



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

M E M O R A N D U M

TO: Mayor Diane Wolfe Marlin and City Council Members
FROM: Elizabeth Hannan, Finance Director
DATE: June 13, 2019
SUBJECT: Revisions to Ordinance Approving the FY2020 Annual Budget

Introduction: Attached is a revised Exhibit for the Ordinance Approving the FY2020 Annual Budget.

Discussion:

At the June 10 Committee of the Whole meeting, the City Council directed staff to include a new expense for a temporary, 19-hour per week Planner position and to offset that increase by reducing the one-time transfer to the Retained Risk Fund. The attachment labeled "Exhibit – Revised" includes those changes.

Fiscal Impact: These changes offset one another so that there is no change in the bottom line for the General Fund. The projected ending fund balance in the General Operating Fund will be \$5.9 million, which is 17.6% of recurring expenditures. Recurring expenditures will be 97.3% of recurring revenues.

Recommendation: Adopt the Ordinance Approving the FY2020 Annual Budget, including the revised exhibit.

Budget Ordinance FY2019/20

General Ledger Code	Project Ledger Code	Description	Proposed Budget	Adopted Budget	Difference	Reason
GENERAL OPERATING FUND						
100-40100		PROPERTY TAXES	4,417,562	4,611,066	193,504	REVISED PROPERTY TAX ESTIMATE
100-40301		STATE INCOME TAX	4,131,000	4,075,000	(56,000)	REVISED INCOME TAX ESTIMATE
100-43202		TRAFFIC CITATIONS	154,000	54,000	(100,000)	REVISED - STATE DECR LOCAL SHARE
100-46350		LOCAL GRANTS	-	2,500	2,500	GRANT - COMPOST SPREADER
		TOTAL REVENUES	34,665,855	34,705,859	40,004	
10015150-52920		FIN ADM - VEHICLE LEASING	16,043	-	(16,043)	REMOVE VEHICLE LEASING
10020200-52920		POLICE ADM - VEHICLE LEASING	44,118	-	(44,118)	REMOVE VEHICLE LEASING
10020201-52102		POLICE PATROL - TECH SERVICES	18,000	-	(18,000)	CORR WATCHGUARD VIDEO BACKUP
10020201-59300		POLICE PATROL - TFR TO VERF	153,494	168,494	15,000	CORR WATCHGUARD VIDEO BACKUP
10030300-52920		FIRE OPS - VEHICLE LEASING	4,010	-	(4,010)	REMOVE VEHICLE LEASING
10030300-52203		FIRE OPS - MAINT AGREEMENTS	2,065	4,260	2,195	MAINT - OUTDOOR WARNING SIRENS
10040400-52920		PW ADM - VEHICLE LEASING	88,236	-	(88,236)	REMOVE VEHICLE LEASING
10040402-51411		LANDSCAPE - SMALL SCHED EQPT	6,197	11,197	5,000	GRANT/MATCH - COMPOST SPREADER
10050500-52920		CD ADM - VEHICLE LEASING	32,086	-	(32,086)	REMOVE VEHICLE LEASING
10050500-59610		CD ADM - TFR TO IT FUND	16,663	29,438	12,775	SHIFT IT CHARGES - CD SPEC - CD ADM
10050510-50120		PLANNING - SALARY - TEMP EMPL	5,229	27,581	22,352	TEMP PLANNER - 19 HRS / WEEK
10050510-50220		PLANNING - FICA & MEDICARE	25,404	27,114	1,710	TEMP PLANNER - 19 HRS / WEEK
10060610-59200		NON-DEPT - TFR TO CAP IMPR FD	1,585,754	1,480,754	(105,000)	SHIFT PROJECT COST - CAP IMP - CDBG
10060610-59360		NON-DEPT - TFR TO GEN RES FD	-	188,339	188,339	OSF PROPERTY TAX TO GEN'L RESERVE
10060610-59370		NON-DEPT - TFR TO RET RISK FD	500,000	475,938	(24,062)	OFFSET TEMP PLANNER
		TOTAL EXPENDITURES	35,827,838	35,743,654	(84,184)	
		ENDING FUND BALANCE	5,884,724	5,892,157	7,433	
CAPITAL IMPROVEMENT FUND						
200-49100		TFR FROM GENERAL FUND	1,585,754	1,480,754	(105,000)	SHIFT PROJECT COST - CAP IMP - CDBG
		TOTAL REVENUES	1,864,170	1,759,170	(105,000)	
20040470-53301-40102	40102-CONST-CIP	MCORE	2,241,735	2,181,735	(60,000)	REVISE FY19 EST / FY20 BUD - CIP
20040470-53301-40112	40112-CONST-ASPHALT	PAVEMENT MAINTENANCE	1,175,500	1,070,500	(105,000)	SHIFT PROJECT COST - CAP IMP - CDBG
20030470-53301-40104	40104-CONST	AIRPORT ROAD WEST	-	107,486	107,486	REBUDGET CAPITAL PROJECTS
20040470-53301-40112	40112-CONST-ASPHALT	PAVEMENT MAINTENANCE	1,175,500	1,386,497	210,997	REBUDGET CAPITAL PROJECTS
20040470-53301-40113	40113-CONST	BIKE LANES & SIDEPATHS	218,055	280,471	62,416	REBUDGET CAPITAL PROJECTS
20040470-52105-40120	40120-PLANNING	MISC. TRAFFIC STUDIES	30,000	35,118	5,118	REBUDGET CAPITAL PROJECTS
20040470-52204-40146	40146-MAINTENANCE	INFRASTRUCTURE MAINT	-	29,232	29,232	UPGRADE OUTDOOR WARNING SIRENS
		TOTAL EXPENDITURES	5,035,237	5,285,486	250,249	
		ENDING FUND BALANCE	118,863	89,631	(29,232)	
LOCAL MOTOR FUEL TAX FUND						
20240470-52101-40107	40107-LEGAL	WINDOR ROAD - LEGAL SVCS	-	1,503	1,503	REBUDGET CAPITAL PROJECTS
20240470-53301-40108	40108-CONST-LMFT	ANNUAL STREET MAINTENANCE	469,211	790,685	321,474	REBUDGET CAPITAL PROJECTS
20240470-53301-40114	40114-CONST-LMFT	OIL & CHIP, SEAL, PRESERV	376,707	468,702	91,995	REBUDGET CAPITAL PROJECTS
20240470-52105-40144	40144-PLANNING-LMFT	LINCOLN & SPRINGFILED - PLNG	70,000	140,000	70,000	REBUDGET CAPITAL PROJECTS
		TOTAL EXPENDITURES	2,892,666	3,377,638	484,972	
		ENDING FUND BALANCE	104,232	104,232	-	
MOTOR FUEL TAX FUND						
20340470-53301-40102	40102-CONST-MFT	MCORE	1,182,617	1,382,617	200,000	REBUDGET CAPITAL PROJECTS
20340470-52105-40144	40144-PLANNING-SMFT	LINCOLN & SPFLD - CONST	-	(36,000)	(36,000)	REVISE FY19 EST / FY20 BUD - CIP
		TOTAL EXPENDITURES	5,178,220	5,342,220	164,000	
		ENDING FUND BALANCE	653,655	653,655	-	

