



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Prussing and City Council Members
FROM: Elizabeth Hannan, Finance Director
DATE: January 5, 2017
SUBJECT: **FY2017 Budget Amendment – Miscellaneous Items**

Introduction: Attached is an Ordinance revising the FY2017 annual budget to address several items, which are described below.

Discussion: This budget amendment includes changes to the budget for the following purposes –

- Increases the budget for PSEBA benefits approved for a former Police Officer to cover benefits for the last six months of the fiscal year at a cost of \$9,546. PSEBA is the Public Safety Employee Benefit Act, which requires provision of lifetime health insurance benefits for public safety employees and their families, when the employee is catastrophically injured in the line of duty while responding to an emergency. This increases recurring expenditures by \$19,000 annually.
- Recognizes revenues and expenditures related to a \$700 grant from Illinois American Water Company and donations of \$850, both in the Fire Department. The grant funds will be spent on a Quick-stop fire sprinkler tool and extension pole, and donations will be spent on fire prevention and education materials.
- Adds expenditures of \$23,683 in the General Fund for a temporary resident engineer for the Lincoln Avenue project. Expenses related to this position will be reimbursed from the project budget in the MFT Fund. This project is 80% funded with federal Surface Transportation Program funds, with the City and County each paying 10% of the total cost. Using this approach, rather than hiring a consulting engineer, will reduce the project cost by about \$200,000, which is a \$20,000 savings on the City's 10% share of the cost.

- Rebudgets \$2,925 for marketing the City's new enterprise zone, which was not spent prior to the end of last fiscal year.

Fiscal Impact: The estimated ending fund balance in the General Operating Fund after this amendment is \$8,894,798, which is about 27% of recurring expenditures. After adjusting for funds reserved for replacement of computer equipment and a potential repayment of hospital property tax revenues, the remaining fund balance is \$4,747,770, which is 14.61% of recurring expenditures. This is slightly below the 15% goal established in the City's Financial Policies, and will be addressed as part of developing the budget for FY2018.

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

ORDINANCE NO. 2017-01-001

**AN ORDINANCE REVISING THE
ANNUAL BUDGET ORDINANCE FOR FY2016/17
(Miscellaneous Items)**

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>
<u>General Operating Fund</u>					
<u>Revenues</u>					
009-0-0211-0000	Special Fire Revenue	2,100	2,950	850	fire prevention donations
009-0-0213-0000	Fire Dept grants	-	700	700	IAWC grant
009-0-0416-0000	Tfr from MFT Fund (E09)	-	23,683	23,683	reimb for temp engineer from MFT
<u>Total Revenues</u>		<u>33,158,309</u>	<u>33,183,542</u>	<u>25,233</u>	
<u>Expenditures</u>					
045-2-1100-1801	PSEBA Benefits	15,360	24,906	9,546	new PSEBA benefit 1/2017 (6 mos.)
050-1-1200-2140	Uniforms & Equipment	25,360	26,060	700	IAWC grant
050-1-1200-2920	Fire Prevention Materials	8,730	9,580	850	materials purchased w/ donations
060-5-6100-1104	Engineer (Temporary)	-	22,000	22,000	temporary engineer - Lincoln Ave
060-5-6100-1855	FICA	30,763	32,446	1,683	FICA for temporary engineer
090-1-2300-3500	Marketing	6,300	9,225	2,925	rebudget EZ marketing
<u>Total Expenditures</u>		<u>35,942,001</u>	<u>35,979,705</u>	<u>37,704</u>	
<u>Ending Fund Balance (estimated)</u>		<u>8,907,269</u>	<u>8,894,798</u>	<u>(12,471)</u>	updated balance
Assigned - Computer Equipment		<u>159,499</u>	<u>159,499</u>	<u>-</u>	
Unassigned Fund Balance		<u>8,747,770</u>	<u>8,735,299</u>	<u>(12,471)</u>	
 <u>Motor Fuel Tax Fund</u>					
<u>Expenditures</u>					
E09-1-0400-0329	Lincoln Avenue	1,036,000	1,012,317	(23,683)	cover temp engineer cost
E09-1-0500-5009	Tfr to General Fund (000)	-	23,683	23,683	reimb Gen Fund for temp engineer
<u>Total Expenditures</u>		<u>3,450,171</u>	<u>3,450,171</u>	<u>-</u>	
<u>Ending Fund Balance (estimated)</u>		<u>184,660</u>	<u>184,660</u>	<u>-</u>	updated balance