



Legislation Text

File #: 21-0257, Version: 1

TO: Mayor Richard C. Irvin, Mayor

FROM: Martin S. Lyons, Chief Financial Officer/City Treasurer
Stacey L. Peterson, Director of Financial Operations

DATE: April 22, 2021

SUBJECT:

An Ordinance Amending the Annual Budget for the Fiscal Year Beginning January 1, 2020 and Ending December 31, 2020 (Amendment #1 for the 2020 Fiscal Year)

PURPOSE:

To obtain the City Council's approval of a proposed amendment to the 2020 City Budget.

BACKGROUND:

Pursuant to 65 ILCS 5/8-2-9.1 through 9.10, the City of Aurora operates under the budget system of government finance. The City Council adopted the 2020 budget on December 10, 2019 through the passage of Ordinance No. O19-092.

While the city attempts to anticipate all potential expenditures for a fiscal year when that year's budget is developed, circumstances occasionally arise that require expenditures that were not contemplated in the original financial plan. 65 ILCS 5/8-2-9.6 permits a municipality operating under the budget system to amend its annual budget by a two third's vote of its governing body.

The COVID-19 Pandemic and civil unrest incidents presented unique challenges to resource allocation (budgeting) throughout the fiscal year. Some funds such as Motor Vehicle Parking System and Transit were hit very hard by the pandemic and other funds such as the General Fund and Water Funds weathered the pandemic in a stable fashion. The following information explains how each account/fund is amended to show changes in revenues and expenses to account for such items as the receipt of CARES Act Funding and the necessary usages of this funding both in the General Fund and through subsequent transfers to other funds that required support due to lost revenues in fiscal year 2020.

DISCUSSION:

The attached, proposed ordinance, including its Exhibit A, would provide for certain changes in the 2020 City Budget. Below is an explanation for each change. The item numbers discussed below correspond to the item numbers assigned to each change detailed in Exhibit A.

Item 1: Grants-Local Government/Cares Act, General Fund (Revenue Increases of \$11,000,000).

These items adjust the budget to account for the COVID-19 grant funding from the Cares Act.

Items 2 and 22: Grants/Other, General Fund (Offsetting Revenue and Expenditure Increase of \$1,000,000). These items adjust the budget to account for the COVID-19 grant for winterization and expansion for capacity at Hesed House.

Items 3 and 23 through 30: HOME Program (Offsetting Revenue and Expenditure Increases Totaling \$2,251,000). These items adjust the budget for the actual annual HOME Program allocation to the city. At the time the 2020 budget was prepared we did not have final allocation information. The amounts included in the original 2020 budget reflected only an estimate of the allocation.

Items 4 and 31 through 34: ESG Program (Offsetting Revenues and Expenditures Increases Totaling \$902,100). These items adjust the budget for the COVID-19 CDBG funding allocation to the city.

Items 5 and 35 through 41: Block Grant Fund (Offsetting Revenues and Expenditures Increases Totaling \$1,870,200). These items adjust the budget for the actual annual CDBG Program allocation to the city. At the time the 2020 budget was prepared, we did not have final allocation information. The amounts included in the original 2020 budget reflected only an estimate of the allocation.

Items 6 and 43: Economic Development, TIF #14 Lincoln/Weston Fund (Offsetting Revenue and Expenditure Increases \$1,500,000). These items are associated with the old Copley redevelopment project.

Items 7 and 44: Economic Development, TIF # 4 Bell Gale Fund (Offsetting Revenue and Expenditure Increase of \$29,200). These items adjust the budget for the payment of an economic development agreement.

Items 8 and 47: Economic Development, Business District Tax Fund (Offsetting Revenue and Expenditure Increase of \$97,800). These items adjust the budget for the actual revenue received for the newly created business district and the payment of an economic development agreement.

Items 9 and 49: Route 25 Transit Center, 2017 GO Bond Fund (Offsetting Revenue and Expenditure Increase of \$506,000). These items adjust the budget to account for the grant received for the pedestrian bridge /Route 25 capital project.

Items 10 through 13 and 50 through 59: Debt Service Fund (Revenue increase of \$923,200 and Expenditure Increase Totaling \$757,000). Items 10 through 13 and items 50 through 53 are offsetting for the adjust to the library's general obligation bonds (\$923,200). Items 54 through 59 adjust the budget to reflect the removal of the 2009A and 2009B principal and interest payments and adding the 2019 bond principal and interest payments. In 2019 the Series 2009A and 2009B bonds were refunding by the 2019 GO bonds. The 2020 budget was completed before the 2019 GO Bond issue.

