



**CITY OF URBANA, ILLINOIS  
FINANCE DEPARTMENT**

**MEMORANDUM**

**TO:** Mayor Prussing and City Council Members

**FROM:** Elizabeth Hannan, Finance Director

**DATE:** January 21, 2016

**SUBJECT: Budget Amendment – Marketing Enterprise Zone, Workers Comp Claim, and Sister Cities Program Expense**

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

**Discussion:**

**Marketing Enterprise Zone:** The City's new enterprise zone (EZ) was approved by the State effective January 1, 2016. The EZ offers incentives to encourage new residential and commercial development in the City. Ultimately, the EZ should result in increased property assessments in the City, increasing the tax base and reducing the burden on individual taxpayers. To best leverage the program, the Mayor recommends spending \$14,000 on various marketing activities including a realtor's bus tour, an annual residential developer's meeting, advertising, and marketing materials (including designing a logo and materials, and printing).

**Workers Comp Claim:** The City expects to pay a fairly large workers comp claim, which will increase expenditures beyond the budgeted amount. After extensive review, staff and the Mayor believe that this settlement is in the City's best interest. The budget in the Retained Risk Fund would be increased by \$155,000 to allow for this payment. This results in an estimated ending fund balance that is a deficit of about \$50,000. Additional funds are available in the Retained Risk Reserve Fund, if needed, but the Finance Director recommends not transferring funds at this time, since other expenditures may be under budget offsetting this increased expense. If needed, funds can be transferred from the Retained Risk Reserve Fund at the end of the fiscal year.

**Sister City Program:** At a January 13 meeting, the Sister City Committee asked the Finance Director to amend the budget to allow for expenditure of remaining funds. This will allow for payment of remaining expenditures for hotel rooms for visitors from Thionville, France, as well as other expenditure related to the Sister City Program.

**Other Items:** A \$350 donation for overtime in the Fire Department would be included in budget revenues and overtime expenditures would be increased accordingly.

**Fiscal Impact:** The unassigned fund balance in the General Operating Fund after this amendment will be \$6,968,634, which is 21.2% of expenditures.

**Recommendation:** Approve the budget amendment.

**ORDINANCE NO. 2016-01-005**

**AN ORDINANCE REVISING THE FISCAL YEAR 2015 - 2016 ANNUAL BUDGET  
(Marketing Enterprise Zone, Workers Comp Claim, and Misc. Items)**

**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 \_\_\_\_\_, \_\_\_\_\_.

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Laurel Lunt Prussing, Mayor

**Budget Amendment 2015/16 - Exhibit A**

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
<b><u>GENERAL OPERATING FUND</u></b>					
<b><u>REVENUES</u></b>					
009-0-0210-0000		<u>20,000</u>	<u>20,350</u>	<u>350</u>	FIRE OT REIMBURSEMENT
<b><u>TOTAL REVENUES</u></b>		<u>33,823,417</u>	<u>33,823,767</u>	<u>350</u>	
<b><u>EXPENDITURES</u></b>					
090-1-2030-3500	MARKETING	-	14,000	14,000	MARKETING NEW EZ
050-1-1100-1300	OVERTIME	<u>353,974</u>	<u>354,324</u>	<u>350</u>	FIRE OT REIMBURSEMENT
<b><u>TOTAL EXPENDITURES</u></b>		<u>32,819,206</u>	<u>32,833,556</u>	<u>14,350</u>	
<b><u>ENDING FUND BALANCE (ESTIMATED)</u></b>		<u>7,058,884</u>	<u>7,044,884</u>	<u>(14,000)</u>	
ASSIGNED - COMPUTER EQUIPMENT		<u>76,250</u>	<u>76,250</u>	<u>-</u>	
UNASSIGNED FUND BALANCE		<u>6,982,634</u>	<u>6,968,634</u>	<u>(14,000)</u>	
<b><u>SISTER CITY GRANT FUND</u></b>					
<b><u>EXPENDITURES</u></b>					
J12-1-1300-3000	SISTER CITY COSTS	<u>3,500</u>	<u>4,370</u>	<u>870</u>	SISTER CITY COSTS
<b><u>TOTAL EXPENDITURES</u></b>		<u>3,500</u>	<u>4,370</u>	<u>870</u>	
<b><u>ENDING FUND BALANCE (ESTIMATED)</u></b>		<u>870</u>	<u>-</u>	<u>(870)</u>	
<b><u>RETAINED RISK FUND</u></b>					
<b><u>EXPENDITURES</u></b>					
R09-1-0500-0000	WORK COMP BENEFIT PYMTS	<u>150,000</u>	<u>305,000</u>	<u>155,000</u>	WORK COMP CLAIM
<b><u>TOTAL EXPENDITURES</u></b>		<u>859,100</u>	<u>1,014,100</u>	<u>155,000</u>	
<b><u>ENDING FUND BALANCE (ESTIMATED)</u></b>		<u>104,384</u>	<u>(50,616)</u>	<u>(155,000)</u>	