

DATE: May 23, 2018

TO: Honorable Mayor Jerry Smith
City Council

FROM: Patty Hoppenstedt, Interim City Manager
Tim Holdeman, Public Works Director
Bryan Faivre, Assistant Public Works Director

SUBJECT: Amending the Fiscal Year-End December 31, 2018 Budget. (First Reading)

I. Summary

At the April 9, 2018, Regular City Council meeting, Council approved design engineering for several Community Development Block Grant (CDBG) funded road resurfacing improvements along Harvey, Charter and Tyler Streets. Staff has recently learned that although these improvements were budgeted for and approved as part of the CDBG Housing and Urban Development (HUD) Budget, they were not carried over and included in the City's FY2018 Budget for Council approval. Staff is requesting approval of an amendment to the FY2018 Budget to include the \$440,000 CDBG funding so that these projects may continue as planned.

II. Background

The Public Works Department has identified several roadway and sidewalk capital improvements within the approved CDBG funding area. The capital improvements include pavement milling and resurfacing along Harvey, Tyler and Charter Streets between the area of South Fourth Street and South Seventh Street. These streets were chosen based on multiple factors including surface and subsurface pavement conditions along with their location within the approved CDBG funding area. In addition, ADA compliant sidewalk ramp improvements are planned along South Sixth Street between Culver and Charter Streets.

The planned improvements were budgeted for and approved as part of the CDBG HUD Budget, but they were inadvertently left out of the City's FY2018 Budget and therefore, have not been approved by Council. The projects were also included in the CDBG Action Plan that was presented to Council by CDBG Coordinator Joanne Rouse and approved by Council at their April 23, 2018, Regular meeting.

Because the project is entirely funded through CDBG, there would be an equal amendment to both the revenue and expenditure side of the budget. Under revenues, CDBG line item 19-00-00-005-3310 (Federal Grants) would show an increase of

\$440,000. Under expenditures, line item 19-00-00-650-8632 (Street Maintenance) would show an expense of \$440,000, creating a net zero to the FY2018 Budget. Staff is requesting approval of an amendment to the FY2018 Budget to include the \$440,000 CDBG funding so that the projects outlined above may continue as planned. If approved, work is expected to begin in late summer or early fall of 2018.

III. Community Groups/Interested Parties Contacted

This item is anticipated to be discussed at the May 29, 2018, Regular City Council meeting to provide an opportunity for public input.

IV. Legal Impact

Because the planned CDBG revenues and expenditures were excluded from the adopted FY2018 Budget, an amendment to the budget is necessary. A budget amendment requires a super majority of at least six (6) votes.

V. Financial Impact

The projects outlined above are entirely funded through CDBG and therefore, require an equal amendment to both the revenue and expenditure side of the budget. Under revenues, CDBG line item 19-00-00-005-3310 (Federal Grants) would show an increase of \$440,000. Under expenditures, line item 19-00-00-650-8632 (Street Maintenance) would show an expense of \$440,000, creating a net zero to the FY2018 Budget.

VI. Options

1. Amend the Fiscal Year-End December 31, 2018 (FY2018) Budget as outlined above.
2. Do not authorize an amendment to the Fiscal Year-End December 31, 2018 (FY2018) Budget.

VII. Recommendation

It is recommended to amend the Fiscal Year-End December 31, 2018 (FY2018) Budget as outlined above.



ORDINANCE 2018-

**AMENDING THE FISCAL YEAR-END DECEMBER 31,
2018 BUDGET OF THE CITY OF DEKALB, ILLINOIS.**

BE IT ORDAINED BY THE CITY COUNCIL of the City of DeKalb, Illinois, as follows:

Section 1: That, the City of DeKalb, which utilizes the Budget Process as contemplated by Article 8, Division 2 of the Illinois Municipal code including but not limited to 65 ILCS 5/8-2-9.1 through 65 ILCS 5/8-2-9.10, adopts an amendment to its FY2018 Budget, as shown below:

<u>CDBG Fund</u>	<u>Account Number</u>	<u>Increase/(Decrease)</u>	<u>Revised Budget</u>
Street Maintenance	19-00-00-650-8632	(\$440,000)	\$440,000
Federal Grants	19-00-00-005-3310	\$440,000	\$457,970

Section 2: That each section, paragraph, sentence, clause and provision of this Ordinance is separable and if any provision is held unconstitutional or invalid for any reason, such decision shall not affect the remainder of this ordinance, nor any part thereof, other than that part affected by such decision.

Section 3: Upon its passage and approval according to law, this Ordinance shall by authority of the City Council be published in pamphlet form.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting thereof held on the ___ day of _____ 2018, and approved by me as Mayor on the same day.

ATTEST:

SUSANNA HERRMANN, City Clerk

JERRY SMITH, Mayor