



**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: August 24, 2017

SUBJECT: FY2018 Budget Amendment #2 – Various Items

Introduction: Attached is an Ordinance revising the FY2018 annual budget to provide for items described below. This budget amendment requires six affirmative votes.

Discussion:

Tree Planting Grant: As described in a separate item on this agenda, the City will receive a \$15,000 grant for tree planting from the U.S. Department of Agriculture. This has no net impact on the budget, since the funds will be reimbursed once they are spent.

Position Reclassification: One position in the City Clerk's Office has been reclassified based on a review of job responsibilities. Funds for the increased salary and benefits are offset by a reduction of \$1,244 in the City Clerk's travel and conference line item.

Financial System Implementation: The Finance Department is in the process of implementing a new financial management and HR/payroll system. Timing of implementation activities is difficult to predict, which makes it necessary to rebudget implementation funds in the amount of \$25,854. The projected "go live" date for financials is early February 2018, with HR/payroll expected to go live on April 1, 2018. The new financial system will improve functionality and allow for increased efficiency by automating a number of manual processes.

Public Works Work Order System: Implementation of a work order system for the Public Works Department was expected to begin in FY17, but instead will begin in FY18. \$120,000 budgeted in FY17 for this project was not spent and will be rebudgeted to FY18 for the same purpose. The recurring annual cost is already provided for in the Public Works Department budget. The proposed work order and asset management software will allow users in the Public Works Department to have readily available data on the city's infrastructure, be able to more easily produce weekly and monthly production reports, help

staff better manage public works assets, provide a tool in scheduling assignments and duties, help in measuring progress, and make more strategic decisions in using resources.

Acquisition of 2201 South Philo Road: Acquisition of this property was approved by the City Council on June 5, 2017, but the closing did not take place until after June 30, so \$41,000 will be rebudgeted for FY18.

Community Development Grants: Since the U.S. Department of Housing and Urbana Development did not post the City grant allocations until last month (July 2017), both revenues and expenditures related to Community Development Block Grant and the HOME Consortium will be adjusted to reflect the new allocations. Some unspent funds from FY17 will also be rebudgeted. There will be no impact on the fund balance for either fund.

Community Development Special Fund: Due to the increase in the number of Habitat down-payment assistance projects, the amount budgeted for FY18 will increase from \$100,000 to \$150,000. This will have no impact on the fund balance since the funds will be reimbursed by Habitat once they are spent. The amount for Blight Reduction Program will be reduced because an additional \$6,261 was spent in FY17. The budget of \$6,000 for the Transitional Housing Program was not entered due to data entry error and this amendment will correct that error.

Social Service Funding: The budget for social service funding was \$5,000 short of the amount allocated, and this budget amendment will correct that error. This is due to a misunderstanding about the allocation of social service costs between funds.

Downtown Parking Study: Unspent funds from campus area lighting improvements will be rebudgeted to provide \$16,435 for a Downtown Parking Study. This study is an update of the 2008 parking analysis completed for the City by Rich and Associates Parking Consultants. The Consultant will quantify and qualify parking needs in the Downtown Urbana area to help better understand current and future parking issues. This information will assist in developing parking solutions that are in the best interest of the City.

Spray Patch Truck: Unspent funds for a spray patch truck (\$235,000) will also be rebudgeted in the VRF, and a correction to the amount that was not picked up in the final budget is included in this budget amendment. The spray patch truck will reduce the crew size performing this task and will provide a better product in filling potholes and addressing other roadway defects. This equipment and process will perform for a longer period of time than methods used in the past. This piece of equipment will also reduce employee exposure in construction work zones.

Other Changes: Other minor changes include –

- Recognizing donated revenues and related expenses in the Fire Department (\$450) and Sister City Grant Fund (\$400)
- Unspent JAG Grant funds will be rebudgeted in the Vehicle and Equipment Replacement Fund (\$3,139)

Fiscal Impact: Many of these changes are in funds other than the General Operating Fund. The changes in the General Operating Fund do not impact the fund balance, since all changes are either offset with revenue or expenditure reductions, or a rebudget of funds not spent in FY17, which will increase funds carried forward to begin FY18.

Recommendation: Approve the budget amendment authorizing these adjustments to the FY2018 budget.

