



## Memorandum

**DATE:** April 9, 2020

**TO:** Mayor Diane Wolfe Marlin and Members of the City Council

**FROM:** Carol J. Mitten, Interim Public Works Director  
Justin Swinford, Civil Engineer II

**RE:** **BUDGET AMENDMENT FOR CAPITAL IMPROVEMENT PROJECTS**

### Introduction

On June 17, 2019, the Urbana City Council approved the Capital Improvement Plan (CIP) for Fiscal Year 2019-2020. The CIP included the assignment of funds to certain projects scheduled for start within the fiscal year (by June 30, 2020). Two such projects are the primary subject of this budget amendment: MCORE Project 5 and the Vine and Washington Resurfacing Project. In addition to moving funding into place for two important infrastructure projects, we are implementing two new budgeting strategies: 1) streamlining the review process by allocating State Motor Fuel Tax (SMFT) dollars to projects that already require Illinois Department of Transportation (IDOT) review and 2) allocating dollars to projects for the year in which it is realistic to perform the design and/or construction.

Attached is an Ordinance revising the FY2019-2020 CIP to reallocate funds between these two projects. This budget amendment requires six of eight votes (including the Mayor) in order to pass.

### MCORE Project 5 (Project Code 40102)

MCORE Project 5 has been in our CIP for several years, because it is the final phase of the MCORE Project, which began in 2016. The construction schedule for this project will be very constrained, and the City has an obligation to complete construction for this project by July 1, 2021 to meet the requirements of the Federal grant. In addition to the construction costs for MCORE Project 5, the City has an agreement in place for a consultant engineer to perform construction observation on this project.

The City received bids for MCORE Project 5 on March 31, 2020. One bid was submitted from Duce Construction Company of Champaign, Illinois. To date, a total of \$4,095,400.00 has been budgeted for MCORE Project 5. The construction bid price and addition of construction observation have increased the total project cost to approximately \$4,864,185.00. It is important to note, however, that this total reflects the bid price and not the expected project cost. We estimate that changes to construction phasing will reduce the construction costs by almost five percent. The

total cost for construction observation will also not likely meet the contract maximum. It will be necessary to budget the stated amounts for this project, so that the bid may first be awarded for the full price. Deductive change orders will follow the contract award to reduce the total construction costs.

### **Vine and Washington Resurfacing Project (Project Code 40143)**

The Vine and Washington Resurfacing Project was originally planned as a full-depth concrete patching project to address significant pavement deterioration caused by alkali-silica reaction. Upon further analysis of the project scope and pavement to be replaced, it was determined to be a better investment of City funds to perform a full reconstruction. Given the project's proximity the Urbana Middle School and Urbana High School campus, it will be necessary to complete construction on this project during the Urbana School District summer break.

Per the FY2019-2020 CIP, the Vine and Washington Resurfacing Project was to be funded by SMFT funds. In order to complete this project on schedule, it will be necessary to use only local funds.

City staff and consultants are working to develop the project plans and specifications for this project with a targeted bid date of May 22, 2020 and completion date of August 7, 2020. The total estimated project cost for the Vine and Washington Resurfacing Project is \$1,500,000.

### **Other Projects Included in the 2019 Capital Improvement Plan**

The Florida Avenue Reconstruction Project (Project Code 40135) is scheduled for construction in Fiscal Year 2022-2023. The first phase of that project is a corridor study to determine the optimal lane configuration and intersection types for all roadway users. An amount of \$455,000 was budgeted in the CIP for the corridor study. The Regional Planning Commission (RPC) has applied for a Statewide Research and Planning grant on behalf of the City that would cover 80% of the cost for RPC to develop the corridor study. The remaining 20% of the project cost would be covered by the City's annual contribution to RPC.

The Fairlawn Avenue Resurfacing Project (Project Code 40131) and the Race and Washington Resurfacing Project (Project Code 40142) were budgeted for in the FY2019-2020 CIP. For similar reasons as the Vine and Washington Resurfacing Project, these projects need careful consideration for planning and project schedule due to the proximity to Urbana Schools.

### **Financial Impacts**

A summary of the proposed changes to each fund is included as Exhibit A. In order to fund the Vine and Washington Resurfacing Project from the City's local funds, a transfer of \$1,200,000 from the project account for MCORE Project 5 within the General Fund will be made, as well as a \$300,000 transfer from the Pavement Maintenance project account.

To offset the transfer from the MCORE Project 5 account in the General Fund, transfers within the City's State MFT Fund will be necessary. These transfers will not affect the projected schedule for construction of the projects whose accounts are depleted. The total transfers into the MCORE Project 5 account will equal \$1,839,000.

