

**City of Champaign**  
**Proposed FY10/11 Financial Plan**

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*Maintaining Services*  
*in the Face of Declining Revenues*



# Recap of Budget Balancing Measures for FY 09/10

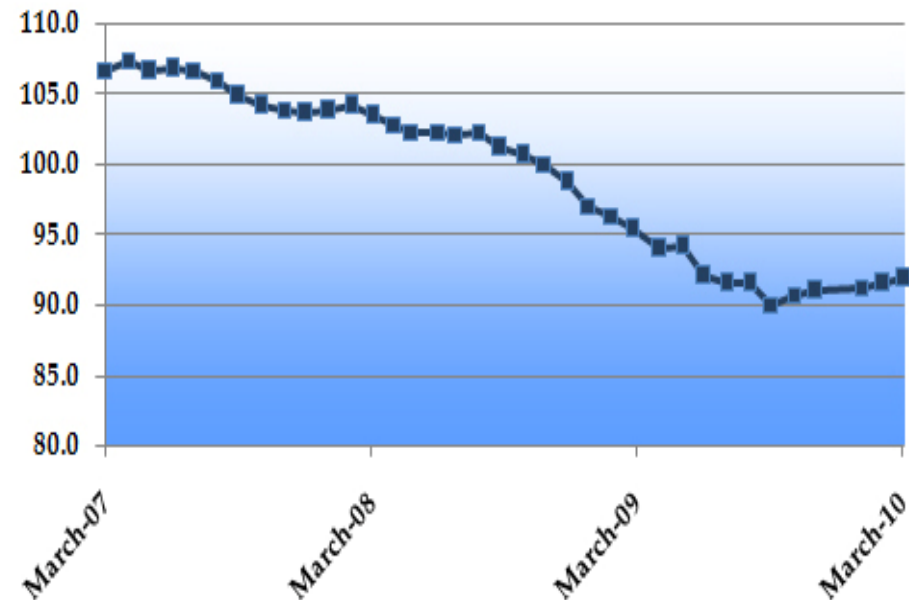
- Total Gap of \$6 M
- Expenditure Reductions of \$2.5 M
  - 19 vacant positions eliminated
  - Positions that remain unfunded:
    - 3 Police Officer Positions
    - 3 Firefighter Positions (grant funded)
- Reallocation of Resources \$2.8 M
  - Cut infrastructure improvements \$2 M
- Revenue Increases \$1 M



# Economic Outlook

- Local economy continues to decline
- Local unemployment increased to 9.5%
- U of I Flash Index - gradual increase since 26yr low in Sept. 2009, but economy still retracting

