



**CITY OF URBANA, ILLINOIS  
FINANCE DEPARTMENT**

**MEMORANDUM**

**TO:** Mayor Diane Wolfe Marlin and City Council Members  
**FROM:** Elizabeth Hannan, Finance Director  
Don Ho, Financial Analyst  
**DATE:** August 22, 2019  
**SUBJECT: FY2020 Budget Amendment #1 – Omnibus**

**Introduction:** Attached is an Ordinance revising the FY2020 annual budget to provide for items described below. This budget amendment requires six affirmative votes, including the Mayor, in order to pass.

**Discussion:**

The majority of items in this budget amendment relate to changes in timing of expenditures, and in some cases, revenues.

Timing of Property Tax Receipts The first two distributions for the City’s 2018 property tax levy were delayed. As a result, some funds that would normally have been budgeted for and received prior to June 30 were not received until after July 1. This affects property tax revenues in the General Fund, which also includes allocations for Police and Fire Pension Funds. It also affect expenditures to disburse some of those revenues to the Pension Funds.

Police Department Grants: Revenues will be recognized for the Hot Spot Policing program (\$30,604) and the 2017 JAG grant (\$10,316). Expenditures will be adjusted for the JAG Grant. Unspent funds of \$444 will be rebudgeted, and new expenses of \$10,316 will be added.

Rebudgets for Equipment and Uniforms: Certain equipment lines are budgeted at a level amount annually and then routinely rebudgeted to account for the fact that purchases are not made in equal annual amounts. This includes “small scheduled equipment” lines in various departments, as well as certain expenses for uniforms.

Reallocate Funds for CitizenServe Licenses: The Environmental Compliance program was shifted within the General Fund from Public Works to Community Development beginning in FY2020. At the time budget revisions were made, staff did not realize that two associated annual licenses for CitizenServe software were being paid from the Public Works Administration budget. In order to accurately reflect the cost of this program, \$3,000 will be shifted between the two departments.

Rebudgets for Capital Improvements: \$64,794 for City facility improvements that were not encumbered prior to the end of last fiscal year will be rebudgeted.

Sister City Program: As directed by the City Council at the time the budget was approved, remaining FY2019 funds (\$1,853) for the Sister City program will be rebudgeted.

Illinois Arts Council Association Grant: A grant previously accepted by the Council will be budgeted to reflect related revenue and expense. The total grant is \$1,800 with expenditures of the same amount for temporary employees.

Emergency Solutions Grant: A rebudget for a small amount of funds (\$1,105) from the Emergency Solutions grant due to the timing of commitment of funds.

West Green Street Right-of-Way Improvement: As required by the development agreement with Marksons Affiliate LLC for development of the Urbana Landmark Hotel property, improvements will be made to the right-of-way on Green Street adjacent to the hotel. The cost is expected to be \$50,000. This will also require an additional transfer from TIF 2 Fund. **Despite the negative estimated ending fund balance in TIF 2 after this transfer, the fund balance will not show a deficit once the year is closed, since FY19 spending is below the FY19 budget. This is necessary because we are still early in the life of the Central TIF Fund and the property tax increment has not grown to a level sufficient to cover expenditures.**

Workers Compensation Claims: In the Retained Risk Fund, several large claims expected to be paid prior to June 30 were not paid until after July 1. \$299,852 will be rebudgeted for this purpose.

**Fiscal Impact:** Increases in the General Fund are for one-time expenditures and will not occur again in the future. These changes to the budget do not have a significant fiscal impact on the General Fund.

**Alternatives:**

1. Forward the Ordinance amending the FY2019 budget to City Council for approval on September 3, 2019.
2. Amend one or more of the items before forwarding to Council for approval.

**Recommendation:** Forward the budget amendment authorizing these adjustments to the FY2019 budget for approval at the September 3, 2019 City Council meeting.

**ORDINANCE NO. 2019-08-048**

**AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE**

**(Budget Amendment #1 - Omnibus)**

**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, 2019 and ending June 30, 2020; 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 Budget Director may not 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 exhibit appended hereto and made a part hereof as if fully set forth herein.

