



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Prussing and City Council Members

FROM: Elizabeth Hannan, Finance Director

DATE: July 7, 2016

SUBJECT: FY2016 Budget Amendment – Corrections to FY2016 Estimates

Introduction: Attached is an Ordinance revising the FY2016 annual budget to correct errors in estimated expenditures for the fiscal year that ended on June 30, 2016.

Discussion: When the FY2017 budget was adopted on June 6, 2016, the City Council also approved an Ordinance amending the FY2016 budget to conform to estimates provided in the proposed budget document. Due to an oversight, estimates for two line items were not entered correctly. As a result, the revisions resulted in a situation in which the budget is insufficient to cover some bills already paid and also to pay remaining bills due for FY2016. The City will continue to pay FY2016 bills until mid-August and this correction is necessary to avoid a situation in which expenditures exceed budget.

The line items affected both funds in the Public Works Department. They are funds for purchase of concrete, which would be increased by \$25,078, and funds for the multifamily recycling contract, which would be increased by \$139,235. The concrete line item is part of the General Operating Fund, and the recycling line item is part of the Home Recycling Fund.

Both of these line items will also require corrections in the FY2017 budget, since the error in the estimates were carried over into the budget year. Those corrections will be made in a separate Ordinance amending the FY2017 budget when staff begins to rebudget funds for capital projects.

Fiscal Impact: Increasing estimated FY2016 expenditures will reduce the estimated funds carried forward to FY2017 in both funds. Since total expenditures at the fund level are normally less than budget, this change is not likely to have significant impact on fund balances in the General Fund once the fiscal year is closed out. Staff will reevaluate the

Home Recycling Fund as part of developing the next annual budget, if it appears that this would result in a deficit fund balance.

Recommendation: Approve the budget amendment authorizing these adjustments to the FY2016 budget.

ORDINANCE NO. 2016-07-054

**AN ORDINANCE REVISING THE FISCAL YEAR 2015 - 2016 ANNUAL BUDGET
(Corrections to FY2016 Estimates)**

WHEREAS, the corporate authorities heretofore did approve an annual budget for the City of Urbana ("City") for the fiscal year beginning on July 1, 2015, and ending on June 30, 2016; and

WHEREAS, the corporate authorities find that the best interests of the City are served by revising the annual budget 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, the Budget Director may not make such revision under the authority so delegated to her pursuant to 65 ILCS 5/8-2-9.6 or Urbana City Code § 2-133.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

The Fiscal Year 2015 - 2016 Annual Budget, as revised, is hereby further revised as set forth in Exhibit A, which is 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.

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:

ABSTAINS:

Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

Budget Amendment 2015/16 - Exhibit A

	<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
<u>GENERAL OPERATING FUND</u>				
<u>EXPENDITURES</u>				
060-4-0620-2290 CONCRETE	<u>58,747</u>	<u>84,455</u>	<u>25,708</u>	CORRECTION - FY16 ESTIMATES
<u>TOTAL EXPENDITURES</u>	<u>32,848,916</u>	<u>32,874,624</u>	<u>25,708</u>	
<u>ENDING FUND BALANCE (ESTIMATED)</u>	<u>8,756,719</u>	<u>8,731,011</u>	<u>(25,708)</u>	
ASSIGNED - COMPUTER EQUIPMENT	<u>76,250</u>	<u>76,250</u>	<u>-</u>	
UNASSIGNED FUND BALANCE	<u>8,680,469</u>	<u>8,654,761</u>	<u>(25,708)</u>	
 <u>HOME RECYCLING FUND</u>				
<u>EXPENDITURES</u>				
G12-2-2300-3935 MULTI-FAMILY CONTRACT	75,765	215,000	139,235	CORRECTION - FY16 ESTIMATES
<u>TOTAL EXPENDITURES</u>	<u>32,848,916</u>	<u>32,988,151</u>	<u>139,235</u>	
<u>ENDING FUND BALANCE (ESTIMATED)</u>	<u>77,390</u>	<u>(61,845)</u>	<u>(139,235)</u>	