



Legislation Text

File #: 22-0139, **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 a 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.

On January 3, 2022 City Council approved #R-22-003, authorizing the proposed deficit elimination plan which was addressed with the passing of the FY 2022 budget. 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 was contacted by the Department of Treasury requesting further details of the deficit elimination plan including projected budget with revenues by sources, expenditure by line-item and changes in fund balance. This in turn requires certification of the plan by City Council.

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, 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 of Ann Arbor adopts the following as the Alternative Transportation Fund Elimination Plan; and:

	2022
Unrestricted Net Position (Deficit) June 30, 2021	(-14,380)
Revenues:	
Investment Income	7,947
Operating Transfer – 0021	506,384
Operating Transfer – 0022	142,826
DNR Trust Fund Grant	221,525
Total Revenues:	878,682
Expenditures:	
Personnel Services	200,424
Payroll Fringes	103,436
Employee Allowances	960
Other Services - Contracted	128,418
Materials & Supplies	43,000
Other Charges	34,135
Total Expenditures:	510,373
Unrestricted Net Position (Deficit) June 30	353,929
CA-CL (Deficit) June 30, 2021	(14,380)
Revenues	878,682
Expenditures	(510,373)
CA-CL (Deficit) June 30, 2022	353,929

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