University of Illinois Flash Index  
March 2010

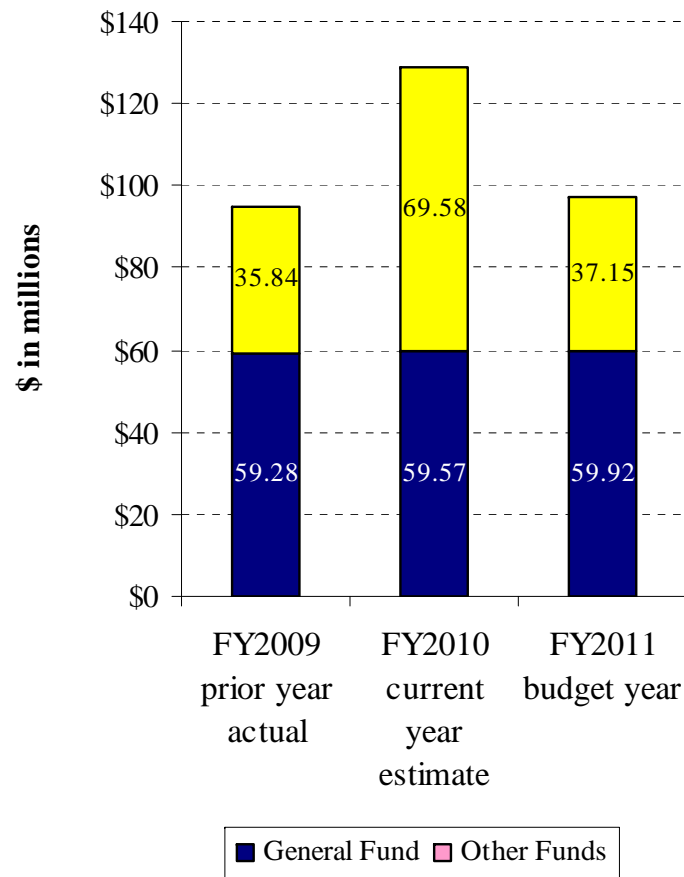


The Flash Index is a measure of future economic activity (100 = no growth)  
Analysis by the Institute of Government and Public Affairs, University of Illinois

