



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Prussing and City Council Members

FROM: Elizabeth Hannan, Finance Director

DATE: March 10, 2016

**SUBJECT: Budget Amendment – Meijer Development Agreement –
Final Payment**

Introduction: Attached is an Ordinance revising the FY2015/16 annual budget to provide for the final payment under an annexation agreement with Meijer, Inc.

Discussion:

Agreement: In 1995, in Ordinance 9495-65, the City Council approved an annexation agreement for the property where the Meijer, Inc. store is now located. The agreement required the City to pay to Meijer one-third of the one-percent of sales tax revenue shared with the City by the State of Illinois, after the \$1,716,423 cost of certain improvements made by the City were covered. Payments were to continue for seven years, up to a maximum of \$2 million. December 2015 was the end of the seven year period, and total payments of \$474,028 will have been made to Meijer after the final check for \$83,366 is issued at the end of the month.

Timing of Payments: The State reports detailed sales tax information to the City, but reports are provided only three times each year. Because reports were not provided timely in the recent past, one payment that would have normally been made in last fiscal year was not made until October of this year, causing this line item to exceed the budget in the current fiscal year.

Fiscal Impact: The unassigned fund balance in the General Operating Fund after this amendment will be \$6,921,434, which is 21.1% of expenditures.

Recommendation: Approve the budget amendment so that staff can make the final payment to Meijer, Inc. under the annexation agreement approved in 1995.

ORDINANCE NO. 2016-03-017

AN ORDINANCE REVISING THE FISCAL YEAR 2015 - 2016 ANNUAL BUDGET
(Meijer Development Agreement - Final Payment)

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>				
095-1-1300-3064 PAYMENTS DEV AGREEMENTS	<u>165,000</u>	<u>196,840</u>	<u>31,840</u>	MEIJER AGREEMENT - FINAL PAYMENT
<u>TOTAL EXPENDITURES</u>	<u>32,848,916</u>	<u>32,880,756</u>	<u>31,840</u>	
<u>ENDING FUND BALANCE (ESTIMATED)</u>	<u>7,029,524</u>	<u>6,997,684</u>	<u>(31,840)</u>	
ASSIGNED - COMPUTER EQUIPMENT	<u>76,250</u>	<u>76,250</u>	<u>-</u>	
UNASSIGNED FUND BALANCE	<u>6,953,274</u>	<u>6,921,434</u>	<u>(31,840)</u>	