VEHICLE & EQUIPMENT REPLACEMENT FUND

300-41120		STATE GRANTS - PUBLIC SAFETY	-	125,791	125,791	STATE GRANT - BODY CAMERAS
300-45000		INVESTMENT INCOME	-	100,000	100,000	ADD INVESTMENT INCOME - VERF
300-49100		TFR FROM GENERAL FUND	1,139,415	1,154,415	15,000	CORR WATCHGUARD VIDEO BACKUP
		TOTAL REVENUES	<u>1,186,169</u>	<u>1,426,960</u>	<u>240,791</u>	
30060600-53440	VERF-PD-225	VERF - OTHER EQUIPMENT	1,199,854	1,214,854	15,000	CORR WATCHGUARD VIDEO BACKUP
		TOTAL EXPENDITURES	<u>3,764,882</u>	<u>3,779,882</u>	<u>15,000</u>	
		ENDING FUND BALANCE	<u>2,722,840</u>	<u>2,948,631</u>	<u>225,791</u>	

LANDSCAPE RECYCLING CENTER FUND

30140402-52920		LRC - VEHICLE LEASING	4,010	-	(4,010)	REMOVE VEHICLE LEASING
		TOTAL EXPENDITURES	<u>913,059</u>	<u>909,049</u>	<u>(4,010)</u>	
		ENDING FUND BALANCE	<u>127,136</u>	<u>135,068</u>	<u>7,932</u>	

POLICE SPECIAL FUND

31020205-53440		DUI - OTHER EQPT	10,000	20,000	10,000	ADD'L EQPT BODY WORN CAMERAS
		TOTAL EXPENDITURES	<u>51,117</u>	<u>61,117</u>	<u>10,000</u>	
		ENDING FUND BALANCE	<u>3,233</u>	<u>3,233</u>	<u>-</u>	

