



BUSINESS OF THE CITY COUNCIL, OAK PARK, MICHIGAN

AGENDA OF: June 20, 2016

AGENDA #

SUBJECT: Approval of resolution to authorize Budget Amendment #2016-4

DEPARTMENT: Finance

SUMMARY: The City's annual budget was adopted on May 18, 2015 and is effective July 1st. The budget is adopted at the departmental level. In accordance with the State Budget Act, budget amendments are to be completed throughout the fiscal year in order to reflect the most current information available related to revenue and expenditure budgets. Budget amendments that have a positive or negative impact on fund balance or change the department total require Council approval. The proposed amendments are based on actual and projected activity-to-date.

The fourth quarter (6/30/16) budget amendment is attached and is also summarized below.

GENERAL FUND	
Audited Beginning Fund Balance July 1, 2015	\$ 3,430,752
Net Amended Budget through June 6, 2016	0
Net Change in Fund Balance (Amendment #2016-4)	<u>0</u>
Estimated Ending Fund Balance June 30, 2016	<u>\$ 3,430,752</u>

The following are some additional detail related to the significant items included in the recommended amendment:

- The original property tax budget assumed an increase over the prior years. The final reconciliation shows little tax growth from prior year. As a result, the General Fund property tax budget is proposed to be reduced by \$220,000 to reflect the actual levy and collections.
- Due to the significant new construction activity happening in the City, charges for permits and inspections along with licenses are projected to be up by approximately \$50,000 over the original budget.

- The State of Michigan reimbursed the City for the net loss in revenue from the elimination of certain personal property taxes. This reimbursement totaled approximately \$100,000 for the General Fund for the current fiscal year.
- Interest income citywide has increased tenfold due to the new investment strategy implemented and as a result the budget for interest income in the General Fund is proposed to be increased by approximately \$95,000
- The other revenue reduction of approximately \$25,000 includes a reduction to the budget for sale of land revenue of \$150,000 and increase the miscellaneous reimbursement budget by \$125,000. These adjustments are to reflect the actual activity to date in these accounts.
- Contractual services budget in finance was reduced to recognize the savings from hiring a new finance director and not contracting the service.
- Other legal services budget was increased to account for the additional costs for cases not covered by the annual retainer.
- Election workers expenditures were decrease to the actual costs incurred to date as there are no additional elections in the current fiscal year.
- Public Safety department expenditure for motor pool costs was decreased to reflect the actual and projected usage for the current fiscal year.
- Technical and Planning contractual services expenditures along with the corresponding revenue were both decrease to reflect actual costs and billings related to citywide tree removal.
- Various departments expenditure budgets were adjusted to reflect actual expenditure activity to date including increasing the health insurance expenditure in the City Manager's office, decreasing repair and maintenance budgets in the Internal Technology and Facilities.
- Retiree healthcare costs are up and the budget was increased to reflect estimated costs through June 30, 2016.

SPECIAL REVENUE FUNDS

- The Library Fund's current budget uses fund balance which is does not have. The budget is proposed to be amended by approximately \$20,000 to reflect actual additional revenues to date and eliminate the use of fund balance.
- The Criminal Justice Training and Veterans Treatment Court Grant Funds are being amended to reflect additional grant revenues received and the corresponding use of those funds for program expenditures.

CAPITAL PROJECT FUND – Public Improvement Fund

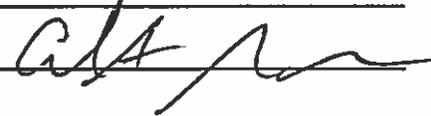
This fund type does not require an annual budget but the State recommends budgeting all funds. The proposed amendment is to recognize the interest earnings on the beginning fund balance of approximately \$54,000 and the use of \$12,500 of the fund balance for the purchase of planter boxes which will be distributed citywide.

FINANCIAL STATEMENT: The proposed budget amendment has no net impact on the fund balance of General Fund keeping the estimated fund balance at approximately 15% of annual revenues. The amendments to all other funds keep the fund balance at targeted ranges and are done in compliance with State of Michigan requirements and guidelines.

RECOMMENDED ACTION: Approval of resolution to authorize Budget Amendment #2016-4

APPROVALS:

City Manager: _____

Finance Director:  _____

Resolution

NOW, THEREFORE BE IT RESOLVED that the following
Budget Amendment #2016-4 is authorized:

	INCREASE (DECREASE)
GENERAL FUND	
REVENUES	
PROPERTY TAXES	\$ (220,000)
LICENSE AND PERMITS	50,000
INTERGOVERNMENTAL	100,000
CHARGES FOR SERVICES	(100,000)
INTEREST INCOME	95,020
OTHER REVENUE	(25,850)
TOTAL REVENUES	<u>(100,830)</u>
EXPENDITURES	
ADMINISTRATIVE	35,000
CITY CLERK - ELECTIONS	(20,000)
FINANCE	(75,000)
CITY ATTORNEYS - CIVIL AND LABOR	17,170
PUBLIC SAFETY	(100,000)
TECHNICAL AND PLANNING	(100,000)
PUBLIC WORKS	(33,000)
INFORMATION TECHNOLOGY	(50,000)
NON-DEPARTMENTAL	225,000
TOTAL EXPENDITURES	<u>(100,830)</u>
Net Increase to Fund Balance	<u>\$ -</u>
LIBRARY FUND	
REVENUES	
INTERGOVERNMENTAL	\$ 5,000
CHARGES FOR SERVICES	12,000
INTEREST INCOME	3,092
TOTAL REVENUES	<u>20,092</u>
Net Increase to Fund Balance	<u>\$ 20,092</u>
CRIMINAL JUSTICE TRAINING FUND	
REVENUES	
INTERGOVERNMENTAL	\$ 4,000
TOTAL REVENUES	<u>4,000</u>
EXPENDITURES	
SUPPLIES, MAINTENANCE AND REPAIRS	4,000
TOTAL EXPENDITURES	<u>4,000</u>
Net Increase to Fund Balance	<u>\$ -</u>