ORDINANCE NO. 2017-08-048

**AN ORDINANCE REVISING THE
ANNUAL BUDGET ORDINANCE FOR FY2017/18
(Budget Amendment #2 - Various Items)**

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2017, and ending June 30, 2018, (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 FY2017/18, 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:

Charles A. Smyth, City Clerk

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

Diane Wolfe Marlin, Mayor

Budget Amendment 2017/18-02 - 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	Fire Department Donations	2,100	2,550	450	donations exceeded estimate
009-0-0202-0000	Public Works Grants	-	15,000	15,000	tree planting grant
<u>Total Revenues</u>		<u>33,396,974</u>	<u>33,412,424</u>	<u>15,450</u>	
<u>Expenditures</u>					
025-1-1300-3948	Info Services (Financials)	320,000	345,854	25,854	rebudget 1x funds - financial system
035-1-1100-1104	Admin Assistant II	44,892	45,853	961	change in position classification
035-1-1100-1600	Longevity	3,580	3,656	76	change in position classification
035-1-1100-1850	IMRF	5,962	6,090	128	change in position classification
035-1-1100-1855	FICA	3,709	3,788	79	change in position classification
035-1-1300-3020	Travel & Conference	3,030	1,786	(1,244)	reduce to fund change in classification
050-1-1200-2920	Fire Pevention Materials	8,817	9,267	450	donated funds for fire prevention
060-1-1300-3401	Miscellaneous Services	20,000	140,000	120,000	rebudget 1x funds - work order system
060-2-2200-2082	Materials - Tree Planting - Grant	-	15,000	15,000	tree planting grant
<u>Total Expenditures</u>		<u>33,018,308</u>	<u>33,179,612</u>	<u>161,304</u>	
<u>Ending Fund Balance (estimated)</u>		<u>4,200,524</u>	<u>4,200,524</u>	<u>-</u>	no impact on fund balance
<u>Capital Replacement & Improvement Fund</u>					
<u>Expenditures</u>					
A09-1-0400-0074	Fire Station #2	-	41,000	41,000	closing delayed to FY18
<u>Total Expenditures</u>		<u>768,498</u>	<u>809,498</u>	<u>41,000</u>	
<u>Ending Fund Balance (estimated)</u>		<u>125,742</u>	<u>125,742</u>	<u>-</u>	no impact on fund balance
<u>Social Service Fund</u>					
<u>Expenditures</u>					
F09-1-1300-0304	Social Service Programs	65,000	70,000	5,000	budget correction
<u>Total Expenditures</u>		<u>65,000</u>	<u>70,000</u>	<u>5,000</u>	
<u>Ending Fund Balance (estimated)</u>		<u>2,426</u>	<u>(2,574)</u>	<u>(5,000)</u>	
<u>Vehicle & Equipment Replacement Fund</u>					
<u>Expenditures</u>					
H09-1-0500-0174	JAG Grant - Equipment	-	3,139	3,139	carry forward grant funds
H09-1-0400-0144	Grader / Spray Patch Truck	-	235,000	235,000	carry forward / adjust VEF schedule
<u>Total Expenditures</u>		<u>971,110</u>	<u>1,209,249</u>	<u>238,139</u>	
<u>Ending Fund Balance (estimated)</u>		<u>6,831,337</u>	<u>6,785,561</u>	<u>(45,776)</u>	

Community Development Special FundRevenues

J09-0-0090-0000	Habitat Reimbursement	100,000	150,000	50,000	increase in reimbursable Habitat projects
J09-0-0091-0000	IDHA - Blight Reduction Pgm	384,802	378,541	(6,261)	rebudget - a portion was spent in FY17

Total Revenues

<u>881,620</u>	<u>925,359</u>	<u>43,739</u>
----------------	----------------	---------------

Expenditures

J09-1-0030-0000	TH Rehab	-	6,000	6,000	budget correction - data entry error
J09-1-1300-3001	Habitat-Down Payment Assist	100,000	150,000	50,000	increase in reimbursable Habitat projects
J09-1-1300-3002	IDHA - Blight Reduction Pgm	50,668	44,407	(6,261)	rebudget - a portion was spent in FY17