COMMUNITY DEVELOPMENT SPECIAL FUND

33050530-59610		CD SPECIAL - TFR TO IT FUND	12,775	-	(12,775)	SHIFT IT CHARGES - CD SPEC - CD ADM
		TOTAL EXPENDITURES	<u>385,861</u>	<u>373,086</u>	<u>(12,775)</u>	
		ENDING FUND BALANCE	<u>101,194</u>	<u>113,969</u>	<u>12,775</u>	

COMMUNITY DEVELOPMENT GRANTS FUND

33150531-53301-40112	40112-CONST-ASPHALT-CDBG	HIGHWAYS & STREETS	-	105,000	105,000	SHIFT PROJECT COST - CAP IMP - CDBG
		TOTAL EXPENDITURES	<u>1,395,980</u>	<u>1,500,980</u>	<u>105,000</u>	
		ENDING FUND BALANCE	<u>(47,597)</u>	<u>(152,597)</u>	<u>(105,000)</u>	

TIF 4 FUND

34350501-53301-40104	40104-CONST-TIF4	AIRPORT ROAD WEST	-	1,122,947	1,122,947	REBUDGET CAPITAL PROJECTS
		TOTAL EXPENDITURES	<u>583,704</u>	<u>1,706,651</u>	<u>1,122,947</u>	
		ENDING FUND BALANCE	<u>1,269,622</u>	<u>1,269,622</u>	<u>-</u>	

GENERAL RESERVE FUND

360-49100		TFR FROM GENERAL FUND	-	188,339	188,339	OSF PROPERTY TAX TO GEN'L RESERVE
		TOTAL REVENUES	<u>85,000</u>	<u>273,339</u>	<u>188,339</u>	
		ENDING FUND BALANCE	<u>5,482,049</u>	<u>5,670,388</u>	<u>188,339</u>	

EQUIPMENT SERVICES FUND

60040460-52920		EQPT SVCS - VEHICLE LEASING	4,010	-	(4,010)	REMOVE VEHICLE LEASING
		TOTAL EXPENDITURES	<u>1,025,465</u>	<u>1,021,455</u>	<u>(4,010)</u>	
		ENDING FUND BALANCE	<u>495,506</u>	<u>503,438</u>	<u>7,932</u>	



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

M E M O R A N D U M

TO: Mayor Diane Wolfe Marlin and City Council Members
FROM: Elizabeth Hannan, Finance Director
DATE: June 6, 2019
SUBJECT: **Ordinances Approving the FY2020 Annual Budget and Amending the FY2019 Annual Budget, and Resolutions Approving the Capital Improvement Plan and Adopting the Financial Policies**

Introduction: Attached are four Council Bills –

1. An Ordinance adopting the FY2020 Annual Budget
2. An Ordinance amending the FY2019 Annual Budget
3. A Resolution Approving the Capital Improvement Plan
4. A Resolution Adopting the Financial Policies

Discussion:

FY2020 Annual Budget: 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 May 20 and June 3. A public hearing on the budget was advertised on May 26 and will be held on June 10.

The Ordinance approving the Annual Budget includes a detailed listing of changes from the proposed budget provided to the City Council. Some of these changes are housekeeping items, including changes in the timing of capital improvement projects. Significant items include –

- Property tax revenues are increased by \$193,504 based on the 2018 tax levy extension. However, because the extension includes OSF properties that have been determined by the Illinois Department of Revenue to be tax exempt, \$188,339 will be transferred to the General Reserve Fund to be set aside in the event the City is required to repay OSF taxes. The City's tax rate decreases by about one-half cent to \$1.3499 per \$100 of taxing value due to inclusion of these properties in the taxing value upon which the extension is based.
- The income tax budget has been decreased by \$56,000 based on updated information. It appears that the unexpected strong performance in FY2019 is related to changes in payment patterns due to the 2017 federal tax legislation, which will not repeat.

- Revenue from traffic citations is decreased by \$100,000 due to a change in the allocation of fines to municipalities from Illinois Vehicle Code violations. Staff will look at options for issuing municipal ordinance violations for some of these violations, but there is also an associated cost, since these fines are currently prosecuted and collected by the County.
- A few vehicle leasing line items were left in the budget due to an oversight and will be removed.
- Funding to upgrade outdoor warning sirens to a digital system (\$29,232) will be added to the Capital Improvement Fund, and associated maintenance costs (\$2,195) will be included in the Fire Department budget.
- A portion of neighborhood infrastructure improvements (\$105,000) will be shifted to the Community Development Block Grant Fund and IT charges for grants staff (\$12,775) will be shifted to the CD Administration budget. This reduces pressure on the administrative expense cap for grant funds, since infrastructure costs are considered program costs. These funds will be allocated for street and sidewalk infrastructure improvements in the Dr. Ellis subdivision.
- The Finance Director would be authorized to amend the budget to carry forward purchase orders open on June 30. This carry forward would be for items for which a commitment to purchase is made prior to June 30, but funds have not yet been spent.