**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 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 2019/20 - 01 - Exhibit A**

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
<b><u>GENERAL OPERATING FUND (100)</u></b>					
<u>Revenues</u>					
100-40100	PROPERTY TAXES	4,611,066	5,925,636	1,314,570	delayed property tax distribution
100-41150	STATE GRANTS - CULTURE & RECREATION	5,700	7,500	1,800	IACA grant
100-41320	FEDERAL GRANTS - PUBLIC SAFETY	-	30,604	30,604	Hot Spot Policing grant - received 7/2019
100-41320	FEDERAL GRANTS - PUBLIC SAFETY	30,604	40,920	10,316	JAG grant 2017
<u>Total Revenues</u>		<u>37,705,859</u>	<u>39,063,149</u>	<u>1,357,290</u>	
<u>Expenditures</u>					
10015150-51411	FINANCE ADMIN - SMALL SCHEDULED EQUIPMENT	1,466	4,138	2,672	rebudget - small scheduled equipment
10020200-50252	POLICE ADMIN - POLICE PENSION	85,066	111,021	25,955	delayed property tax distribution - police pension
10020201-51410	POLICE PATROL - SMALL TOOLS & EQUIPMENT	-	444	444	JAG grant 2016 carry forward
10020201-51410	POLICE PATROL - SMALL TOOLS & EQUIPMENT	444	10,760	10,316	JAG grant 2017
10020201-51600	POLICE PATROL - UNIFORMS	58,310	66,017	7,707	rebudget uniforms
10020201-50252	POLICE PATROL - POLICE PENSION	1,383,923	1,721,330	337,407	delayed property tax distribution - police pension
10020202-50252	POLICE CRIMINAL INVESTIGATION - POLICE PENSION	263,514	323,799	60,285	delayed property tax distribution - police pension
10020203-50252	POLICE SUPPORT SERVICES - POLICE PENSION	35,000	45,373	10,373	delayed property tax distribution - police pension
10030300-51411	FIRE OPERATIONS - SMALL SCHEDULED EQUIPMENT	4,107	14,068	9,961	rebudget - small scheduled equipment
10030300-50253	FIRE OPERATIONS - FIRE PENSION	1,144,212	1,446,865	302,653	delayed property tax distribution - fire pension
10030301-50253	FIRE ADMIN - FIRE PENSION	34,469	45,964	11,495	delayed property tax distribution - fire pension
10030302-50253	FIRE PREVENTION - FIRE PENSION	22,339	28,735	6,396	delayed property tax distribution - fire pension
10040400-51411	PW ADMIN - SMALL SCHEDULED EQUIPMENT	625	3,727	3,102	rebudget - small scheduled equipment
10040400-52999	PW ADMIN - OTHER CONTRACTUAL SERVICES	16,210	13,210	(3,000)	citizenserve license - to CD from PW
10040402-51411	LANDSCAPE MANAGEMENT - SMALL SCHEDULED EQUIPMENT	11,197	21,784	10,587	rebudget - small scheduled equipment
10040410-51411	FACILITIES MAINTENANCE - SMALL SCHEDULED EQUIPMENT	12,703	15,553	2,850	rebudget - small scheduled equipment
10040420-51411	TOOL ROOM - SMALL SCHEDULED EQUIPMENT	8,304	62,426	54,122	rebudget - small scheduled equipment
10040440-51411	ENGINEERING DEVELOPMENT - SMALL SCHEDULED EQUIPMENT	1,761	4,451	2,690	rebudget - small scheduled equipment
10040441-51411	ENGINEERING TRANSPORTATION - SMALL SCHEDULED EQUIPMENT	4,000	5,142	1,142	rebudget - small scheduled equipment
10050504-50120	PUBLIC ARTS - SALARY - TEMPORARY EMPLOYEES	3,137	4,809	1,672	IACA grant
10050504-50220	PUBLIC ARTS - FICA & MEDICARE	240	368	128	IACA grant
10050551-52102	ENVIRONMENTAL CONTROL - TECHNOLOGY SERVICES	-	3,000	3,000	citizenserve license - to CD from PW
10060109-52999	SISTER CITY - OTHER CONTRACTUAL SERVICES	5,200	7,053	1,853	rebudget sister city program
<u>Total Expenditures</u>		<u>35,743,654</u>	<u>36,607,464</u>	<u>863,810</u>	
<u>Ending Fund Balance (estimated)</u>		<u>5,892,158</u>	<u>6,482,768</u>	<u>590,610</u>	
<b><u>CAPITAL IMPROVEMENT &amp; REPLACEMENT FUND (200)</u></b>					
<u>Expenditures</u>					
20040470-53200-40800	CITY FACILITY IMPROVEMENTS - BUILDING	-	64,794	64,794	rebudget capital improvement project
<u>Total Expenditures</u>		<u>5,285,486</u>	<u>5,350,280</u>	<u>64,794</u>	
<u>Ending Fund Balance (estimated)</u>		<u>89,631</u>	<u>89,631</u>	<u>-</u>	
<b><u>VEHICLE &amp; EQUIPMENT REPLACEMENT FUND (300)</u></b>					
<u>Expenditures</u>					
30060600-54100	VEHICLE & EQUIPMENT REPLACEMENT - PRINCIPAL	-	17,500	17,500	correct budget error - payment for fire truck revolving loan
<u>Total Expenditures</u>		<u>3,779,882</u>	<u>3,797,382</u>	<u>17,500</u>	
<u>Ending Fund Balance (estimated)</u>		<u>2,948,631</u>	<u>2,931,131</u>	<u>(17,500)</u>	

