



Memo

To: Honorable Mayor Armitage; City Council
From: City Manager LaPere, MPAP
Date: June 16, 2022
Re: Staff report on FY21-22 Budget Amendments

Background

This annual resolution is presented to Council for approval in June of each year to amend the current year budget to the final budget. Pursuant to State law, PA 2 of 1968, MCL 141.435 and 141.436 expenditures cannot exceed the allocated budget amounts at year end. All accounts have been reviewed by the Finance Director and respective Department Heads. There may be corrections or adjustments made by the auditors, as needed.

Recommendation

Approve Resolution 2022-14 to amend the FY 2021-2022 Budget as presented. City Council approval of this resolution facilitates the closing of this budget year.

Financial Impacts

The original budget approved in June 2021 and as a result of activities throughout the year, amendments are required to ensure the budget document reflects the actual revenues and expenditures incurred.

General Fund revenues exceeded expectations, including more revenue sharing than anticipated. The State has required that a certain amount of that additional revenue realized through revenue sharing must be allocated towards the city's underfunded pension liability. Additionally, the City's first tranche of ARPA funding was received in FY21-22.

The City has allocated expenditures for the ARPA funds in the Mayor/Council department of the General Fund, allocated expenditures for additional payment into the pension system in the City Manager budget as well as relocating the City Attorney expenses from City Clerk to the City Manager department. Other expenditures which exceeded initial budget projections relate to the increases in fuel, retirement, and overtime expenses in police and fire departments. The required transfer into the Fire Fund from the General Fund increased to account for additional expenditures in that department. The Major Streets fund saw an increase in street maintenance while the Local Streets fund saw a decrease. In the Water and Sewer Fund, revenues were higher than initial projections and expenditures were lower than projections. Attached is a detailed report for Council's review. As with any budget, this does not represent final figures, and the audit will detail how the city ends the 2021-2022 fiscal year.

Suggested Motion

See attached resolution.

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attachments