FY2019 Budget Amendment: This Ordinance amends the FY2019 budget to conform to estimates provided in the proposed budget, with changes detailed on the attachment. Again, most changes are housekeeping items, such as changes in the timing of expenditures for capital projects. Changes include

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- Fire Operations overtime will be increased by an additional \$23,100 – this increase is driven by a relatively high level of duty injuries this year.
- Cleanup from the May 26 tornado that touched down in south Urbana will require approximately 1,000 hours of overtime work as well as additional costs for disposal of yard waste at the Landscape Recycling Center, which will require a total increase of \$96,155.
- Funds will be shifted within the Police Special Fund for purchase of additional equipment related to body worn cameras.

Capital Improvement Plan: This resolution approves the Capital Improvement Plan (CIP) as it was presented to City Council on June 3. The CIP is updated annually and includes five-year projections for all capital funds. Details are included in a separate memorandum dated May 29. Any changes in timing of projects is reflected in the Ordinances approving FY2020 budget and amending the FY2019 budget.

Financial Policies: The attached resolution would approve the Financial Policies that were included in the proposed budget document and reviewed with the City Council on June 3. Changes are related to funding for the Vehicle and Equipment Replacement Fund (VERF) and related changes to the policy on debt. In addition, there is a minor change in the wording regarding the appropriate level of fund balance in the General Fund, which emphasizes that 15% is a minimum, rather than a goal.

Notes on State Budget: While the legislature has passed a budget and other associated bills, it is difficult to estimate the impact at this time. Changes in how sales and use tax are collected are expected to have a positive impact on the City's finances, but these changes will not be fully implemented until July 2020. Revenues from July 2020 sales will not be received by the City until October 2020. Recreational cannabis legislation allows for a locally imposed tax, which would require City Council approval.

Some previous revenue diversions remain in place, including a 5% diversion of local government income tax distributions and the 1.5% collection fee on Home Rule sales tax. Staff will review changes, both positive and negative, and incorporate new information into the FY2021 Financial Forecast.

Fiscal Impact: The projected ending fund balance in the General Operating Fund will be \$5.9 million, which is 17.6% of recurring expenditures. Recurring expenditures will be 97.3% of recurring revenues.

Alternatives:

1. Forward the Ordinances approving the Annual Budget for FY2020 and amending the Annual Budget for FY2019, and the Resolutions approving the Capital Improvement Plan and the Financial Policies to City Council for approval on June 17.
2. Amend one or more of the items before forwarding to Council for approval.

Recommendation: Forward all four items to City Council for approval at the June 17 meeting.

ORDINANCE NO. 2019-06-034

AN ORDINANCE APPROVING THE FISCAL YEAR 2019-2020 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 of 1970, and may exercise any power and perform any function pertaining to its governmental business and affairs, and the passage of this Ordinance constitutes an exercise of the City’s home rule powers and functions as granted by the Illinois Constitution of 1970; and

WHEREAS, the Finance Director acting as Budget Director pursuant to Urbana City Code Sections 2-129 and 2-130(s) has compiled a proposed annual budget ordinance for the fiscal year beginning July 1, 2019 and ending June 30, 2020, 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 it 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., June 10, 2019 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 general circulation within the City of Urbana, which date was at least 14 days prior to the time of the public hearing; and

WHEREAS, the City Council and the Mayor, being the corporate authorities, find that it is in the best interests of the City to approve the proposed annual budget ordinance as heretofore further changed, modified, and amended.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL AND THE MAYOR, BEING THE CORPORATE AUTHORITIES OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1.

The City of Urbana Fiscal Year 2019-2020 Annual Budget, a true and correct copy of which is attached hereto and made a part hereof as if set forth herein, be and the same is hereby passed, approved, and adopted as the annual budget ordinance of and for the City of Urbana for the fiscal year beginning July 1, 2019 and ending June 30, 2020, including changes listed on the Exhibit attached hereto and incorporated herein by reference.

Section 2.

The Finance Director acting as the Budget Director is hereby authorized to amend the Fiscal Year 2019-2020 Annual Budget to increase expenditures by the amount of encumbrances outstanding as of June 30, 2019.

Section 3.

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 (65 ILCS 5/1-2-4).

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 duly noticed and convened meeting of the said corporate authorities.

PASSED BY THE CORPORATE AUTHORITIES this __ day of _____, 20__.

AYES: _____

NAYS: _____

ABSTENTIONS: _____

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this __ day of _____, 20__.

