



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Prussing and City Council Members

FROM: Elizabeth Hannan, Finance Director
Sophie Pham, City Accountant

DATE: February 9, 2017

SUBJECT: FY2017 Budget Amendment – Cohen Building Development Agreement, EAB Treatment Program, and Other Items

Introduction: Attached is an Ordinance revising the FY2017 annual budget to provide for items described below.

Discussion:

Cohen Building development agreement: This agreement requires an increase of \$500,000 in the Central TIF Fund budget (T15) to reimburse the developer for eligible expenses. Since the Central TIF was created in October 2016 and will not have generated enough increment before the start of this project, a transfer of \$500,000 to the Central TIF is needed from TIF 2 (T10). The fund balance of TIF 2 will be reduced to \$859,300.

BASSET training costs: \$1,335 will be added to the General Fund budget for expenses related to the BASSET training program such as booklets and certificates. Staff expects to train 60 people per year and bring in \$2,760 in revenues, which are already budgeted.

EAB (Emerald Ash Borer) treatment program: The Arbor division has developed a cost sharing program for treating private property ash trees which are still viable. This proposal was shared with City Council in a presentation on January 9. This program requires increasing the General Fund budget by \$4,898 for seasonal staffing costs (salary and FICA) and \$4,950 for chemicals and supplies. \$5,000 will be added to General Fund revenues from cost share fees from residents. Estimated cost share for a resident would be \$7.50 per diameter inch of a tree.

Greenscapes program: \$13,541 will be deducted from the Greenscapes expenditure line item in the General Fund to address a budget error in this line.

Farmers Market expenses: At the beginning of FY2017, Economic Development activities in the ED/Market Fund (J18) such as the Build Urbana and Beringer programs were transferred to the General Fund without any supporting funds. Staff has identified that \$37,246 of the fund balance in the ED/Market Fund is not related to the Farmers Market and should be transferred to the General Fund to offset the cost of economic development activities.

Staff also requests to amend the ED/Market Fund budget for purchase of a shed for the Farmers' Market, which is estimated to cost \$4,900. The shed will be placed in a location where it will remain year-round, providing not only storage, but also a place on Market day to conduct SNAP transactions and other Market business. The purchase of this permanent structure is a one-time expense that the Market at the Square Advisory Board and Market Staff have discussed as part of the strategic plan update. Market Staff will work closely with the Building Safety Division, Public Works Department, and Lincoln Square management during the purchase and placement of this structure. The fund balance of the ED/Market Fund will be reduced to \$60,892.

Fiscal Impact: The estimated ending fund balance in the General Operating Fund after this amendment is \$8,874,525, which is about 27.15% of recurring expenditures. After adjusting for funds reserved for replacement of computer equipment and a potential repayment of hospital property tax revenues, the remaining fund balance is \$4,715,026, which is 14.42% of recurring expenditures. This is below the 15% goal established in the City's Financial Policies, and will be addressed as part of developing the budget for FY2018.

Recommendation: Approve the budget amendment authorizing these adjustments to the FY2017 budget.

ORDINANCE NO. 2017-02-007

**AN ORDINANCE REVISING THE
ANNUAL BUDGET ORDINANCE FOR FY2016/17
(Cohen Building Development Agreement, EAB Treatment Program, and Other Items)**

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2016, and ending June 30, 2017, (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 FY2016/17, 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:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, _____.

Laurel Lunt Prussing, Mayor

Budget Amendment 2016/17 - Exhibit A

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
<u>General Operating Fund</u>					
<u>Revenues</u>					
009-0-0230-0000	P.W. department reimbursements	12,000	17,000	5,000	treat private property ash trees
009-0-0480-0000	Transfer from ED/Market (J18)	-	37,246	37,246	Tfr non-market balance to Gen Fund liquor inspections
<u>Total Revenues</u>		<u>33,183,542</u>	<u>33,225,788</u>	<u>42,246</u>	
<u>Expenditures</u>					
060-2-2100-1202	Seasonal	-	4,550	4,550	staffing (est. 3 hrs for each tree)
060-2-2100-1855	FICA	19,166	19,514	348	FICA for seasonal staff
060-2-2300-3081	EAB treatment	2,100	7,050	4,950	chemicals and supplies
060-2-2300-3185	Greenscapes (revenue based)	68,867	55,326	(13,541)	correct overbudget
020-1-1300-3012	BASSET training costs	-	1,335	1,335	booklets, licenses, certs costs inspections
<u>Total Expenditures</u>		<u>36,044,582</u>	<u>36,042,224</u>	<u>(2,358)</u>	
<u>Ending Fund Balance (estimated)</u>		<u>8,829,921</u>	<u>8,874,525</u>	<u>44,604</u>	updated balance
Assigned - Computer Equipment		<u>159,499</u>	<u>159,499</u>	<u>-</u>	
Unassigned Fund Balance		<u>8,670,422</u>	<u>8,715,026</u>	<u>44,604</u>	
<u>Economic Development/Market Fund</u>					
<u>Expenditures</u>					
J18-2-1100-1102	Transfer to other funds	-	37,246	37,246	Tfr non-market fund balance to General Fund
J18-2-1400-4010	Other improvements	900	5,800	4,900	Farmers Market shed
<u>Total Expenditures</u>		<u>121,163</u>	<u>163,309</u>	<u>42,146</u>	
<u>Ending Fund Balance (estimated)</u>		<u>103,038</u>	<u>60,892</u>	<u>(42,146)</u>	
<u>TIF 2 Fund</u>					
<u>Expenditures</u>					
T10-1-4300-4015	Transfer to other funds	29,951	529,951	500,000	Tfr to Central TIF (T15) for Cohen bldg. development agreement
<u>Total Expenditures</u>		<u>2,413,629</u>	<u>2,913,629</u>	<u>500,000</u>	
<u>Ending Fund Balance (estimated)</u>		<u>1,359,300</u>	<u>859,300</u>	<u>(500,000)</u>	updated balance
<u>Central TIF Fund</u>					
<u>Revenues</u>					
T15-0-0060-0000	Tfr from TIF 2	883,280	1,383,280	500,000	Tfr from TIF 2 for Cohen building development agreement
<u>Total Revenues</u>		<u>909,702</u>	<u>1,409,702</u>	<u>500,000</u>	
<u>Expenditures</u>					
T15-1-1300-4017	Cohen Building 136 W Main	-	500,000	500,000	development incentives
<u>Total Expenditures</u>		<u>909,702</u>	<u>1,409,702</u>	<u>500,000</u>	
<u>Ending Fund Balance (estimated)</u>		<u>-</u>	<u>-</u>	<u>-</u>	