



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Prussing and City Council Members

FROM: Elizabeth Hannan, Finance Director

DATE: August 18, 2016

SUBJECT: FY2017 Budget Amendment – Rebudgets and Technical Corrections

Introduction: Attached is an Ordinance revising the FY2017 annual budget to “rebudget” certain funds that were obligated but not spent in FY2016 and to make corrections related to errors in planned expenditures in the final budget.

Discussion: The bulk of changes in this Ordinance are related to rebudgeting funds that were obligated but not spent in FY2016. These changes are for one-time expenditures such as capital improvements, grant-funded programs, or development agreements. In addition, several corrections are included for line items that were not correctly budgeted in the FY2017 budget.

- In the General Operating Fund corrections in the budget for purchase of concrete in Public Works and for telephone services in Finance will increase expenditures and reduce the ending fund balance by a total of \$26,510.
- An additional correction in the Home Recycling Fund will increase expenditures and reduce fund balance by \$139,235.
- In the Vehicle & Equipment Replacement Fund, several equipment purchases for the Police Department, including equipment purchased with the JAG grant, will be rebudgeted. The total is \$34,013.
- In the CD Special Fund, the amount available for the Blight Reduction Program will be reduced to adjust to the total amount of the grant, taking account of expenditures from FY2016, which were above the estimated amount. The reduction is \$74,322.

- In the Economic Development / Market Fund, a small amount of remaining historic preservation grant funds for an intern and services will be rebudgeted. These funds were not spent in FY2016 and the City must expend all grant funds.
- In the TIF 1 Fund, funds obligated for several development projects will be rebudgeted. The total is \$251,844.
- In the TIF 2 Fund, expenditures for various development projects and a TIF study will be rebudgeted. This also includes correcting an error in estimation of FY16 expenditures for site improvement costs for the 202 South Vine site. The total is \$451,432.
- In the TIF 4 Fund, \$60,000 for the corridor improvement study will be rebudgeted.

Fiscal Impact: The estimated ending fund balance in the General Operating Fund after this amendment is \$6,868,497. The actual ending fund balance will considerably higher and staff will adjust all ending balances after accruals are completed for FY2016. As explained in the quarterly report for June 30, the timing of receipt of some large revenues affected this figure. However, staff expects that, as a result, fewer payments will be received in FY17, erasing some of this “gain.”

The negative estimated fund balance in the Home Recycling Fund is expected to have a substantial upward adjustment. However, even with the 2015 rate increase, it is likely that additional rate increases or changes in service level will be required to guarantee that this fund is sustainable over the longer term.

Recommendation: Approve the budget amendment authorizing these adjustments to the FY2017 budget.

ORDINANCE NO. 2016-08-074

**AN ORDINANCE REVISING THE
ANNUAL BUDGET ORDINANCE FOR FY2016/17
(Rebudgets and Technical Corrections)**

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2016, and ending June 30, 2017, (the “Annual Budget Ordinance”) has been duly adopted according to Sections 8-2-9.1 et seq. of the Illinois Municipal Code (the “Municipal Code”) and Division 2, entitled “Budget”, of Article VI, entitled “Finances and Purchases”, of Chapter 2, entitled “Administration”, of the Code of Ordinances, City of Urbana, Illinois (the “City Code”); and

WHEREAS, the City Council of the said City of Urbana finds it necessary to revise said Annual Budget Ordinance 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, such revision is not one that may be made by the Budget Director under the authority so delegated to the Budget Director pursuant to section 8-2-9.6 of the Municipal Code and section 2-133 of the City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Annual Budget for FY2016/17, as revised, is hereby revised to provide as outlined in the attached Exhibit A.

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: _____

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, _____.