Diane Wolfe Marlin, Mayor

Budget Ordinance FY2019/20

General Ledger Code	Project Ledger Code	Description	Proposed Budget	Adopted Budget	Difference	Reason
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LANDSCAPE RECYCLING CENTER FUND

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POLICE SPECIAL FUND

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		ENDING FUND BALANCE	<u>3,233</u>	<u>3,233</u>	<u>-</u>	

COMMUNITY DEVELOPMENT SPECIAL FUND

33050530-59610		CD SPECIAL - TFR TO IT FUND	12,775	-	(12,775)	SHIFT IT CHARGES - CD SPEC - CD ADM
		TOTAL EXPENDITURES	<u>385,861</u>	<u>373,086</u>	<u>(12,775)</u>	
		ENDING FUND BALANCE	<u>101,194</u>	<u>113,969</u>	<u>12,775</u>	

COMMUNITY DEVELOPMENT GRANTS FUND

33150531-53301-40112	40112-CONST-ASPHALT-CDBG	HIGHWAYS & STREETS	-	105,000	105,000	SHIFT PROJECT COST - CAP IMP - CDBG
		TOTAL EXPENDITURES	<u>1,395,980</u>	<u>1,500,980</u>	<u>105,000</u>	
		ENDING FUND BALANCE	<u>(47,597)</u>	<u>(152,597)</u>	<u>(105,000)</u>	

TIF 4 FUND

34350501-53301-40104	40104-CONST-TIF4	AIRPORT ROAD WEST	-	1,122,947	1,122,947	REBUDGET CAPITAL PROJECTS
		TOTAL EXPENDITURES	<u>583,704</u>	<u>1,706,651</u>	<u>1,122,947</u>	
		ENDING FUND BALANCE	<u>1,269,622</u>	<u>1,269,622</u>	<u>-</u>	

GENERAL RESERVE FUND

360-49100		TFR FROM GENERAL FUND	-	188,339	188,339	OSF PROPERTY TAX TO GEN'L RESERVE
		TOTAL REVENUES	<u>85,000</u>	<u>273,339</u>	<u>188,339</u>	
		ENDING FUND BALANCE	<u>5,482,049</u>	<u>5,670,388</u>	<u>188,339</u>	

EQUIPMENT SERVICES FUND

60040460-52920		EQPT SVCS - VEHICLE LEASING	4,010	-	(4,010)	REMOVE VEHICLE LEASING
		TOTAL EXPENDITURES	<u>1,025,465</u>	<u>1,021,455</u>	<u>(4,010)</u>	
		ENDING FUND BALANCE	<u>495,506</u>	<u>503,438</u>	<u>7,932</u>	

ORDINANCE NO. 2019-06-035

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE

(Budget Amendment #10 – Fiscal Year 2018-2019 Estimates)

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

WHEREAS, the corporate authorities of the City heretofore did approve the annual budget ordinance of and for the City of Urbana for the fiscal year beginning July 1, 2018 and ending June 30, 2019; and

WHEREAS, the said corporate authorities find that revising the annual budget ordinance by deleting, adding to, changing, or creating sub-classes within object classes and object classes themselves is in the best interests of the residents of the City and is desirable for the welfare of the City’s government and affairs; and

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

WHEREAS, the Finance Director acting as Budget Director pursuant to Urbana City Code Sections 2-129 and 2-130 may not make such revision under the authority so delegated to the Budget Director pursuant to 65 ILCS 5/8-2-9.6 or Urbana City Code Section 2-133.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL AND THE MAYOR, BEING THE CORPORATE AUTHORITIES OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1.

The annual budget ordinance shall be and the same is hereby revised as set forth in the column labeled “FY19 Estimate” in the proposed Fiscal Year 2019-2020 budget document, including changes listed on the Exhibit 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 (65 ILCS 5/1-2-4).

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

PASSED BY THE CORPORATE AUTHORITIES this __ Day of _____, 20__.

AYES: _____

NAYS: _____

ABSTENTIONS: _____

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this __ Day of _____, 20__.