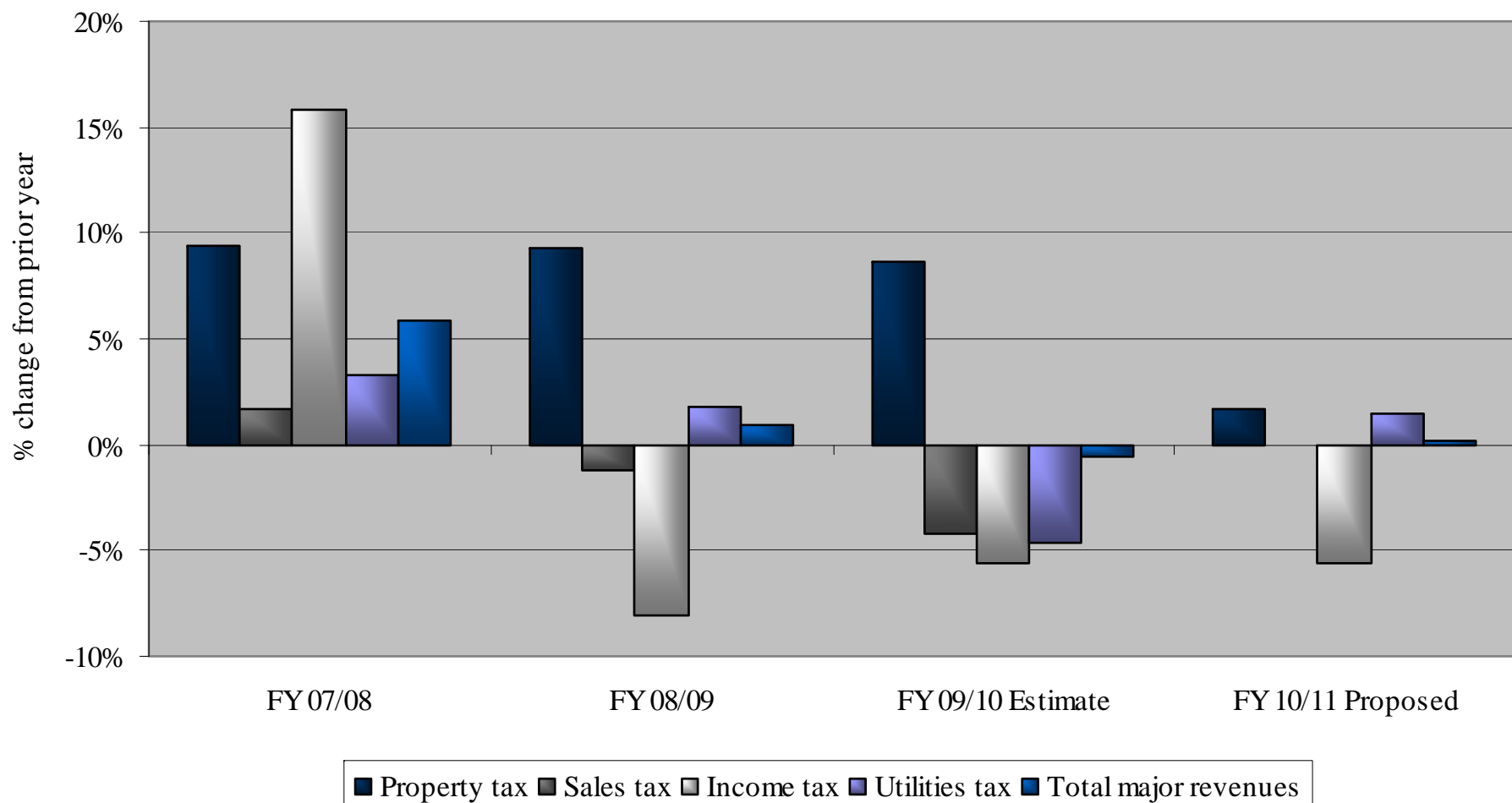


# Revenue Outlook

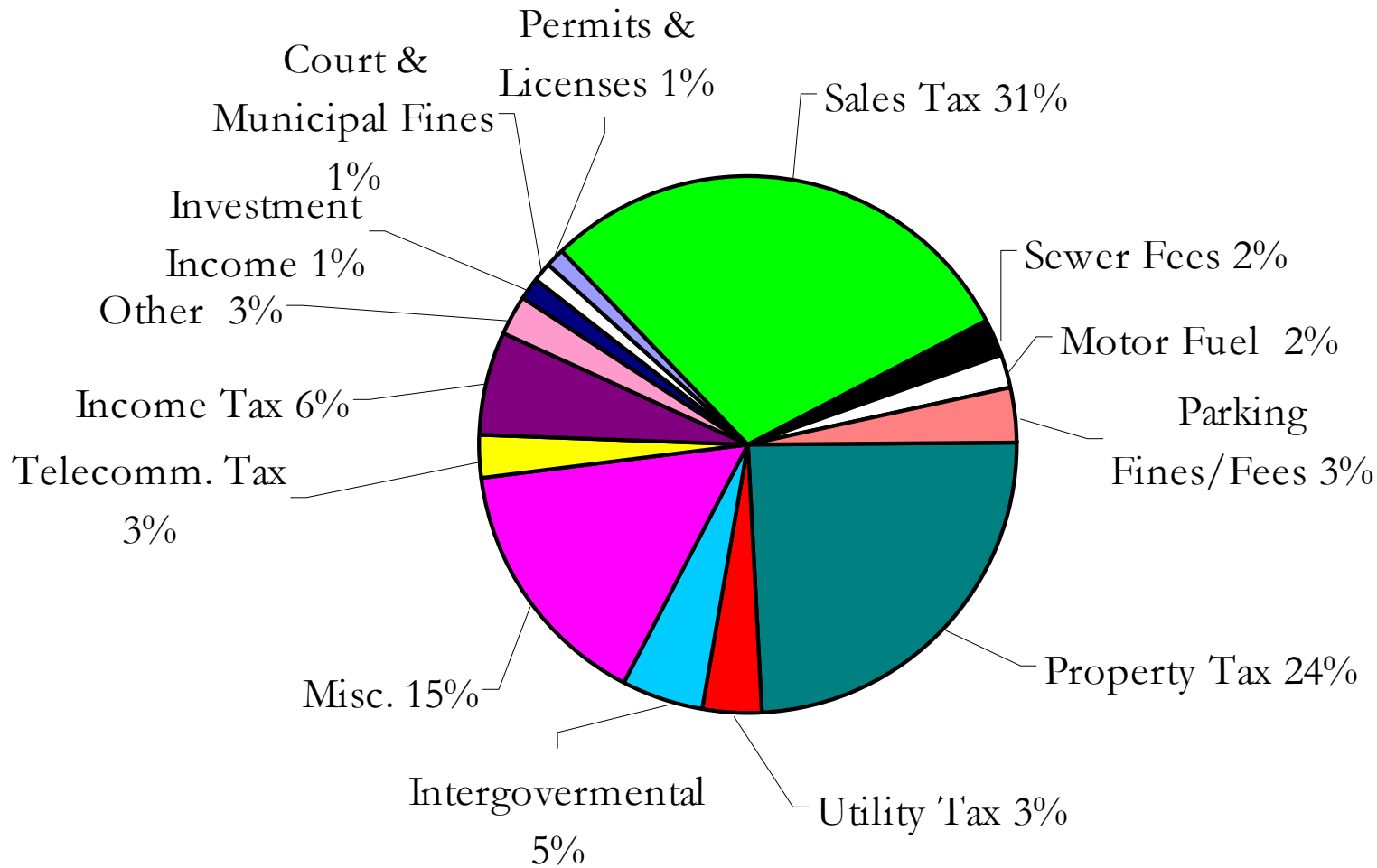
- City's Largest revenue source – Sales Tax
  - Dropped 5.5% in current year
- Income Tax is down 13%
  - State is 4 months late in payments
- Property Tax increased 0.47%
  - Average in recent years 7%
- Most other major revenues are flat or declining
- Same revenue levels as FY05/06



