



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Prussing and City Council Members

FROM: Elizabeth Hannan, Finance Director

DATE: June 10, 2015

**SUBJECT: Ordinances Amending the FY2014/15 Annual Budget
and Approving the FY2015/16 Annual Budget**

Introduction: Two Ordinances are attached for Council approval. The first amends the FY2014/15 Annual Budget to conform to estimates included in the proposed budget document with changes detailed in the exhibit. The second approves the FY2015/16 annual budget consistent with the proposed budget document with changes detailed in the exhibit.

Background: Illinois law requires the City to adopt a budget before the beginning of the fiscal year on July 1. The proposed budget was reviewed with the City Council in meetings on June 1 and June 8, and a public hearing will be held at the beginning of the June 15 meeting.

Specific changes from information included in the proposed budget document are detailed in exhibits attached to each of the Ordinances. A draft version of revisions was shared with City Council on June 8. However, the final version includes additional revisions, most of which are “housekeeping” items. For example, some funds allocated for purchase of a fire truck in the Vehicle and Equipment Replacement Fund would be shifted from FY2014/15 to FY2015/16 because the City will not take delivery of the truck until the new fiscal year, which delays the final payment. Also, revisions include recognizing both revenues and expenditures related to down payment assistance for Habitat for Humanity, and the blight reduction grant from the Illinois Housing Development Authority in the Community Development Special Fund. Any questions may be referred to the Finance Director.

With these revisions, the General Operating Fund budget for FY2015/16 would be \$32.71 million, with an estimated ending fund balance of \$3.28 million, which is 10.04% of expenditures. Although revenues of \$32.24 million are slightly less than expenditures, recurring expenditures would be approximately 97.5% of recurring revenue.

Recommendation: Adopt these Ordinances amending the FY2014/15 annual budget and approving the FY2015/16 annual budget.

ORDINANCE NO. 2015-06-063

AN ORDINANCE REVISING THE FISCAL YEAR 2014 - 2015 ANNUAL BUDGET

(FY 2015 Estimate)

WHEREAS, the corporate authorities heretofore did approve an annual budget for the City of Urbana ("City") for the fiscal year beginning on July 1, 2014, and ending on June 30, 2015; and

WHEREAS, the corporate authorities find that the best interests of the City are served by revising the annual budget by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, the Budget Director may not make such revision under the authority so delegated to her pursuant to 65 ILCS 5/8-2-9.6 or Urbana City Code § 2-133.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

The Fiscal Year 2014 - 2015 Annual Budget, as revised, is hereby further revised as set forth in the column labeled "FY 15 Estimate," on Exhibit A of the proposed fiscal year 2015 - 2016 budget document, which is attached hereto and incorporated herein by reference.

Section 2.

This Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of two-thirds of the corporate authorities then holding office (6 of 8 votes) of the City of Urbana, Illinois, at a meeting of the corporate authorities.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSENT:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Laurel Lunt Prussing, Mayor