Diane Wolfe Marlin, Mayor

Budget Amendment 2018/19 - 10 - Exhibit

General Ledger Code	Project Ledger Code	Description	Estimated in Proposed Budget	Updated Estimate	Difference	Reason
<u>GENERAL OPERATING FUND</u>						
10030300-50131		FIRE OPS - REGULAR OVERTIME	453,089	476,189	23,100	OT INCREASE REL TO DUTY INJURIES
10040402-51411		ARBOR - SMALL SCHED EQPT	18,172	15,672	(2,500)	REBUDGET MATCH - SPREADER
10040421-50131		SNOW/ICE - REGULAR OVERTIME	124,765	166,265	41,500	TORNADO DMG - OVERTIME
10040421-50220		SNOW/ICE - FICA & MEDICARE	11,407	14,582	3,175	TORNADO DMG - OVERTIME
10040421-50251		SNOW/ICE - IMRF & SURS	16,830	20,810	3,980	TORNADO DMG - OVERTIME
10040421-52999		OTHER CONTRACTUAL SVCS	253	20,253	20,000	TORNADO DMG - STUMP REMOVAL
10040421-59099		SNOW/ICE - OTH INTRDPT CHGS	-	27,500	27,500	TORNADO DMG- LANDSCAPE RECYCLING
		TOTAL EXPENDITURES	<u>34,123,770</u>	<u>34,240,525</u>	<u>116,755</u>	
		ENDING FUND BALANCE	<u>7,046,707</u>	<u>6,929,952</u>	<u>(116,755)</u>	
<u>CAPITAL IMPROVEMENT FUND</u>						
20040470-53301-40102	40102-CONST-CIP	MCORE	-	60,000	60,000	REVISE FY19 EST / FY20 BUD - CIP
20040470-53301-40104	40104-CONST	AIRPORT ROAD WEST	107,486	-	(107,486)	REBUDGET CAPITAL PROJECTS
20040470-53301-40112	40112-CONST-ASPHALT	PAVEMENT MAINTENANCE	390,977	179,980	(210,997)	REBUDGET CAPITAL PROJECTS
20040470-53301-40113	40113-CONST	BIKE LANES & SIDEPATHS	62,416	-	(62,416)	REBUDGET CAPITAL PROJECTS
20040470-52105-40120	40120-PLANNING	MISC. TRAFFIC STUDIES	5,462	344	(5,118)	REBUDGET CAPITAL PROJECTS
		TOTAL EXPENDITURES	<u>1,391,750</u>	<u>1,065,733</u>	<u>(326,017)</u>	
		ENDING FUND BALANCE	<u>3,289,930</u>	<u>3,615,947</u>	<u>326,017</u>	
<u>LOCAL MOTOR FUEL TAX FUND</u>						
20240470-52101-40107	40107-LEGAL	WINDOR ROAD - LEGAL SVCS	116,320	114,817	(1,503)	REBUDGET CAPITAL PROJECTS
20240470-53301-40108	40108-CONST-LMFT	ANNUAL STREET MAINTENANCE	321,474	-	(321,474)	REBUDGET CAPITAL PROJECTS
20240470-53301-40114	40114-CONST-LMFT	OIL & CHIP, SEAL, PRESERV	267,995	176,000	(91,995)	REBUDGET CAPITAL PROJECTS
20240470-52105-40144	40144-PLANNING-LMFT	LINCOLN & SPRINGFILED - PLNG	70,000	-	(70,000)	REBUDGET CAPITAL PROJECTS
		TOTAL EXPENDITURES	<u>1,083,483</u>	<u>598,511</u>	<u>(484,972)</u>	
		ENDING FUND BALANCE	<u>1,052,717</u>	<u>1,537,689</u>	<u>484,972</u>	
<u>MOTOR FUEL TAX FUND</u>						
20340470-53301-40102	40102-CONST-MFT	MCORE	200,000	-	(200,000)	REBUDGET CAPITAL PROJECTS
20340470-52105-40144	40144-PLANNING-SMFT	LINCOLN & SPFLD - CONST	-	36,000	36,000	REVISE FY19 EST / FY20 BUD - CIP
		TOTAL EXPENDITURES	<u>252,713</u>	<u>88,713</u>	<u>(164,000)</u>	
		ENDING FUND BALANCE	<u>3,723,464</u>	<u>3,887,464</u>	<u>164,000</u>	
<u>LANDSCAPE RECYCLING CENTER FUND</u>						
30140402-52920		LRC - VEHICLE LEASING	3,922	-	(3,922)	REMOVE VEHICLE LEASING
		TOTAL EXPENDITURES	<u>1,108,031</u>	<u>1,104,109</u>	<u>(3,922)</u>	
		ENDING FUND BALANCE	<u>263,474</u>	<u>267,396</u>	<u>3,922</u>	
<u>POLICE SPECIAL FUND</u>						
31020205-50131		DUI - REGULAR OVERTIME	46,328	26,328	(20,000)	ADD'L EQPT BODY WORN CAMERAS
31020205-53440		DUI - OTHER EQUIPMENT	10,000	20,000	10,000	ADD'L EQPT BODY WORN CAMERAS
		TOTAL EXPENDITURES	<u>135,589</u>	<u>125,589</u>	<u>(10,000)</u>	
		ENDING FUND BALANCE	<u>13,350</u>	<u>23,350</u>	<u>10,000</u>	