## Change in Key Revenues (All Funds)



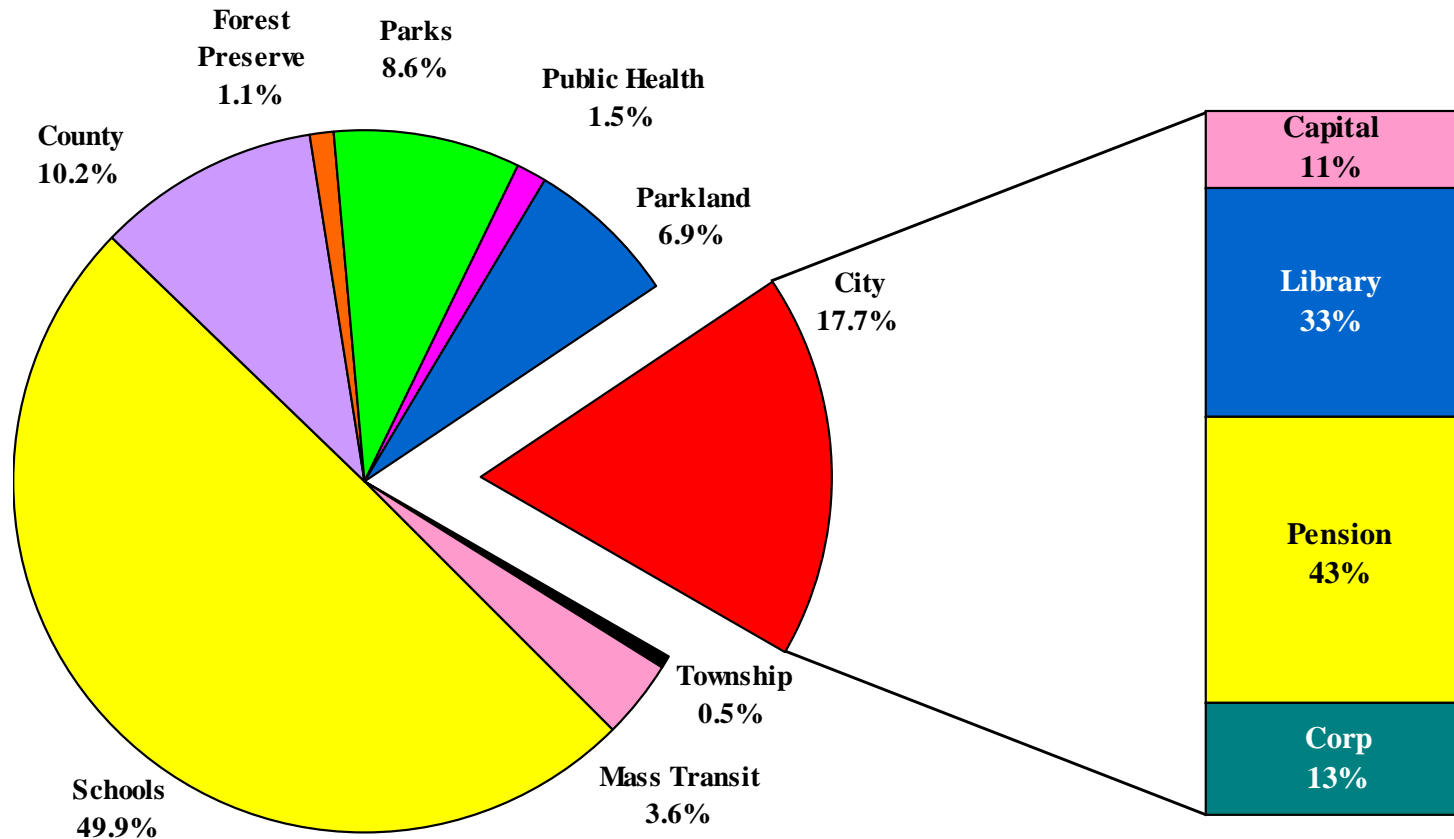
# Revenues - All Funds by Source



**Total Revenues  
\$97 million**



# Property Tax Levy (taxing districts – 2009 data)



**2009 City tax rate \$1.2942**  
**2009 levy \$19.93 million**



# Key Points

- Maintain excellent quality core services
- Balancing strategy: \$2.5 M through expenditure reductions, reallocation of resources, and no new revenue proposals
- Depth of reductions affecting service levels
- Continual monitoring of revenues and expenditures throughout the fiscal year



# Proposed Balancing Measures

- \$1.3 million in General Fund budget cuts (\$537,000 recurring and \$737,000 one-time)
- One-time \$890,000 reallocation of Vehicle Replacement Fund balance to the General Fund
- One-time reimbursement of \$318,000 from tentative franchise agreement
- 2<sup>nd</sup> year of 5-year Liquor License Fee increases of \$28,000; plus \$72,000 anticipated over the following three years



# Proposed Reductions FY10/11

- 6.066 positions eliminated or reduced
  - 2 Public Works Maintenance Workers
  - 1 Neighborhood Services Community Development Specialist
  - 1 Public Works Civil Engineer
  - .50 NSD Rehab Technician
  - 1.566 Interns in various departments
- 3.290 positions not funded in FY 2010/11
  - 1 Arborist in Public Works
  - .50 Building Services Supervisor – Public Works
  - 1 Secretary I in CMO
  - .39 Planning Intern
  - .40 NSD Intern
- \$372,000 of Fleet savings
- \$115,000 Economic Development reductions



# Supplemental Budget Requests

- High Priority Requests Funded –\$594,000
  - Add 1 METCAD TC to achieve optimal staffing
  - 150<sup>th</sup> Anniversary staffing extended 1-year
  - Pay Station Pilot Program to replace meters in select high traffic locations
  - \$278,000 of Police services to be funded by new grants
  - Recurring funding for Planner II to focus on Downtown/Campustown planning activities
  - 1-time increase in Library materials budget funded with offsetting adjustments



# CIP Project Funding

- \$20 million proposed for FY10/11
- \$197 million for the Ten Year plan
- Detail will be discussed at the Council Study Session on May 11, 2010



# CIP Major Projects

- Boneyard Creek 2<sup>nd</sup> Street Reach \$19.5 M
- John Street Watershed Drainage \$6.5 M
- East & West Washington Street Watershed \$1.7 M each
- University Avenue - Neil to Chestnut \$2 M
- Fourth Street - John to Armory \$2 M
- Staley Road - Springfield to Route 150 \$3 M