Revisions to FY2014/15 Estimates

	<u>GL code</u>	<u>proposed</u>	<u>final</u>	<u>difference</u>	<u>notes</u>
<u>General Fund Revenues</u>					
building permits	009-0-0310-0000	(188,000)	(214,000)	(26,000)	revised revenue estimate
mechanical permits	009-0-0311-0000	(84,000)	(100,000)	(16,000)	revised revenue estimate
plan review fees	009-0-0361-0000	(65,000)	(147,000)	(82,000)	revised revenue estimate
Total General Fund Revenues		<u>(31,949,681)</u>	<u>(32,073,681)</u>	<u>(124,000)</u>	
<u>General Fund Expenditures</u>					
police patrol overtime	045-2-1100-1300	12,500	125,000	112,500	data entry error
ED Manager	090-1-2100-1100	38,537	54,000	15,463	estimation error
RHS contribution	050-1-1100-1400	5,417	11,108	5,691	contribution for separating employee
Total General Fund Expenditures		<u>31,279,808</u>	<u>31,413,462</u>	<u>133,654</u>	
Estimated Ending Fund Balance		<u>3,764,240</u>	<u>3,754,586</u>	<u>(9,654)</u>	
				11.95%	
<u>Local Motor Fuel Tax Fund Expenditures</u>					
2014 bonds - interest	D09-1-0000-0201	21,071	41,572	20,501	correct June interest payment
Total Local MFT Expenditures		7,306,215	7,326,716	20,501	
Estimated Ending Fund Balance		255,540	235,039	(20,501)	
<u>CD Special Fund Revenues</u>					
Habitat Reimbursement	J09-0-0090-0000	-	(12,500)	(12,500)	Habitat reimbursement
Total CD Special Fund Revenues		<u>(39,235)</u>	<u>(51,735)</u>	<u>(12,500)</u>	
<u>CD Sepcial Fund Expenditures</u>					
Habitat - down payment assistance	J09-1-1300-3001	-	12,500	12,500	Habitat down payment assistance
Total CD Special Fund Expenditures		<u>38,206</u>	<u>50,706</u>	<u>12,500</u>	
Estimated Ending Fund Balance		<u>84,796</u>	<u>84,796</u>	<u>-</u>	
<u>Economic Development Fund Revenues</u>					
grant revenue	J18-0-0077-0000	-	(1,000)	(1,000)	Farmers Market WIC grant
Total ED Fund Revenues		<u>(78,100)</u>	<u>(79,100)</u>	<u>(1,000)</u>	
<u>Economic Development Fund Expenditures</u>					
grant / voucher program	J18-2-2300-3510	-	413	413	Farmers Market WIC vouchers - FY 15 portion
Total ED Fund Expenditures		<u>159,421</u>	<u>159,834</u>	<u>413</u>	
Estimated Ending Fund Balance		<u>91,546</u>	<u>92,133</u>	<u>587</u>	
<u>Vehicle & Equipment Replacement Fund Revenues</u>					
equipment & vehicle sales	H09-0-0010-0000	(40,000)	(47,500)	(7,500)	revenue from tools sold by Fire Dept
Total VERF Revenues		<u>(1,170,212)</u>	<u>(1,177,712)</u>	<u>(7,500)</u>	
<u>Vehicle & Equipment Replacement Expenditures</u>					
crack sealing machine	H09-1-0400-0240	77,480	38,740	(38,740)	encumbrance error
leaf pusher	H09-1-0400-0244	14,260	7,130	(7,130)	encumbrance error
small loader trailer	H09-1-0400-0254	18,380	9,190	(9,190)	encumbrance error
trailers	H09-1-0400-0262	7,190	3,540	(3,650)	encumbrance error
patrol digital camera	H09-1-0500-0024	2,000	1,000	(1,000)	encumbrance error
fire truck	H09-1-0600-0021	530,000	256,005	(273,995)	final payment for fire truck in FY16
misc fire equipment	H09-1-0600-0099	38,707	30,029	(8,678)	defer equipment expense to FY16

sidewalk forms	H09-1-0900-0010	11,670	5,820	(5,850) encumbrance error
shoring equipment	H09-1-0900-0059	7,624	3,814	(3,810) encumbrance error
concrete vibrator	H09-1-0900-0062	2,700	1,350	(1,350) encumbrance error
submersible electric pump	H09-1-0900-0064	5,760	2,880	(2,880) encumbrance error
concrete handsaw 16"	H09-1-0900-0066	6,920	3,460	(3,460) encumbrance error
jackhammer w/ hose	H09-1-0900-0072	5,420	2,710	(2,710) encumbrance error
hot asphalt box	H09-1-0900-0100	49,380	24,690	(24,690) encumbrance error
manhole vent	H09-1-0900-0176	2,950	1,475	(1,475) encumbrance error
smoke blower	H09-1-0910-0028	2,160	1,080	(1,080) encumbrance error
transcribers	H09-1-0500-0022	5,012	3,512	(1,500) encumbrance error
policy consultant (grant)	H09-1-0500-0046	4,230	3,000	(1,230) encumbrance error
general office equipment	H09-1-0700-0006	43,465	39,667	(3,798) encumbrance error
Total VERF Expenditures		<u>2,122,719</u>	<u>1,726,503</u>	<u>(396,216)</u>
Estimated Ending Fund Balance		<u>4,047,407</u>	<u>4,451,123</u>	<u>403,716</u>