ARMS FUND

32110108-50120	ARMS - SALARY - TEMP EMPLS	500	4,500	4,000	ADJUST SALARIES - STAFF TRANSITION
	TOTAL EXPENDITURES	<u>176,393</u>	<u>180,393</u>	<u>4,000</u>	
	ENDING FUND BALANCE	<u>125,002</u>	<u>121,002</u>	<u>(4,000)</u>	

TIF 4 FUND

34350501-53301-40104	40104-CONST-TIF4	AIRPORT ROAD WEST	1,122,947	-	<u>(1,122,947)</u>	REBUDGET CAPITAL PROJECTS
		TOTAL EXPENDITURES	<u>2,075,295</u>	<u>952,348</u>	<u>(1,122,947)</u>	
		ENDING FUND BALANCE	<u>833,144</u>	<u>1,956,091</u>	<u>1,122,947</u>	

EQUIPMENT SERVICES FUND

60040460-52920	EQPT SVCS - VEHICLE LEASING	3,922	-	(3,922)	REMOVE VEHICLE LEASING
	TOTAL EXPENDITURES	<u>949,406</u>	<u>945,484</u>	<u>(3,922)</u>	
	ENDING FUND BALANCE	<u>437,501</u>	<u>441,423</u>	<u>3,922</u>	

RESOLUTION NO. 2019-06-023R

A RESOLUTION APPROVING THE CAPITAL IMPROVEMENT PLAN

(2019)

WHEREAS, on April 18, 1988, the City Council authorized a capital improvement plan for the City of Urbana, pursuant to Resolution No. 8788-R14; and

WHEREAS, said Resolution requires the City Council to update such plan annually to reflect new and changing needs and project priorities.

NOW, THEREFORE, BE IT RESOLVED by the City Council, of the City of Urbana, Illinois, as follows:

The 2019 Capital Improvement Plan, in substantially the form of the copy of said Plan attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

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

Charles A. Smyth, City Clerk

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

Diane Wolfe Marlin, Mayor

RESOLUTION NO. 2019-06-024R

A RESOLUTION ADOPTING FINANCIAL POLICIES

(2019)

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

WHEREAS, Section 8-1-1 of the Illinois Municipal Code (65 ILCS 5/8-1-1) provides that the corporate authorities of each municipal corporation may control the finances of the corporation; and

WHEREAS, the City Council is the fiscal authority for the City of Urbana (“City”) and is responsible for passing the annual budget ordinance and controlling the fiscal operations of the City; and

WHEREAS, the City Council is further responsible for ensuring that the City manages public funds appropriately; and

WHEREAS, on June 6, 2016, the City Council passed Resolution No. 2016-06-033R, adopting certain financial policies for the City to establish goals and targets for the City's financial operations, provide for a consistent approach to planning and budgeting, and support the City's long-term financial stability; and

WHEREAS, on June 18, 2018 the City Council passed Resolution No. 2018-06-023R, amending the financial policies for the City; and

WHEREAS, the City Council, after due consideration, finds that the adoption of revised financial policies as herein provided is in the best interests of the residents of the City and is desirable for the welfare of the City's government and affairs.

NOW, THEREFORE, BE IT RESOLVED by the City Council, of the City of Urbana, Illinois, as follows:

Section 1.

The financial policies attached hereto and hereby incorporated by reference, be and the same are hereby adopted.

Section 2.

Upon approval of this Resolution, the Finance Director shall administer these policies.

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

Charles A. Smyth, City Clerk

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

Diane Wolfe Marlin, Mayor

FINANCIAL POLICIES (2019)

- I. **Purpose:** Financial policies establish goals and targets for the City's financial operations. Formal policies provide for a consistent approach to planning and budgeting, and support the City's long-term financial stability.
- II. **Long-term Planning:** Each year the City's Finance Department will prepare a five-year financial forecast for the City's General Operating Fund to assess the City's future fiscal condition. The purpose of the forecast is to give context to decisions that will be made in the budget process.
- III. **Balanced Budget:** The City considers the budget to be balanced if budgeted, recurring expenditures in the General Operating Fund do not exceed 98.5% of budgeted, recurring revenues. In other City funds, unless specific reserve targets have been established, expenditures will not exceed the total of budgeted revenues and unassigned fund balance at the beginning of the year.
- IV. **Reserves:** The city will maintain adequate reserves to establish a cushion of available cash during economic downturns, finance cash flow needs, provide stable tax rates, and provide for unanticipated needs or unexpected opportunities.
 - A. **General Fund:** The City will maintain reserves of at least 15% of recurring expenditures in the General Operating Fund. This is in addition to any reserve that is established for a specific purpose. The reserve will be depleted below 10% only in the event of a catastrophic need. If the reserve dips below 15%, the Finance Director will recommend a strategy to replenish the reserve over a period of no more than three to five years.

