

**..Title**

Resolution to Amend Ann Arbor City Budget for Fiscal Year 2018 (8 Votes Required)

**..Memorandum**

Attached for your review and approval, please find a resolution to amend the Ann Arbor City Budget for Fiscal Year 2018.

The Michigan Public Act 621 of 1978, as amended, provides that the City shall not incur expenditures in excess of the amounts appropriated. In order to comply with PA 621, 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 621 as indicated above. These variances and the reasons for the variances are listed on the attachment.

The total requested General Fund budget amendment is \$1,180,000. The budget amendment for all other funds totals \$220,000. A detail of the requested appropriations is attached.

Passage of this Resolution and approval of the fiscal year 2018 budget amendments as prepared is recommended.

**..Staff**

Prepared by: Karen Lancaster, Finance Director  
Reviewed by: Tom Crawford, CFO  
Approved by: Howard Lazarus, City Administrator

**..Body**

Whereas, On May 15, 2017, City Council adopted the annual operating budget for FY 2018 for the City of Ann Arbor;

Whereas, The Michigan Public Act 621 of 1978, 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 \$1,180,000 as follows, with the source of funding for the City Clerk from election reimbursement (\$50,000), severances of \$650,000 from assigned fund balance, and the remaining \$480,000 from use of fund balance:

**GENERAL FUND EXPENDITURES**

HUMAN RESOURCES	28,000
MAYOR	3,000
CITY ATTORNEY	165,000
CITY CLERK	50,000
BUILDING & RENTAL	23,000
POLICE	112,000
PLANNING	29,000
PUBLIC WORKS	90,000
WATER UTILITIES	10,000
NON-DEPARTMENTAL	670,000
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b><u>\$1,180,000</u></b>

RESOLVED, That Council amend the following other funds' revenue and expenditure budgets for FY 2018, with the source of funding as indicated:

REVENUES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
0023	COURT FACILITIES FUND-Transfer from the General Fund	20,000

EXPENDITURES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
0026	CONSTRUCTION CODE FUND-From Building Permit revenue in excess of budget	200,000

ATTACHMENT

**City of Ann Arbor  
Proposed Fiscal Year 2018 Budgeted Amendments**

**General Fund Expenditures**

<u>Service Area/Unit</u>	<u>Reasons</u>	<u>Impact</u>
City Administrator: Human Resources	Overage on temporary employee costs, overtime, unplanned non-retirement severance and pay stipends for GARE training	28,000
City Clerk Services	Cost of May special election, to be reimbursed	50,000
City Attorney:	Unplanned non-retirement severances, computers for over-hire staff, Zoro legal consulting, temporary pay, office construction, office furniture, City Attorney salary increase by Council, staff salary adjustments	165,000
Mayor:	Salary adjustment Council pay and Executive Assistant wages	3,000
Finance: Non-departmental:	Higher than normal severance expenditures (coming from assigned fund balance) and increased transfer to Court Facilities to avoid fund deficit	670,000
Community Services: Building & Rental:	Unplanned non-retirement severances, unplanned benefit costs	23,000
Planning:	Unanticipated personnel expenses related to projects, postage, dues and licenses	29,000
Public Services: Public Works:	Increased electricity due to an increase in rate and number of streetlights	90,000

Water Utilities:	Additional computer for new employee, unanticipated employee benefits	10,000
Safety Services: Police	Overtime due to NCAA tournament, Deputy Chief hiring process, increased cost of contracted services for psychological evaluations of staff and compliance work, uniform costs for new hires, send 2 recruits to academy	112,000
<b>Total</b>		<u><u><b>\$1,180,000</b></u></u>

**Non-General Funds**

<u>Fund</u>	<u>Reasons</u>	<u>Impact</u>
Court Facilities Fund-Revenues	Underrun of revenue-this will avoid a fund balance deficit (transferring funds from the General Fund)	\$ 20,000
Construction Code Fund	Increase in wages, unanticipated severance, unplanned benefit costs, increase in temporary staff time, unbudgeted bank service fees, contracted services, training, additional computers, and office furniture	200,000
<b>Total Non-General Funds</b>		<hr/> <b>\$ 220,000</b> <hr/>