**Budget Amendment 2019/20 - 01 - Exhibit A**

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
<b><u>COMMUNITY DEVELOPMENT GRANTS FUND (331)</u></b>					
<u>Expenditures</u>					
33150533-52800	EMERGENCY SOLUTIONS GRANT - GRANT CONTRACTUAL SERVICES	-	1,105	1,105	rebudget emergency solutions grant
<u>Total Expenditures</u>		<u>1,395,980</u>	<u>1,397,085</u>	<u>1,105</u>	
<u>Ending Fund Balance (estimated)</u>		<u>(47,597)</u>	<u>(47,597)</u>	<u>-</u>	
<b><u>TIF 2 FUND (342)</u></b>					
<u>Expenditures</u>					
34250501-59344	ECON DEV - TFR TO CENTRAL TIF	<u>310,000</u>	360,000	50,000	development agreement approved by council
<u>Total Expenditures</u>		<u>1,637,150</u>	<u>1,687,150</u>	<u>50,000</u>	
<u>Ending Fund Balance (estimated)</u>		<u>43,557</u>	<u>(6,443)</u>	<u>(50,000)</u>	
<b><u>CENTRAL TIF FUND (344)</u></b>					
<u>Revenues</u>					
344-49342	TFR FROM TIF 2	310,000	360,000	50,000	development agreement approved by council
<u>Total Revenues</u>		<u>315,686</u>	<u>365,686</u>	<u>50,000</u>	
<u>Expenditures</u>					
34450501-53301-40147	ECON DEV - OTHER CONSTRUCTION - WEST GREEN ST IMPROVEMENTS	-	50,000	50,000	development agreement approved by council
<u>Total Expenditures</u>		<u>324,867</u>	<u>374,867</u>	<u>50,000</u>	
<u>Ending Fund Balance (estimated)</u>		<u>2,345</u>	<u>2,345</u>	<u>-</u>	
<b><u>RETAINED RISK FUND (370)</u></b>					
<u>Expenditures</u>					
37060154-52721	RISK MANAGEMENT - WORKER'S COMP CLAIMS	<u>350,000</u>	649,852	299,852	rebudget - worker's comp claims - timing of payments
<u>Total Expenditures</u>		<u>966,000</u>	<u>1,265,852</u>	<u>299,852</u>	
<u>Ending Fund Balance (estimated)</u>		<u>1,953,958</u>	<u>1,953,958</u>	<u>-</u>	
<b><u>EQUIPMENT SERVICES FUND (600)</u></b>					
<u>Expenditures</u>					
60040460-52102	FLEET - TECHNOLOGY SERVICES	17,000	29,000	12,000	rebuget - new fleet software
60040460-53410	FLEET - MACHINERY	35,000	89,122	54,122	rebudget - fleet equipment
<u>Total Expenditures</u>		<u>1,021,455</u>	<u>1,087,577</u>	<u>66,122</u>	
<u>Ending Fund Balance (estimated)</u>		<u>221,904</u>	<u>221,904</u>	<u>-</u>	