Items 14 and 18: Transfer from General Fund to MVPS Fund (\$400,000). These items provide resources to the MVPS fund to cover costs and loss of revenue due to the Covid-19 pandemic.

Items 15 and 19: Transfer from General Fund to Transit Centers Fund (\$1,100,000). These items provide resources to the MVPS fund to cover costs and loss of revenue due to the COVID-19 pandemic.

Items 16 and 21: Transfer from General Fund to Employee Health Insurance Fund (\$1,000,000). These items provide resources to the Employee Health Insurance Fund to cover costs for health insurance.

Items 17 and 20: Transfer from General Fund to Water and Sewer Fund (\$1,000,000). These items provide resources from the Cares Act funding to the Water and Sewer Fund to assistance with COVID-19 delinquencies.

Items 42: Economic Development, TIF #13 River/Galena Fund (Expenditure Increases \$14,000). These are associated with the Hobbs redevelopment project. (Consulting Fee)

Items 45 and 46 Economic Development, TIF #8 Fund (Expenditure Increase of \$347,600). The first item is for the TIF redistribution and the other item is for an economic development agreement.

Item 48: SSA#24 Eagle Point Fund (Expenditure Increase Totaling \$5,400). This item adjusts the budget to account for additional expenditures during 2020.

Item 60: Fire Pension Fund (Expenditure Increase Totaling \$560,100). This item adjusts the budget to account for pensions during 2020 that were higher than expected.

Item 61: Police Pension Fund (Expenditure Increase Totaling \$520,000). This item adjusts the budget to account for pensions during 2020 that were higher than expected.

If the proposed budget amendment is approved, budgeted expenditures in the 2020 budget will increase from \$462,178,913 to \$476,039,313. Amended revenues for the 2020 budget will increase from \$436,172,284 to \$459,751,784. As such, no additional tax dollars or revenues collected at a local level were changed/increased to financially manage through the pandemic through the end of 2020. Further, actual expenses in 2020 based on unaudited numbers are \$185,725,476 in the General Fund, which is \$14,358,696 below the amended budget and total expenses across all City funds are \$359,315,609 which is \$116,723,704 below the amended total budget of \$476,039,313.

IMPACT STATEMENT:

N/A

RECOMMENDATIONS:

That the City Council adopt the attached, proposed ordinance that would effect Amendment #1 to the 2020 City Budget.

cc: Robert J. O'Connor, Alderman
Carl Franco, Alderman
Edward Bugg, Alderman
Scheketa Hart-Burns, Alderman

Emmanual Llamas, Alderman
Alex Alexandrou, Chief Management Officer
Richard Veenstra, Corporation Counsel
Jennifer Stallings, City Clerk



CITY OF AURORA, ILLINOIS

ORDINANCE NO. _____
DATE OF PASSAGE _____

An Ordinance Amending The Annual Budget For The Fiscal Year Beginning January 1, 2020 and Ending December 31, 2020 (Amendment #1 For The 2020 Fiscal Year).

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the City Council approved Ordinance No. O99-96 on November 9, 1999 adopting the budget system of finance for the City in lieu of the appropriation system in accordance with 65 ILCS 5/8-2-9.1 et. seq. and Code Section 2-312(a); and

WHEREAS, the City Council approved Ordinance No. O19-092 on December 10, 2019 adopting an annual budget for the City of Aurora for the fiscal year beginning January 1, 2020 and ending December 31, 2020; and

WHEREAS, the City of Aurora deems that it is necessary to incur certain expenditures during its 2020 fiscal year that were unanticipated at the time the annual budget for 2020 was adopted but are necessary so as to ensure the protection of the public health, safety, morals, and welfare; and

WHEREAS, the City of Aurora, in an exercise of its home rule powers, desires to amend its annual budget for the fiscal year beginning January 1, 2020 and ending December 31, 2020 so as to provide for the incurrence of said expenditures that were unanticipated at the time the annual budget was adopted; and

WHEREAS, adequate monies are available in the City treasury to pay said unanticipated expenditures.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Aurora, Illinois, as follows:
SECTION 1: That the annual budget of the City of Aurora for the fiscal year beginning January 1, 2020 and ending December 31, 2020 is amended as shown in the attached Exhibit A.

SECTION 2: That this ordinance shall be in full force and effect, and shall be controlling upon its passage and approval.

SECTION 3: That all ordinances or parts of ordinances thereof in conflict herewith are hereby repealed to the extent of any such conflict.

SECTION 4: That any Section or provision of this ordinance that is construed to be invalid or void shall not affect the remaining Sections or provisions, which shall remain in full force and effect thereafter.