



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Prussing and City Council Members
FROM: Elizabeth Hannan, Finance Director
DATE: July 9, 2015
SUBJECT: Budget Amendment – Distribution of Surplus TIF 3 Funds

Introduction: Attached is an Ordinance revising the FY2014/15 annual budget to provide for distribution of surplus TIF 3 funds.

Discussion: On June 29, the City paid \$11,613,371 in surplus TIF 3 Funds to the County Treasurer for distribution to taxing districts that overlap TIF 3. This payment was not anticipated at the time the budget was prepared and was not included in year-end estimates. This budget amendment would amend the FY2014/15 budget for this payment.

As part of the distribution, the City received \$1,474,745.08 on July 1, which will be reserved in the General Operating Fund to be used for future one-time expenditures.

Fiscal Impact: The entire balance in the Post TIF 3 Fund has been paid to the County Treasurer, resulting in a fund balance of zero. There may be some small adjustments for interest income that will be recognized as staff performs year end reconciliations. There may also be some penalties, if it is necessary to liquidate investments in TIF 3 to reimburse other City funds for the cash outlay. Any additional amounts remaining will be distributed after the fiscal year is closed out.

Recommendation: Approve the budget amendment.

ORDINANCE NO. 2015-07-078

**AN ORDINANCE REVISING THE FISCAL YEAR 2014 - 2015 ANNUAL BUDGET
(TIF 3 Surplus)**

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 Exhibit A, 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

Budget Amendment 2014/15 - Exhibit A

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
Post TIF 3 Fund					
<u>Expenditures</u>					
T14-1-1300-3012	Surplus Payments	-	11,613,371	11,613,371	TIF 3 surplus payment
<u>Total Expenditures</u>		-	11,613,371	11,613,371	
<u>Ending Fund Balance</u>		11,613,371	-	(11,613,371)	