ORDINANCE NO. 2015-06-064

AN ORDINANCE APPROVING THE FISCAL YEAR 2015 - 2016 ANNUAL BUDGET

WHEREAS, the City of Urbana ("City") is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, and the passage of this Ordinance constitutes an exercise of the City's home rule powers and functions as granted in the Illinois Constitution, 1970; and

WHEREAS, the Budget Director has compiled a proposed annual budget ordinance for the fiscal year beginning July 1, 2015, and ending June 30, 2016, in accordance with 65 ILCS 5/8-2-9.1 through and including 65 ILCS 5/8-2-9.9 and Urbana City Code Chapter 2, Article VI, Division 2; and

WHEREAS, the Mayor has made the proposed annual budget ordinance conveniently available for public inspection by publication in pamphlet form and by posting on the City's website at least 14 days prior to a public hearing on such ordinance; and

WHEREAS, the City Council held a public hearing on the proposed annual budget ordinance at 7:00 p.m. on Monday, June 15, 2015, after due and proper notice of the availability for inspection of such ordinance and notice of such public hearing having been given by publication in *The News-Gazette*, a newspaper having a general circulation in the City on a date at least 14 days prior to the time of the public hearing; and

WHEREAS, the City Council finds that the best interests of the City are served by approving the proposed annual budget ordinance as heretofore further changed, modified, and amended.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

The City of Urbana Fiscal Year 2015 - 2016 Annual Budget, a true copy of which is attached hereto and made a part hereof, be and the same is hereby passed, approved, and adopted as the annual budget ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2015, and ending June 30, 2016.

Section 2.

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the corporate authorities (5 of 8 votes) of the

City of Urbana, Illinois, at a meeting of said corporate authorities.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

AYES:

NAYS:

ABSENT:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Laurel Lunt Prussing, Mayor

