



Legislation Text

File #: 20-0741, **Version:** 1

Resolution to Amend Ann Arbor City Budget for Fiscal Year 2020 (**8 Votes Required**)

Attached for your review and approval, please find a resolution to amend the Ann Arbor City Budget for Fiscal Year 2020.

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 \$1,218,000. A portion of this amount is covered by \$250,000 from assigned fund balance for severances and a portion of approximately \$307,000 from projected revenues higher than planned. The budget amendment for all other funds totals \$357,000. A detail of the requested appropriations is attached.

Passage of this Resolution and approval of the fiscal year 2020 budget amendments as prepared is recommended.

Prepared by: Kim Buselmeier, Budget & Finance Supervisor
Reviewed by: Matthew Horning, Interim CFO
Approved by: Tom Crawford, Interim City Administrator

Whereas, On May 20, 2019, City Council adopted the annual operating budget for FY 2020 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 \$1,218,000 as follows, with the source of funding for the City Clerk from election reimbursement (\$177,000), severances of

\$250,000 from assigned fund balance, transfers from internal service funds for payroll reimbursement (\$130,000), and the remaining \$661,000 from a use of fund balance:

GENERAL FUND EXPENDITURES

CITY CLERK	177,000
CITY ADMINISTRATOR	297,000
CITY ATTORNEY	55,000
INFORMATION TECHNOLOGY	75,000
ENGINEERING	35,000
PUBLIC WORKS	20,000
PLANNING	33,000
POLICE	240,000
NON-DEPARTMENTAL	<u>286,000</u>
TOTAL GENERAL FUND EXPENDITURES	1,218,000

RESOLVED, That Council amend the following other funds' revenue and expenditure budgets for FY 2020, 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 Fund	36,000

EXPENDITURES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
0014	INFORMATION TECHNOLOGY FUND-From balance in fund 0014	196,000
0057	RISK FUND-From fund balance in fund 0057	125,000

ATTACHMENT

**City of Ann Arbor
Proposed Fiscal Year 2020 Budgeted Amendments**

GENERAL FUND EXPENDITURES

<u>Service Area/Unit</u>	<u>Reasons</u>	<u>Impact</u>
City Administrator: City Administrator:	Unanticipated severance pay and associated expenses	297,900
City Clerk:	Election Costs (reimbursed from Washtenaw County for Special Elections)	177,000
City Attorney:	Overhire/temporary pay and associated pay for training of new City Attorney and unplanned retirement severance	55,000
Community Services: Planning:	Postage and higher than expected personnel costs	35,000
Finance: Non-departmental:	Higher than normal severance expenditures from assigned fund balance) and increased Court Facilities to avoid fund deficit	286,000
Information Technology:	Retirement severance and pay increases from the IT Fund)	75,000
Public Services: Engineering:	Personnel costs that could not be charged to projects due to COVID19 (reimbursed from Management Fund)	35,000
Public Works:	Unanticipated labor costs due to unanticipated repairs to facilities (reimbursed from Wheeler Center)	20,000
Safety Services: Police:	Contractual obligations and unplanned non-recurring severances	240,000
Total		<u>\$1,218,000</u>

Non-General Funds

<u>Fund</u>	<u>Reasons</u>	<u>Impact</u>
Court Facilities Fund-Revenues	Under-run of revenue-this will avoid a fi deficit (transferring funds from the Ger	36,000
Information Technology Fund	Retirement severance and associated additional computer for IT staff and lap Replacements	196,000
Risk Fund	COVID-19 supply costs	125,000
Total Non-General Funds		<u>\$ 357,000</u>