



Legislation Text

File #: 22-0277, Version: 1

TO: Mayor Richard C. Irvin, Mayor

FROM: Christopher A. Minick, Chief Financial Officer/City Treasurer
Stacey L. Peterson, Director of Financial Operations

DATE: April 4, 2022

SUBJECT:

An Ordinance Amending the Annual Budget for the Fiscal Year Beginning January 1, 2021 and Ending December 31, 2021 (Amendment #2 for the 2021 Fiscal Year)

PURPOSE:

To obtain the City Council's approval of a proposed amendment to the 2021 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 2021 budget on December 8, 2020 through the passage of Ordinance No. O20-106.

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 City Council approved a previous amendment to the 2021 City Budget on July 13, 2021.

DISCUSSION:

The attached, proposed ordinance, including its Exhibit A, would provide for certain changes in the 2021 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.

Items 1 through 2 and 17 through 23: HOME Program (Offsetting Revenue and Expenditure Increases Totaling \$5,663,200). These items adjust the budget for the actual annual HOME Program allocation and the additional HOME ARP allocation to the city. At the time the 2021 budget was prepared, we did not have final allocation information. The amounts included in the original 2021 budget reflected only an estimate of the allocation.

Items 3 and 24 through 28: ESG Program (Offsetting Revenues and Expenditures Increases Totaling \$546,800). These items adjust the budget for the COVID-19 CDBG funding allocation to the city.

Items 4 and 29 through 35: Block Grant Fund (Offsetting Revenues and Expenditures Increases Totaling \$2,470,200). These items adjust the budget for the actual annual CDBG Program allocation to the city. At the time the 2021 budget was prepared, we did not have final allocation information. The amounts included in the original 2021 budget reflected only an estimate of the allocation.

Items 5 and 6: Economic Development, TIF #14 Lincoln/Weston Fund (Revenue increase of \$40,000). These items adjust the budget to account for the general obligation bonds issued for the Old Copley economic development project.

Items 7 and 36: Economic Development, TIF # 4 Bell Gale Fund (Offsetting Revenue and Expenditure Increase of \$2,900). This item provides for the payment of redevelopment costs for the Bell Gale project for which the developer qualified for reimbursement under Resolution No. R12-239. Adequate fund balance was available in the fund to cover the costs.

Items 8 and 37: Economic Development, Business District Tax Fund (Revenue Increase by \$96,700 and Expenditure Increase of \$97,300). These items adjust the budget for the actual revenue received for the business district and the payment of an economic development agreement.

Items 9 through 12 and 38 through 41: Debt Service Fund (Offsetting Revenue and Expenditure Increase of \$1,216,550). These items adjust the budget to account for a GO bonds the city is obligated to pay on behalf of the library.

Item 13: Salaries/Overtime, Fire Department, General Fund (Expenditure Increase of \$893,00). This item provides for overtime costs that were greater than expected. The higher costs are generally attributable to having more firefighters in paramedic school and on sick leave. Also, more firefighters submitted their compensatory time for pay.

Items 14 through 15: Equipment Services Fund - Salary and Pension Costs (Expenditure Increases Totaling \$83,200). These items serve to adjust the budget for auto part services and supplies for equipment repair costs that were greater than expected during the year.

Item 16: Sanitation Fund (Expenditure Increases Totaling \$66,500). This item serves to adjust the budget for slightly higher than expected costs associated with community refuse disposal services (i.e., recycling and other services supported by the environmental refuse disposal fee).

Item 42 through 44: Property & Casualty Fund - Liability Claims (Expenditure Increase Totaling \$1,910,000). This item serves to adjust the budget for the payment of costs associated with general liability claims that were higher than expected during 2021. Adequate monies were available in the fund for the claims. In 2021 the city received approximately \$750,000 in cost recovery from Insurance.

Item 45: Employee Health Insurance Fund (Expenditure Increasing Totaling \$ 900,000). The increase is due to the number of employees moving to the high deductible plan.

Item 46: Pension - Regular, Police Pension Fund (Expenditure Increase Totaling \$980,000). This item provides resources to cover the cost of regular service pensions during 2021 that was greater than expected. The investments for the Police Pension Fund performed well in 2021.

Item 47: Pension - Regular, Fire Pension Fund (Expenditure Increase Totaling \$143,000). This item provides resources to cover the cost of regular service pensions during 2021 that was greater than expected. The investments for the Fire Pension Fund performed well in 2021.

Items 48 through 49: Retiree Health Insurance Trust Fund - Health -Indemnity/PPO (Expenditure Increase Totaling \$1,030,700). This item serves to adjust the budget for the payment of costs associated with the medical insurance claims that were higher than expected during 2021. Adequate monies were available in the fund for the payment of the claims.

If the proposed budget amendment is approved, budgeted expenditures in the 2021 budget will increase from \$450,798,719 to \$466,802,069.

IMPACT STATEMENT:

N/A

RECOMMENDATIONS:

That the City Council adopt the attached, proposed ordinance that would effect Amendment #2 to the 2021 City Budget.

cc: Finance Committee



CITY OF AURORA, ILLINOIS

ORDINANCE NO. _____

DATE OF PASSAGE _____

An Ordinance Amending The Annual Budget For The Fiscal Year Beginning January 1, 2021 and Ending December 31, 2021 (Amendment #2 For The 2021 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. O20-106 on December 8, 2020 adopting an annual budget for the City of Aurora for the fiscal year beginning January 1, 2021 and ending December 31, 2021; and

WHEREAS, the City Council approved Ordinance No. O21-037 on July 13, 2021 adopting an annual budget for the City of Aurora for the fiscal year beginning January 1, 2021 and ending December 31, 2021; and

WHEREAS, the City of Aurora deems that it is necessary to incur certain expenditures during its 2021 fiscal year that were unanticipated at the time the annual budget for 2021 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, 2021 and ending December 31, 2021 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, 2021 and ending December 31, 2021 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.