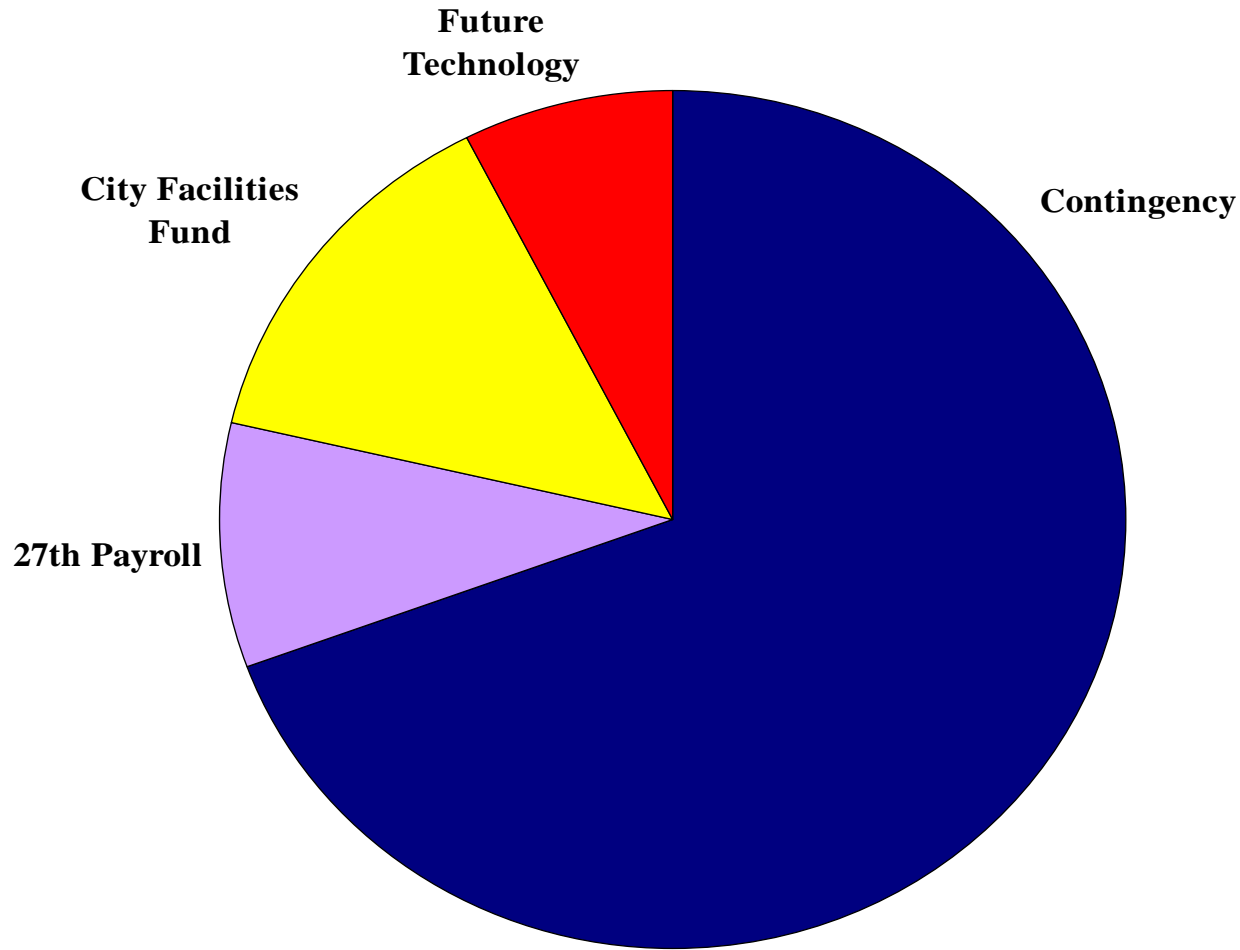


# Federal & State Grants

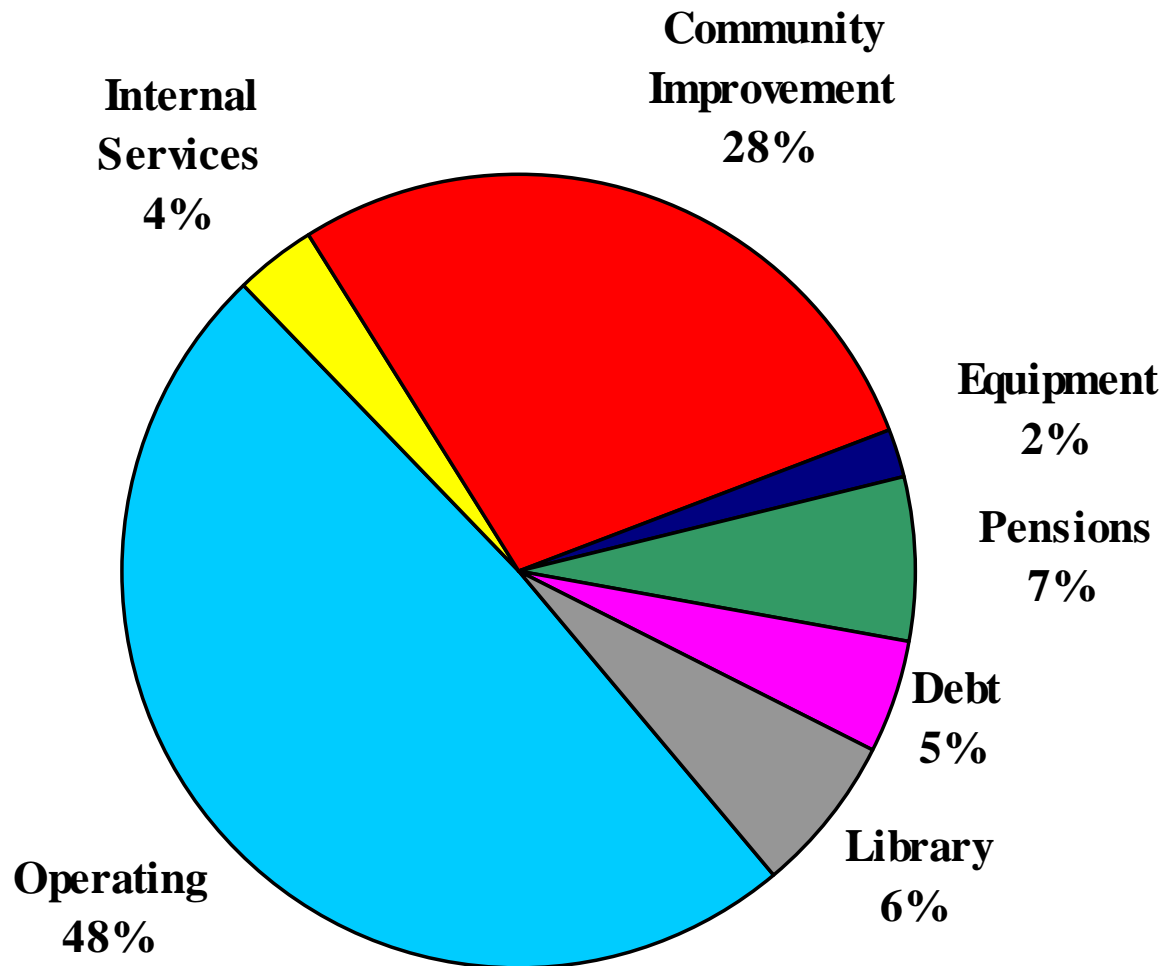
- Federal Stimulus Funding
  - UC2B Broadband \$36.2 M
  - Kirby Avenue Overlay \$940 K
  - South 1<sup>st</sup> Street Expansion \$750 K
  - Energy Efficiency & Conservation Block Grant \$763 K
  - Community Development Block Grant Entitlement \$205 K
  - Intelligence Led Policing \$136 K
  - Internet Crimes Against Children \$62 K
  - Crash Reporting \$38 K
  - Problem-Oriented Policing \$10 K
- Other State and Federal Funding
  - University of Illinois Research Park Infrastructure \$6.3 M
  - Curtis Road – Wynstone to Wesley \$5.6 M
  - Olympian Drive – Apollo to US Route 45 \$5 M
  - Fourth Street Highway Safety Improvements \$1.1 M
  - All Others Under \$1 M Award \$2.3 M