A reserve level of no less than 15% is appropriate given-

- the City's reliance on cyclical revenue sources (e.g., sales tax)
- the reliance of other funds (e.g., Retained Risk and Capital Improvements) on the General Fund as a source of revenue
- the current backlog of unmet capital needs, which could result in an immediate demand for funds due to infrastructure failures
- the potential for unavoidable cost increases imposed by the State of Illinois
- concerns about the potential impact of the State's fiscal situation, including potential reductions in State-shared revenues

B. Vehicle & Equipment Replacement Fund (VERF): The goal of the VERF is to provide funding to replace aged capital equipment with like equipment, when replacement is needed to maintain services to the community. A capital asset is defined as equipment with an initial purchase price of \$5,000 or more and a useful life of 5 years or more.

Annual charges will be made to various operating budgets at 70% of calculated straight-line depreciation for each capital asset accounted for in this fund. The City will use debt financing to cover purchases during periods when the fund balance would drop below 10% of the total value of assets included in the VERF. The replacement schedule will be updated at least biennially.

Other funds, including the Landscape Recycling Center Fund and the Equipment Services Fund, may retain reserves for equipment replacement separate from the Vehicle and Equipment Replacement Fund.

C. Retained Risk: Retained Risk Fund reserves will be maintained to provide funding in the event of large workers compensation and liability claims. The reserve amount will be established based on a periodic actuarial review. Annual transfers will be made from operating budgets to support risk management activities such as insurance premiums and routine claims, as well as to replenish the reserve, when necessary. Reserves will be replenished over time to minimize impact on the operating budget.

V. Property Taxes: The City's goal is to maintain a property tax rate equal to that of the City of Champaign, and to work with overlapping taxing districts to create an overall tax rate equal to the City of Champaign.

A. Pension Funds: The City will levy property taxes to provide funding for a 20-year closed period amortization of 100% of unfunded liability, including a five-year transition to the higher funding level, beginning with the 2018 property tax levy. Contributions will be calculated using the entry age normal (level percent of pay) method. Asset smoothing will be used over a five-year period to reduce the effects of market volatility. 8.12% of the pension funding requirement will be allocated from personal property replacement tax, also consistent with State law.

Prior to levying taxes in 2028, staff will recommend to the City Council an appropriate strategy to minimize volatility as the funds move closer to the goal of being fully funded.

B. Library General Fund: The City levies property taxes for the Library to support operations, which are funded from the Library's General Fund. The City Council approves the Library's budget, including estimated property tax revenues necessary to support the expenditure budget. When the City Council approves the property tax levy, it will include a levy sufficient to support the approved Library General Fund budget. (The City also allocates a portion of the Ameren franchise fee to the Library, based on the Library's proportionate benefit from free gas terms provided by Ameren prior to the franchise agreement approved in 2015. This allocation will continue in the same proportion.)

C. Corporate Tax Levy: Remaining funds that can be raised within the City's target tax rate will be allocated to the General Operating Fund to pay for public safety services.

VI. Capital Improvements: Capital improvements are defined as a project or activity costing more than \$10,000 resulting in construction, renovation, or acquisition of land, infrastructure, or buildings, with an expected life of at least 10 years.

A. Capital Improvement Fund: The Capital Improvement Fund is used to pay for capital improvements that do not have another source of funding, or for which other sources are insufficient. The City's goal is to increase funding for capital improvements each fiscal year by at least the amount of increase in the construction cost index for the prior calendar year. This funding is to be used only for the purpose of funding capital improvements.

As the budget allows, the City will consider additional one-time transfers to provide additional funding for infrastructure maintenance and improvements; or increasing the base level of the recurring transfer to provide a stable, ongoing source of funding.

B. Stormwater and Sewer Improvement Funds: These enterprise funds are established to provide ongoing funding for maintenance and improvements to the City's stormwater and sanitary sewer systems. Fees will be established to

provide funding consistent with long-term plans for operation and maintenance of these systems.

C. State and Local Motor Fuel Tax Funds: These funds are reserved for transportation improvements.

VII. Debt: The City may use long-term borrowing for capital projects that cannot be funded from current resources, when the improvements have a useful life of 25 years or more. Debt maturities will not exceed the useful life of the improvement. Combined debt service payments will not exceed 10% of recurring General Operating Fund revenues, regardless of the source of repayment. The City will generally use bank qualified bonds because of the lower cost of borrowing and reduced administrative burden.

The City may also use long-term borrowing to finance equipment purchases. Debt issued to finance equipment purchases will not have maturities exceeding ten years.