**Recommendation**

Staff recommends that the budget amendment ordinance for Capital Improvement Projects be approved

**Attachments:**

An Ordinance Revising the Annual Budget Ordinance  
Exhibit A – Budget Amendment 2019/20 - 07

**ORDINANCE NO. 2020-04-017**

**AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE**

**(Budget Amendment #7 – Capital Improvement Plan)**

**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 corporate authorities, on multiple occasions, have approved the projects that are the subject of this budget amendment and hereby so reaffirm; 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 - 07 - Exhibit A**

			<u>Current</u>	<u>Revised</u>	<u>Difference</u>	<u>Reason</u>
			<u>Budget</u>	<u>Budget</u>		
<b><u>CAPITAL REPLACEMENT &amp; IMPROVEMENT FUND (209)</u></b>						
<b><u>Expenditures</u></b>						
20040470-53301-40102	40102-CONST-CIP	HIGHWAY AND STREETS - MCORE	2,449,218	1,249,218	(1,200,000)	Transfer to Vine and Washington Project
20040470-53301-40143	40143-CONST-CIP	HIGHWAY AND STREETS - VINE & WASHINGTON	-	1,500,000	1,500,000	Increase Local Funding for Vine and Washington
20040470-53301-40112	40112-CONST	HIGHWAY AND STREETS - PAVEMENT MAINTENANCE	1,310,875	1,010,875	(300,000)	Transfer to Vine and Washington Project
<b><u>Total Expenditures</u></b>			<b><u>5,804,547</u></b>	<b><u>5,804,547</u></b>	<b><u>-</u></b>	
<b><u>Ending Fund Balance (estimated)</u></b>			<b><u>89,631</u></b>	<b><u>89,631</u></b>	<b><u>-</u></b>	
<b><u>STORMWATER UTILITY FUND (201)</u></b>						
<b><u>Expenditures</u></b>						
20140470-53303-40102	40102-CONST-STWTR	STORMWATER - MCORE	470,115	506,115	36,000	Transfer to MCORE Project 5 for Storm Sewers
20140470-53303-40400	40400-CONST	STORMWATER - STORMWATER SEWER IMPROVEMENT	676,978	640,978	(36,000)	
<b><u>Total Expenditures</u></b>			<b><u>2,615,085</u></b>	<b><u>2,615,085</u></b>	<b><u>-</u></b>	
<b><u>Ending Fund Balance (estimated)</u></b>			<b><u>12,391</u></b>	<b><u>12,391</u></b>	<b><u>-</u></b>	
<b><u>STATE MOTOR FUEL TAX (203)</u></b>						
<b><u>Expenditures</u></b>						
20340470-52105-40135	40135-PLANNING	PLANNING SERVICES - FLORIDA & LINCOLN	455,000	-	(455,000)	Transfer to MCORE P5, Grant Money Available
20340470-53301-40131	40131-CONST	HIGHWAY AND STREETS - FAIRLAWN - VINE - ANDERSON	487,000	-	(487,000)	Transfer to MCORE P5
20340470-53301-40142	40142-CONST	HIGHWAY AND STREETS - RACE - WASHINGTON - CALIFORNIA	467,000	-	(467,000)	Transfer to MCORE P5
20340470-53301-40143	40143-CONST	HIGHWAY AND STREETS - VINE & WASHINGTON	430,000	-	(430,000)	Transfer to MCORE P5, Local Funds to be Used
20340470-53301-40102	40102-CONST-MFT	HIGHWAY AND STREETS - MCORE	2,336,302	4,175,302	1,839,000	
<b><u>Total Expenditures</u></b>			<b><u>6,295,906</u></b>	<b><u>6,295,906</u></b>	<b><u>-</u></b>	
<b><u>Ending Fund Balance (estimated)</u></b>			<b><u>653,655</u></b>	<b><u>653,655</u></b>	<b><u>-</u></b>	
<b><u>SANITARY SEWER FUND (204)</u></b>						
<b><u>Expenditures</u></b>						
20440470-53303-40102	40102-CONST-SANSWR	SEWER - MCORE	190,000	285,000	95,000	Transfer to MCORE P5 for Sanitary Sewers
20440470-53304-40500	40500-CONST	SEWER - SANITARY SEWER IMPROVEMENT	574,616	479,616	(95,000)	
<b><u>Total Expenditures</u></b>			<b><u>1,825,753</u></b>	<b><u>1,825,753</u></b>	<b><u>-</u></b>	
<b><u>Ending Fund Balance (estimated)</u></b>			<b><u>709,731</u></b>	<b><u>709,731</u></b>	<b><u>-</u></b>	