Laurel Lunt Prussing, Mayor

Budget Amendment 2016/17 - Exhibit A

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
General Operating Fund					
<u>Expenditures</u>					
060-4-0620-2290	Concrete	46,072	71,780	25,708	error correction - baseline
025-1-4300-3930	City Telephone	558	1,360	802	error correction - baseline
<u>Total Expenditures</u>		<u>34,938,234</u>	<u>34,964,744</u>	<u>26,510</u>	
<u>Ending Fund Balance</u>		<u>6,895,007</u>	<u>6,868,497</u>	<u>(26,510)</u>	
Home Recycling Fund					
<u>Expenditures</u>					
G12-2-2300-3935	Multi-family Contract	75,765	215,000	139,235	error correction - baseline
<u>Total Expenditures</u>		<u>575,806</u>	<u>715,041</u>	<u>139,235</u>	
<u>Ending Fund Balance</u>		<u>(75,121)</u>	<u>(214,356)</u>	<u>(139,235)</u>	
Vehicle & Equipment Replacement Fund					
<u>Expenditures</u>					
H09-1-0500-0099	Misc Police Equipment	-	14,517	14,517	rebudget equipment purchase
H09-1-0500-0164	Radio Headsets	-	5,950	5,950	rebudget equipment purchase
H09-1-0500-0174	JAG Grant - Equipment	-	3,756	3,756	rebudget equipment purchase
H09-1-0510-0030	CID Video Equipment	-	7,480	7,480	rebudget equipment purchase
H09-1-0511-0060	Mobile Force Shields	-	2,310	2,310	rebudget equipment purchase
<u>Total Expenditures</u>		<u>1,428,935</u>	<u>1,462,948</u>	<u>34,013</u>	
<u>Ending Fund Balance</u>		<u>6,237,406</u>	<u>6,237,406</u>	<u>-</u>	offset by reduced FY16 expense
Community Development Special Fund					
<u>Expenditures</u>					
J09-1-1300-3002	IHDA Blight Reduction Pgm	325,000	250,678	(74,322)	adjust for grant funds expended in FY2016
<u>Total Expenditures</u>		<u>749,818</u>	<u>675,496</u>	<u>(74,322)</u>	
<u>Ending Fund Balance</u>		<u>130,902</u>	<u>205,224</u>	<u>74,322</u>	

Economic Development / Market FundExpenditures

J18-1-0055-0033	Historic Pres Costs	5,915	6,255	340	rebudget historic pres grant \$
J18-1-0055-0034	Historic Pres Intern	-	241	241	rebudget historic pres grant \$
J18-1-0055-1855	FICA	-	18	18	rebudget historic pres grant \$
<u>Total Expenditures</u>		<u>120,564</u>	<u>121,163</u>	<u>599</u>	
<u>Ending Fund Balance</u>		<u>57,096</u>	<u>57,096</u>	<u>-</u>	offset by reduced FY16 expense

Tax Increment Financing District 1 FundExpenditures

T09-1-1300-3041	Downtown Studies	-	9,199	9,199	rebudget committed funds
T09-1-1300-3053	Cake Design Dev Costs	-	22,645	22,645	rebudget committed funds
T09-1-1300-3054	Stephens Building Devel	-	220,000	220,000	rebudget committed funds
<u>Total Expenditures</u>		<u>696,018</u>	<u>947,862</u>	<u>251,844</u>	
<u>Ending Fund Balance</u>		<u>-</u>	<u>-</u>	<u>-</u>	offset by reduced FY16 expense

Tax Increment Financing District 2 FundExpenditures

T10-1-1300-3585	TIF Study	-	3,400	3,400	rebudget committed funds
T10-1-1300-4016	129 N Race Development	-	82,500	82,500	rebudget committed funds
T10-1-1300-4018	401 N Broadway Incent	-	345,000	345,000	rebudget committed funds
T10-1-2500-5082	Env Costs - 202 Vine	-	20,532	20,532	rebudget committed funds + correct estimation error
<u>Total Expenditures</u>		<u>1,850,621</u>	<u>2,302,053</u>	<u>451,432</u>	
<u>Ending Fund Balance</u>		<u>1,052,860</u>	<u>1,032,866</u>	<u>(19,994)</u>	env costs 202 Vine not included in FY2016 estimate

Tax Increment Financing District 4 FundExpenditures

T12-1-1300-3315	Corridor Imprvmnt Study	-	60,000	60,000	rebudget committed funds
<u>Total Expenditures</u>		<u>1,722,583</u>	<u>1,782,583</u>	<u>60,000</u>	
<u>Ending Fund Balance</u>		<u>414,549</u>	<u>414,549</u>	<u>-</u>	offset by reduced FY16 expense