



Legislation Text

File #: 19-1076, **Version:** 1

Resolution to Amend Ann Arbor City Budget for Fiscal Year 2019 (**8 Votes Required**)

Attached for your review and approval, please find a resolution to amend the Ann Arbor City Budget for Fiscal Year 2019.

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 \$1,220,800. A portion of this amount is covered by \$280,000 from assigned fund balance for severances and a portion of approximately \$550,000 from projected revenues higher than planned. The budget amendment for all other funds totals \$170,000. A detail of the requested appropriations is attached.

Passage of this Resolution and approval of the fiscal year 2019 budget amendments as prepared is recommended.

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

Whereas, On May 21, 2018, City Council adopted the annual operating budget for FY 2019 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 revenue budget by \$5,350,000 to account for the

proceeds from the sale of bonds for the property at 350 S. Fifth Ave;

RESOLVED, That Council amend the General Fund expenditure budget by \$1,220,800 as follows, with the source of funding for the severances of \$280,000 from assigned fund balance, proceeds from a Sustainability grant (\$21,000) and the remaining \$919,800 from use of fund balance:

GENERAL FUND EXPENDITURES

See attached.

RESOLVED, That Council amend the following other funds' revenue and expenditure budgets for FY 2019, with the source of funding as indicated:

REVENUES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
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See attached.

EXPENDITURES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
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See attached.

ATTACHMENT

City of Ann Arbor

Proposed Fiscal Year 2019 Budgeted Amendments

General Fund Expenditures

<u>Service Area/Unit</u>	<u>Reasons</u>	<u>Impact</u>
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See attached.

Non-General Funds

<u>Fund</u>	<u>Reasons</u>	<u>Impact</u>
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See attached.