



Agenda Item Summary

File #: ORD 23-32, **Version:** 1

Submitted By

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Reviewed By

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Agenda Item Title

An Ordinance Amending the Fiscal Year 2023 Annual Budget

Overview

In order to not delay construction, all \$618,564 of Community Development Block Grant (CDBG) funds are proposed to be removed from the 23-2 Resurfacing of Various Streets project which is bidding this spring, and the previously awarded 22-8 Forest and Ontario Traffic Calming and Landscaping Improvement project due to timelines associated with federally required environmental reviews being required by HUD. There are available CIP funds to offset these CDBG funds from saving in the CIP Fleet fund for a fire engine that cannot be purchased this year due to long lead times. This Budget Amendment is being requested in order to transfer the \$619,000 of Capital Improvement (CIP) Funds for the purchase of the fire engine to the CIP resurfacing account to offset the loss in CDBG funds for these projects. An ordinance is hereby presented to modify selected appropriations in the FY23 Adopted Budget.

Recommendation

Adopt the Ordinance.

Background

The annual budget provides a ceiling on spending by account, department, and Fund. While every effort is made during the budget process to accurately forecast spending, there are times when a budget amendment is needed such as in the following circumstances:

During an annual audit by the U.S. Department of Housing and Urban Development (HUD) notified the Village that environmental reviews were not being properly done for the 23-2 Resurfacing of Various Streets project which is bidding this spring and the previously awarded 22-8 Forest and Ontario Traffic Calming and Landscaping Improvement project which are both utilizing CDBG funds. In order to proceed with these projects and use CDBG funds an environmental assessment process would need to be undertaken. The environmental assessment process will take approximately three to four months to complete due to the minimum timeframes associated with public hearing processes. Delaying the already awarded 22-8 Forest and Ontario project would increase the cost of the project and extend construction into 2024 for the majority of the work. The 23-2 Resurfacing of Various Streets project is currently being designed and scheduled to go out for bid in the next two weeks. Staff anticipated having a construction contract for an award at the July 3rd Board meeting. Delaying this project 3-4 months would push virtually all of the construction into 2024. This

project includes resurfacing local streets throughout the Village and includes traffic calming improvements near the Euclid Park area on Wesley and Euclid, bump-outs and calming at Chicago and Scoville, bump-outs and calming at Scoville and South Boulevard, and speed bumps at numerous locations.

Staff recommends not delaying these projects which will defer the needed work and increase costs. Staff recommends removing the \$618,564 of CDBG funds from these two projects and transferring those funds back into the CDBG fund balance. These CDBG funds will be used for future, to be determined, capital improvement projects or eligible fleet purchases for fire equipment.

Staff recommends using savings in the CIP Fleet fund for funds originally planned for a new fire engine since the fire engine cannot be purchased this year due to long lead times in order to offset the loss of CDBG funds for these two projects.

Fiscal Impact

While not directly related to this budget amendment, please note that the FY23 Budget included \$618,564 in Community Development Block Grant (CDBG) Funds for the 23-2 Resurfacing of Various Streets project and for the 22-8 Forest and Ontario Traffic Calming and Landscaping project account no. 2083.46201.101.583651. These CDBG funds will be removed from these two projects and transferred to the CDBG fund balance to be used for future, to be determined, capital improvement projects or eligible fleet purchases for fire equipment.

This budget amendment is a reduction in the interfund transfer from the Main CIP to the Fleet CIP Fund of \$619,000 and these dollars will then be used towards the two street construction projects account no. 3095.43780.101.570951. This interfund transfer reduction is possible since the Fleet Fund will not be able to purchase the previously appropriated fire engine pumper in the current fiscal year due to a significant increase in the lead time. The pumper scheduled for purchase this year will therefore need to be re-appropriated in 2024.

DEI Impact

N/A.

Alternatives

The alternative to this recommendation could be to delay action to gain additional information.

Previous Board Action

At the March 20, 2023, Village Board meeting, the Village Board adopted an Ordinance Amending the Fiscal Year 2023 Annual Budget.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

None at this time.

Intergovernmental Cooperation Opportunities

None at this time.