Total Expenditures

<u>567,866</u>	<u>617,605</u>	<u>49,739</u>
----------------	----------------	---------------

Ending Fund Balance (estimated)

<u>102,606</u>	<u>96,606</u>	<u>(6,000)</u>
----------------	---------------	----------------

Sister City Grant FundRevenues

J12-0-0201-0000	Sister City Donations	-	400	400	donations through 8/15/17
-----------------	-----------------------	---	-----	-----	---------------------------

Total Revenues

<u>5,025</u>	<u>5,425</u>	<u>400</u>
--------------	--------------	------------

Expenditures

J12-1-1300-3000	Sister City Costs	5,090	5,490	400	donated funds for Sister City program
-----------------	-------------------	-------	-------	-----	---------------------------------------

Total Expenditures

<u>5,090</u>	<u>5,490</u>	<u>400</u>
--------------	--------------	------------

Ending Fund Balance (estimated)

<u>944</u>	<u>944</u>	<u>-</u>
------------	------------	----------

HOME Consortium ProgramRevenues

J42-0-0102-0000	Fed. Grant Carryover	1,074,700	933,817	(140,883)	adjust FY18 federal allocation
-----------------	----------------------	-----------	---------	-----------	--------------------------------

Total Revenues

<u>1,734,700</u>	<u>1,593,817</u>	<u>(140,883)</u>
------------------	------------------	------------------

Expenditures

J42-1-1200-2020	Office Supplies	500	208	(292)	adjust FY18 federal allocation
J42-1-1200-2420	Printing/Publishing	1,000	500	(500)	adjust FY18 federal allocation
J42-1-1300-3030	Conference and Training	1,000	900	(100)	adjust FY18 federal allocation
J42-1-1200-2420	Postage	500	250	(250)	adjust FY18 federal allocation
J42-2-4300-3000	CHDO Reserve, Unobligated	157,324	94,468	(62,856)	rebudget - a portion was spent in FY17
J42-5-3300-3000	Highland Green Project	203,660	126,776	(76,884)	rebudget - a portion was spent in FY17

Total Expenditures

<u>1,643,306</u>	<u>1,502,423</u>	<u>(140,883)</u>
------------------	------------------	------------------

Ending Fund Balance (estimated)

<u>(5)</u>	<u>(5)</u>	<u>-</u>	no impact on fund balance
------------	------------	----------	---------------------------

Community Development Block Grant

Revenues

K09-0-0010-0000	Federal Grant-Reprogrammed Fu	132,842	198,201	65,359	rebudget unspent FY17 allocation
-----------------	-------------------------------	---------	---------	--------	----------------------------------

<u>Total Revenues</u>		<u>500,518</u>	<u>565,877</u>	<u>65,359</u>	
------------------------------	--	-----------------------	-----------------------	----------------------	--

Expenditures

K09-1-4300-3942	Emergency Access	50,000	72,409	22,409	rebudget unspent FY17 allocation
K09-1-4300-4027	Senior Repair Service	10,000	18,052	8,052	rebudget unspent FY17 allocation
K09-1-4300-4029	Property Acq./Demo.	60,000	94,898	34,898	rebudget unspent FY17 allocation

<u>Total Expenditures</u>		<u>488,096</u>	<u>553,455</u>	<u>65,359</u>	
----------------------------------	--	-----------------------	-----------------------	----------------------	--

<u>Ending Fund Balance (estimated)</u>		<u>(3,212)</u>	<u>(3,212)</u>	<u>-</u>	no impact on fund balance
---	--	-----------------------	-----------------------	-----------------	---------------------------

Parking Fund

Expenditures

N09-2-3300-3015	Service Contracts	30,149	46,584	16,435	rebudget unspent FY17 lighting funds for parking study
-----------------	-------------------	--------	--------	--------	---

<u>Total Expenditures</u>		<u>1,652,871</u>	<u>1,669,306</u>	<u>16,435</u>	
----------------------------------	--	-------------------------	-------------------------	----------------------	--

<u>Ending Fund Balance (estimated)</u>		<u>785,054</u>	<u>785,054</u>	<u>-</u>	no impact on fund balance
---	--	-----------------------	-----------------------	-----------------	---------------------------