# Operating Reserves (\$6.22 Million)



# Expenditures for All Funds



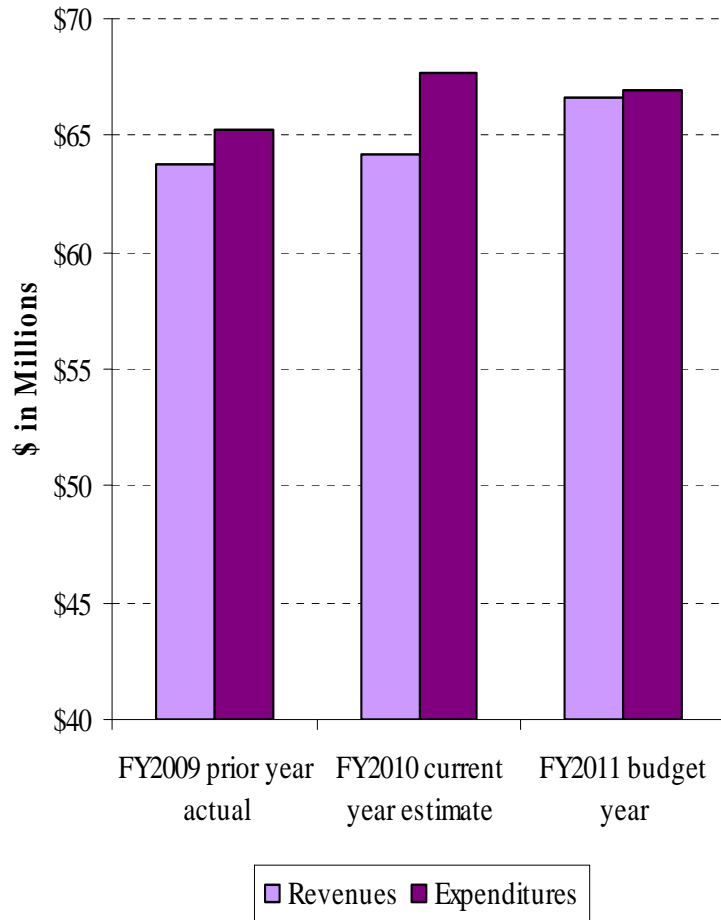
FY10/11 \$111 million

FY09/10 \$129 million



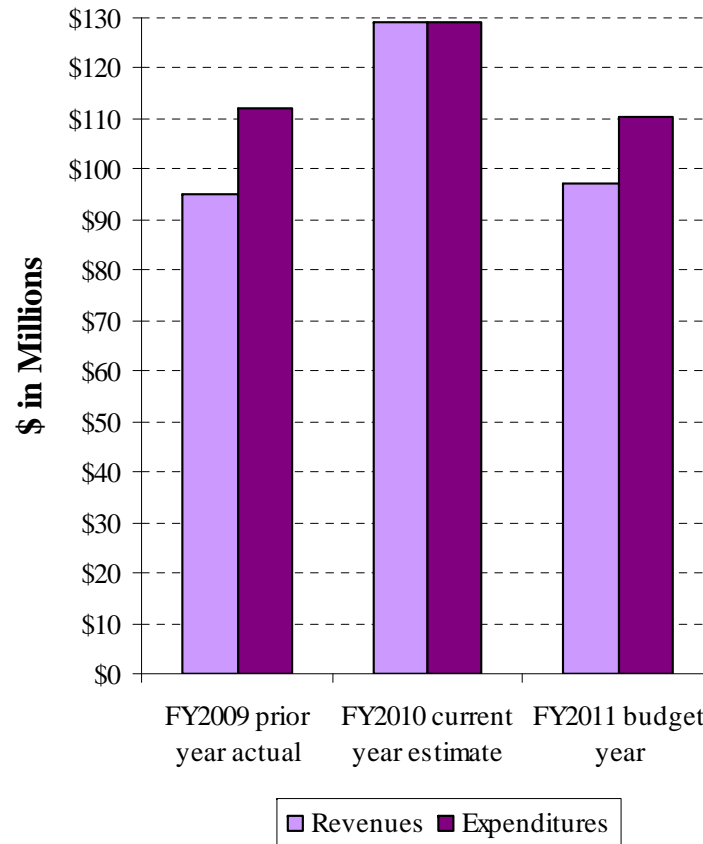
# Total Revenues and Expenditures

**General Operating  
(including transfers)**



**FY2011 Expenditures \$66.9 M**

**All funds combined  
(not including transfers)**



**FY2011 Expenditures \$110.6 M**



# Conclusions

- Budget is balanced per financial policies
- Reserved funds for future needs
- Funding for limited high priority SBRs
- Safeguards in place if economy worsens
- Ongoing monitoring of revenues and costs
- Staff evaluating other long-term options for additional reductions if necessary



# Opportunities for Public Input

- Presentation to Chamber of Commerce Government Council
- Press Release on May 3rd and information on City website
- Employee Information provided via email and department meetings
- Future study sessions to discuss proposals in more detail



# Budget Review Schedule

May 4

- Overview of Expenditure Reductions, Reserves, Revenues & Supplemental Budget Requests

May 11

- Capital Improvement Plan
- Proposed Library Budget
- Liquor License Fees

May 18

- TIF Programs
- Recycling Program
- Parking
- METCAD
- Budget Wrap Up

June 1

- Budget Adoption



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