INCREASE
(DECREASE)

VETERANS TREATMENT COURT GRANT FUND
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REVENUES	
INTERGOVERNMENTAL	\$ 15,000
TOTAL REVENUES	<u>15,000</u>
EXPENDITURES	
OPERATIONS	15,000
TOTAL EXPENDITURES	<u>15,000</u>
Net Increase to Fund Balance	<u>\$ -</u>

PUBLIC IMPROVEMENT FUND

REVENUES	
INTEREST INCOME	\$ 500
OTHER REVENUE	-
TOTAL REVENUES	<u>500</u>
EXPENDITURES	
CAPITAL OUTLAY	12,500
TOTAL EXPENDITURES	<u>12,500</u>
Net Decrease to Fund Balance	<u>\$ (12,000)</u>

I certify that the forgoing is a true and complete copy of a Resolution adopted by the City Council of the City of Oak Park at a regular Meeting held on this 20th day of June, 2016.

T. Edwin Norris, City Clerk

**City of Oak Park
Proposed Budget Amendments
June 30, 2016**

<u>Account Number</u>	<u>Account Name</u>	<u>Amount</u>	<u>Description</u>
<u>General Fund</u>			
101-00.000-403.000	Property Tax	\$ (190,000)	Adjust to final settlement with County
101-00.000-403.007	Property Tax - Brownfield Capture	300,000	Adjust prior year reserve for possible brownfield lia
101-00.000-451.001	Business Licenses and Permits/TP	50,000	Adjust to actual receipts to date
101-00.000-573.000	State Grant - Local Comm Stab Share App	100,000	New Reimbursement from the State for lost Pers Prop Tx
101-00.000-664.000	Interest Income	95,020	Increase to actual revenue to date
101-00.000-654.215	Tree Removal Billings 2015	(100,000)	Adjust budget for estimated billings (pass thru, see exp)
101-00.000-673.000	Sale of Fixed Assets	(150,850)	Adjust budget for estimated increase in revenue
101-00.000-676.001	Reimbursement- Miscellaneous	125,000	Reduce to prior years actual receipt
101-17.345-403.001	Property Tax - Act 345	<u>(330,000)</u>	Adjust to final settlement with County
Total Revenue Increase (Decrease)		(100,830)	
101-11.172-713.000	Health Insurance	35,000	Adjust to actual and projected remaining expenditures
101-12.258-930.000	Repairs & Maintenance	(50,000)	Adjust to actual and projected remaining expenditures
101-13.210-802.100	Legal Services - Other	17,170	Cost for services on non-retainer cases over budget
101-14.191-801.012	Professional Services - Election Workers	(20,000)	Adjust to actual expenditures
101-15.201-818.000	Contractual Services	(75,000)	Savings from hiring finance director rather than contract
101-16.371-818.654	Contractual Services - Tree Removal	(100,000)	Adjust budget for estimated billings (pass thru, see rev)
101-17.345-940.000	Rentals - Motor Pool Utilization	(100,000)	Motor pool utilization down from budget estimates
101-18.265-930.000	Repairs & Maintenance	(33,000)	Adjust to actual and projected remaining expenditures
101-21.890-712.001	Retiree Healthcare	<u>225,000</u>	Adjust to actual and projected remaining expenditures
Total Expenditure Increase (Decrease)		(100,830)	
Net Increase (Decrease) to Fund Balance		\$ _____ -	
<u>Library Fund</u>			
111-00.000-568.000	Library - Penal Fines	\$ 12,000	Adjust to actual receipts to date
111-00.000-664.000	Interest Income	3,092	Adjust to actual receipts to date
111-00.000-573.000	State Grant - Local Comm Stab Share App	<u>5,000</u>	New Reimbursement from the State for lost Pers Prop Tx
Total Revenue Increase (Decrease)		\$ 20,092	
Net Increase (Decrease) to Fund Balance		\$ 20,092	
<u>Criminal Justice Training Fund</u>			
254-75.320-546.000	State Grants	<u>4,000</u>	Adjust to actual receipts to date
Total Revenue Increase (Decrease)		\$ 4,000	
254-75.320-546.000	Education and Training - Act 302	<u>4,000</u>	Adjust to actual and projected remaining expenditures
Total Expenditure Increase (Decrease)		\$ 4,000	
Net Increase (Decrease) to Fund Balance		\$ _____ -	

City of Oak Park
Proposed Budget Amendments
June 30 ,2016

<u>Account Number</u>	<u>Account Name</u>	<u>Amount</u>	<u>Description</u>
<u>Veterans Treatment Court Grant Fund</u>			
284-00.000-543.000	State Grants	<u>15,000</u>	Adjust to actual receipts to date
	Total Revenue Increase (Decrease)	\$ <u>15,000</u>	
284-50.137-818.000	Contractual Services	<u>15,000</u>	Adjust to actual and projected remaining expenditures
	Total Expenditure Increase (Decrease)	\$ <u>15,000</u>	
	Net Increase (Decrease) to Fund Balance	\$ <u>-</u>	
<u>Public Improvement Fund</u>			
401-70.900-664.000	Interest Income	<u>500</u>	Estimate based on prior and current year activity
	Total Revenue Increase (Decrease)	\$ <u>500</u>	
401-70.90-970.000	Capital Outlay	<u>12,500</u>	Purchase of 20 planters boxes and delivery
	Total Expenditure Increase (Decrease)	\$ <u>12,500</u>	
	Net Increase (Decrease) to Fund Balance	\$ <u>(12,000)</u>	