



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Prussing and City Council Members

FROM: Elizabeth Hannan, Finance Director

DATE: February 18, 2016

SUBJECT: Budget Amendment – PSEBA Benefits, Bond Proceeds, Parking Fund Rebudgets, Gas Masks

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

Discussion:

PSEBA Benefits: Since 1997, the Illinois Public Safety Employee Benefits Act (PSEBA) has required the City to provide health insurance benefits for public safety employees who suffer a catastrophic injury or death in the line of duty. The City is required to provide these benefits for the employee's lifetime; for dependent spouses for the spouse's lifetime; and for dependent children until the end of the calendar year in which they reach the age of twenty-five, if they continue to be dependent on the parent for support.

The City is currently providing PSEBA benefits for two former Police Officers. However, no funds have ever been budgeted for this purpose. It appears that instead, the costs were spread across a number of health insurance line items City-wide, where the cost was not apparent. This cost should be budgeted and accounted for as a Police Department expense in the General Operating Fund. The Finance Director recommends budgeting \$15,360 for this expenditure in the current fiscal year.

Rebudgeting Capital Improvements in the Parking Fund: Two line items were overlooked when rebudgeting funds for capital improvement projects. A total of \$242,567 would be rebudgeted for two lighting projects in the parking fund.

Bond Proceeds for Boneyard Creek: At the end of last fiscal year, there was \$2,446.84 remaining in the Boneyard Project Fund, which received proceeds from bonds issued to

finance the construction in 2014. Staff had anticipated that all bond proceeds would be spent by the end of the fiscal year and did not budget for any expenditure in the current fiscal year. Therefore, to spend remaining bond proceeds, the budget will be amended to increase expenditures by \$2,447, exhausting all remaining funds.

Gas Masks for Police Department: The Police Department will accelerate replacement of fifteen gas masks in the Vehicle and Equipment Replacement Fund by one year in order to take advantage of a \$1,500 discount available for trade-ins. The usual price is \$350 each, for a total of \$5,250. Purchasing the gas masks while the discount is available allows the City to purchase them for \$250 each, or a total of \$3,750. This discount is available only until May 1.

Fiscal Impact: The unassigned fund balance in the General Operating Fund after this amendment will be \$6,953,274, which is 21.2% of expenditures.

Recommendation: Approve the budget amendment.

ORDINANCE NO. 2016-02-012

**AN ORDINANCE REVISING THE FISCAL YEAR 2015 - 2016 ANNUAL BUDGET
(PSEBA Benefits, bond proceeds, Parking Fund rebudgets, gas masks)**

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>					
045-2-1100-1801	PSEBA BENEFITS	-	<u>15,360</u>	<u>15,360</u>	BUDGET PSEBA BENEFITS FOR ELIGIBLE EMPLOYEES
<u>TOTAL EXPENDITURES</u>		<u>32,833,556</u>	<u>32,848,916</u>	<u>15,360</u>	
<u>ENDING FUND BALANCE (ESTIMATED)</u>		<u>7,044,884</u>	<u>7,029,524</u>	<u>(15,360)</u>	
	ASSIGNED - COMPUTER EQUIPMENT	<u>76,250</u>	<u>76,250</u>	<u>-</u>	
	UNASSIGNED FUND BALANCE	<u>6,968,634</u>	<u>6,953,274</u>	<u>(15,360)</u>	
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<u>VEHICLE AND EQUIPMENT REPLACEMENT FUND</u>					
<u>EXPENDITURES</u>					
H09-1-0500-0154	GAS MASKS	-	<u>3,750</u>	<u>3,750</u>	PURCHASE GAS MASKS AT DISCOUNT
<u>TOTAL EXPENDITURES</u>		<u>644,012</u>	<u>647,762</u>	<u>3,750</u>	
<u>ENDING FUND BALANCE (ESTIMATED)</u>		<u>4,480,159</u>	<u>4,476,409</u>	<u>(3,750)</u>	
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<u>PARKING FUND</u>					
<u>EXPENDITURES</u>					
N09-1-0600-0012	PARKING LIGHTING IMPR.	-	<u>180,372</u>	<u>180,372</u>	REBUDGET REMAINING FUNDS
N09-1-0600-0027	CAMPUS AREA LIGHT IMPR.	-	<u>242,567</u>	<u>242,567</u>	REBUDGET REMAINING FUNDS
<u>TOTAL EXPENDITURES</u>		<u>1,970,478</u>	<u>2,213,045</u>	<u>242,567</u>	
<u>ENDING FUND BALANCE (ESTIMATED)</u>		<u>1,587,385</u>	<u>1,344,818</u>	<u>(242,567)</u>	
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<u>BONEYARD PROJECT FUND</u>					
<u>EXPENDITURES</u>					
T13-1-1400-4000	BONEYARD PROJECT COSTS	-	<u>2,447</u>	<u>2,447</u>	SPEND REMAINING BOND PROCEEDS FOR BONEYARD PROJECT
<u>TOTAL EXPENDITURES</u>		<u>-</u>	<u>2,447</u>	<u>2,447</u>	
<u>ENDING FUND BALANCE (ESTIMATED)</u>		<u>2,447</u>	<u>-</u>	<u>(2,447)</u>	