transfer to Court Facilities to avoid fund deficit	54,000
<b>Total</b>		<b><u>\$ 2,047,500</u></b>

**Non- General Funds**

Fund	Reason	Impact
Energy Fund	Sustainability related expenses	197,740
Fleet Fund	Mower & vehicle purchases, 721 N Main demolition, materials & supplies, software and contracted services	1,700,000
Information Technology Fund	Tablet replacements	66,800
Court Facilities Fund-Revenues	Underrun of revenue-this will avoid a fund balance deficit (transferring funds from the General Fund)	65,000
General Debt Service Fund	Higher than anticipated debt service payment	47,985
Water Supply System Fund	Asset depreciation expenses	520,000
Airport Fund	Vehicle costs, legal services, utility costs and retirement severance	219,700
Street, Bridge & Sidewalk Millage Fund	Capital project expenses	1,500,000
Michigan Justice Training Fund	Police training	132,797
Park Maintenance & Capital Improvement	Materials, supplies and contracted services, payroll costs and capital projects	1,000,000
Affordable Housing Millage	Additional staff costs	155,000
Technology Fiber Fund	Retirement Severance and contingency for fiber projects	30,000
<b>Total Non-General Funds</b>		<b><u>\$ 5,635,022</u></b>