Revisions to FY2015/16 Budget

	<u>GL code</u>	<u>proposed</u>	<u>final</u>	<u>difference</u>	<u>notes</u>
<u>General Fund Expenditures</u>					
CVB contribution	090-1-2300-3118	-	10,000	10,000	City Council direction
tfr to social services fund	095-1-1300-3000	-	145,000	145,000	allocate for social services funding
executive dept - administration overtime	020-1-1100-1300	520	-	(520)	eliminate OT in Mayor's budget
transfer to VERF - one-time	095-1-1300-3077	500,000	350,000	(150,000)	reduce tfr to maintain 10% fund balance
Total General Fund Expenditures		<u>32,703,023</u>	<u>32,707,503</u>	<u>4,480</u>	
Estimated Ending Fund Balance		<u>3,298,910</u>	<u>3,284,776</u>	<u>(14,134)</u>	includes \$9,654 decrease in FY15 estimate 10.04%
<u>Capital Improvement & Replacement Revenues</u>					
reimbursements - other governments	A09-0-0060-0000	-	(275,000)	(275,000)	park district reimb - Broadway Ave
Total Capital Improvement Revenues		<u>(1,233,659)</u>	<u>(1,508,659)</u>	<u>(275,000)</u>	
<u>Capital Improvement and Replacement Expenditures</u>					
Broadway Avenue	A09-1-0400-0612	600,000	875,000	275,000	add'l expense related to above
tfr to Supp Capital Improvement Fund	A09-1-0300-0050	161,000	236,000	75,000	City Building chiller
Total Capital Improvement Expenditures		<u>910,000</u>	<u>1,260,000</u>	<u>350,000</u>	
Estimated Ending Fund Balance		<u>395,280</u>	<u>320,280</u>	<u>(75,000)</u>	
<u>Supplementary Capital Improvement Revenues</u>					
transfer from Capital Improvement Fund	B09-0-0030-0000	-	(75,000)	(75,000)	tfr from Cap Impr for City Bldg chiller
Total Supplementary Capital Improvement Revenues		<u>(178,000)</u>	<u>(253,000)</u>	<u>(75,000)</u>	
<u>Supplementary Capital Improvement Expenditures</u>					
air conditioning city hall	B09-1-0500-0564	-	75,000	75,000	City Building chiller
Total Supplementary Capital Improvement Expenditures		<u>230,425</u>	<u>305,425</u>	<u>75,000</u>	
Estimated Ending Fund Balance		<u>(22,880)</u>	<u>(22,880)</u>	<u>-</u>	
<u>Social Service Fund Revenues</u>					
transfer from General Fund	F09-0-0050-0000	-	(145,000)	(145,000)	social services funding from Gen Fund
Total Social Service Fund Revenues		<u>-</u>	<u>(145,000)</u>	<u>(145,000)</u>	
<u>Social Service Fund Expenditures</u>					
social service funding programs	F09-1-1300-0304	-	145,000	145,000	will transfer to agency line items
Total Social Services Fund Expenditures		<u>-</u>	<u>145,000</u>	<u>145,000</u>	
Estimated Ending Fund Balance		<u>3,827</u>	<u>3,827</u>	<u>-</u>	
<u>Vehicle & Equipment Replacement Fund</u>					
fire truck	H09-1-0600-0021	-	281,495	281,495	fire truck final pay in FY16 + \$7,500 for related eqpt
misc fire equipment	H09-1-0600-0099	41,120	49,798	8,678	fire equipment expense deferred
cable TV equipment	H09-1-0800-0052	-	9,497	9,497	error on VERF schedule
Total VERF Expenditures		<u>1,271,793</u>	<u>1,571,463</u>	<u>299,670</u>	
Estimated Ending Fund Balance		<u>4,344,232</u>	<u>4,448,278</u>	<u>104,046</u>	includes \$403,716 increase in FY15 estimate

CD Special Fund Revenues

Habitat Reimbursement	J09-0-0090-0000	-	(150,000)	(150,000)	Habitat reimbursement
IHDA - blight reduction program	J09-0-0091-0000	-	(525,000)	(525,000)	blight reduction grant
Total CD Special Fund Revenues		<u>(331,566)</u>	<u>(1,006,566)</u>	<u>(675,000)</u>	

CD Special Fund Expenditures

Habitat - down payment assistance	J09-1-1300-3001	-	150,000	150,000	Habitat down payment assistance
IHDA - blight reduction program	J09-1-1300-3002	-	525,000	525,000	blight reduction program
Total CD Special Fund Expenditures		<u>331,827</u>	<u>1,006,827</u>	<u>675,000</u>	
Estimated Ending Fund Balance		<u>84,535</u>	<u>84,535</u>	<u>-</u>	

Economic Development Fund Expenditures

grant / voucher program	J18-2-2300-3510	-	587	587	Farmers Market WIC vouchers - FY 16 portion
Total ED Fund Expenditures		<u>115,420</u>	<u>116,007</u>	<u>587</u>	
Estimated Ending Fund Balance		<u>56,676</u>	<u>56,676</u>	<u>-</u>	includes \$587 increase in FY15 estimate

Cable TV Expenditures

camera operators	L15-1-1100-1102	-	2,080	2,080	data entry error
Total Cable TV Fund Expenditures		<u>154,780</u>	<u>156,860</u>	<u>2,080</u>	
Estimated Ending Fund Balance		<u>5,557</u>	<u>3,477</u>	<u>(2,080)</u>	
