



Legislation Text

File #: 21-2276, **Version:** 1

Resolution to Approve Deficit Elimination Plan as of June 30, 2021 for the Alternative Transportation Fund

Pursuant to the law of the State of Michigan, the City must prepare and authorize a deficit elimination plan for the Alternative Transportation Fund, which as of June 30, 2021 had a fund deficit of \$14,380.00.

The fund deficit is as result of the pedestrian improvement portion of the Allen Creek Berm project budget overrun. On June 7, 2021 City Council passed #R-21-184, which increased the budget based on Engineering estimates that were currently available. The budget increase was funded by the Major Street Fund as funds in the Alternative Transportation Fund were insufficient. Unfortunately, the costs were underestimated and actual costs that were incurred through June 30, 2021 exceeded the amended budget taking the fund into a deficit situation by \$14,380.00.

The Alternative Transportation Fund receives annual revenue equal to 5% of the budgeted Michigan Transportation Fund tax revenue. The FY 2022 budgeted revenue is \$649,210.00. To date, \$324,604.00 has been received, thus eliminating the deficit.

The City of Ann Arbor is requesting the City Council approve the City's Deficit Elimination Plan for fiscal year ended June 30, 2021.

Prepared by: Marti Praschan, Chief Financial Officer

Reviewed by: Marti Praschan, Chief Financial Officer

Approved by: Milton Dohoney Jr., Interim City Administrator

Whereas, The City of Ann Arbor's Alternative Transportation Fund had a \$14,380.00 deficit fund balance on June 30, 2021; and

Whereas, 1971 PA 140 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury;

RESOLVED, The City has eliminated the deficit in the Alternative Transportation Fund with the approved FY 2022 Operations and Maintenance Budget, which includes \$649,210.00 of Michigan Transportation Fund tax revenue;

RESOLVED, That the elimination of the Alternative Transportation Fund deficit as of July 30, 2021 constitutes the City's Deficit Elimination Plan for purposes of the Michigan Department of Treasury; and

RESOLVED, That a certified copy of this resolution be forwarded to the Michigan Department of Treasury.