



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Prussing and City Council Members

FROM: Elizabeth Hannan, Finance Director

DATE: October 22, 2015

SUBJECT: Budget Amendment – Police Rebudgets, ARMS Budget, IAWC Fire Grant, Beringer Rebates

Introduction: Attached is an Ordinance revising the FY2015/16 annual budget to provide for items described below.

Discussion:

Police Rebudgets – These changes are for one-time equipment purchases that were expected to occur prior to June 30, 2015, but did not. The total amount of rebudgets for the Police Department is \$51,521. Expenditures include replacement of state police radios, improvements to the firing range, replacement of radar units, and other police equipment. All of these expenditures are in the Vehicle and Equipment Replacement Fund (VERF). There is no impact on fund balance, since these funds were budgeted, but not spent, in FY2015.

IAWC Fire Department Grant – Illinois American Water provides financial assistance to fire and emergency organizations in its service area through the Firefighter Grant Program. Agencies may be awarded up to \$1000 per calendar year for gear, equipment, and/or training. The Urbana Fire Department applied for and was awarded an Illinois American Water Firefighter Grant for FY 2015 in the amount of \$800. The grant funds, if approved as outlined in this budget amendment, will be used towards the purchase of a piercing nozzle system and a rehab misting device for use on the scene of fire incidents. A piercing nozzle system allows firefighters to extinguish fire in concealed areas of a building without removing drywall and other parts of a structure; the rehab misting device is used as an accessory to a fire engine's ventilation fan, turning it into a cooling unit for firefighters to quickly cool off at the scene of a fire. Revenues and expenditures in the VERF offset so that there is no impact on fund balance.

ARMS Budget – The budget for ARMS (Area-wide Records Management System) was not approved by the ARMS Policy Board until after the City's budget was adopted. The ARMS system is used to manage police records for Urbana, Champaign, Rantoul, Champaign County, and the University of Illinois. This budget amendment revises both revenues and expenditures to match the approved ARMS budget. This

includes increases in member agency contributions, including an increase of \$3,572 in the City of Urbana contribution. Additional expenditures are for hiring a temporary employee to prepare documentation related to the ARMS system.

Beringer Rebates – Because Council was required to approve a new agreement related to property tax rebates in Beringer Commons, rebates that would normally have been paid near the end of last fiscal year were not paid until the current fiscal year. That agreement was approved by the City Council on August 3, 2015 in resolution number 2015-07-035R. This will result in two annual payments this year, which requires an increase in the budget for this program. There is no impact on fund balance, since these funds were budgeted, but not spent in FY2015.

Fiscal Impact: This budget amendment reduces the estimated unassigned fund balance in the General Operating Fund by \$3,572 to \$4,677,849. However, estimates included in the budget did not anticipate the impact of the State's failure to pay certain revenues to the City as a result of the lack of a State budget. If this situation continues, the revenue shortfall in the General Operating Fund is likely to amount to at least \$1 million by end of the fiscal year.

In addition, the State stopped paying motor fuel tax revenue in August. This revenue is received into the MFT Fund to pay for transportation improvements. The estimated shortfall is about \$150,000 for August and September, and may be as much as \$900,000 by the end of the fiscal year.

Recommendation: Approve the budget amendment.

ORDINANCE NO. 2015-10-108

**AN ORDINANCE REVISING THE FISCAL YEAR 2015 - 2016 ANNUAL BUDGET
(Police Rebudgets, ARMS, IAWC Fire Grant, Beringer Rebates)**

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:

ABSENT:

ABSTAINED:

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>					
045-4-1300-3955	TFR TO ARMS - CITY CONTRIB	22,630	26,202	3,572	FINAL ARMS BUDGET - URBANA CONTRIBUTION
<u>TOTAL EXPENDITURES</u>		<u>32,795,978</u>	<u>32,799,550</u>	<u>3,572</u>	
<u>ENDING FUND BALANCE</u>		<u>4,757,671</u>	<u>4,754,099</u>	<u>(3,572)</u>	
	ASSIGNED - COMPUTER EQUIPMENT		<u>76,250</u>		
	UNASSIGNED FUND BALANCE		<u>4,677,849</u>		14.26% OF EXPENDITURES
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<u>VEHICLE & EQUIPMENT REPLACEMENT FUND</u>					
<u>REVENUES</u>					
H09-0-0068-0000	IAWC GRANT	<u>-</u>	<u>800</u>	<u>800</u>	IWAC FIRE DEPT GRANT
<u>TOTAL REVENUES</u>		<u>1,439,263</u>	<u>1,440,063</u>	<u>800</u>	
<u>EXPENDITURES</u>					
H09-1-0500-0006	STATE POLICE RADIOS	-	21,137	21,137	REBUDGET POLICE EQUIPMENT
H09-1-0500-0025	RANGE IMP / REHAB	-	7,310	7,310	REBUDGET POLICE EQUIPMENT
H09-1-0500-0092	DVD RECORDER (EVIDENCE)	-	1,117	1,117	REBUDGET POLICE EQUIPMENT
H09-1-0500-0099	MISC POLICE EQUIPMENT	-	14,517	14,517	REBUDGET POLICE EQUIPMENT
H09-1-0500-0150	OFFICER VESTS	11,730	12,425	695	REBUDGET POLICE EQUIPMENT
H09-1-0500-0152	ANIMAL CONTROL EQPT	-	1,040	1,040	REBUDGET POLICE EQUIPMENT
H09-1-0500-0156	RADAR UNITS	-	5,705	5,705	REBUDGET POLICE EQUIPMENT
H09-1-0600-0011	IAWC GRANT	<u>-</u>	<u>800</u>	<u>800</u>	IWAC FIRE DEPT GRANT
<u>TOTAL EXPENDITURES</u>		<u>1,859,879</u>	<u>1,912,200</u>	<u>52,321</u>	
<u>ENDING FUND BALANCE</u>		<u>4,298,278</u>	<u>4,298,278</u>	<u>-</u>	

ARMS FUND

REVENUES

L17-0-0010-0000	INTERGOVERNMENTAL PYMTS	111,208	123,552	12,344	FINAL ARMS BUDGET
L17-0-0020-0000	URBANA TRANSFER (045)	<u>22,630</u>	<u>26,202</u>	<u>3,572</u>	FINAL ARMS BUDGET
<u>TOTAL REVENUES</u>		<u>133,848</u>	<u>149,764</u>	<u>15,916</u>	

EXPENDITURES

L17-1-1100-1101	SALARIES - INTERN	2,886	10,656	7,770	FINAL ARMS BUDGET
L17-1-1100-1855	FICA	<u>5,195</u>	<u>5,789</u>	<u>594</u>	FINAL ARMS BUDGET
<u>TOTAL EXPENDITURES</u>		<u>136,955</u>	<u>145,319</u>	<u>8,364</u>	

ENDING FUND BALANCE 46,871 54,423 7,552

ECONOMIC DEVELOPMENT FUND

EXPENDITURES

J18-1-1055-0045	BERINGER REBATES	<u>25,000</u>	<u>50,000</u>	<u>25,000</u>	FY15 REBATES PAID IN FY16
<u>TOTAL EXPENDITURES</u>		<u>123,457</u>	<u>148,457</u>	<u>25,000</u>	

ENDING FUND BALANCE 54,226 54,226 -
