



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Diane Wolfe Marlin and City Council Members
FROM: Elizabeth Hannan, Finance Director
Don Ho, Financial Analyst
DATE: March 21, 2019
SUBJECT: FY2019 Budget Amendment #9 – Omnibus

Introduction: Attached is an Ordinance revising the FY2019 annual budget to provide for items described below. This budget amendment requires six affirmative votes.

Discussion:

Legal Services: This amendment will increase the Mayor's budget for legal services by \$90,000. This will cover legal fees for ongoing litigation related to hospital property taxes through the end of this fiscal year. Additional funds will be budgeted in FY2020.

City Branding Donation: A generous private donation of \$25,000 provided funds for a branding project for the City. The budget amendment will recognize revenue and increase expense in the Mayor's office to pay for this project.

Management Analyst Position: An existing employee's duties were changed resulting in a change in classification and a change in how the position is budgeted. The employee whose position was reclassified was previously in a position that was not budgeted in the General Fund. Fifty percent (50%) of the Management Analyst position is budgeted in the General Fund (Executive Department). Because it is unlikely that the Public Works Director position would be filled before April 1, this budget amendment will transfer funds from the Public Works administration budget to accommodate the salary and benefits of this position for the rest of the fiscal year. In FY2020, other adjustments will be made to offset this cost.

Police Patrol Salaries: Staff recently confirmed an error in a military pay calculation dating to 2014. Wages for an employee on military leave were incorrectly calculated and as a result, were not paid. Based on a corrected calculation, addressing the error will result in a one-time expense of \$31,702. After a review, staff are confident that this error was isolated to a single instance.

Greenscapes Program: The Arbor Division recently received a donation of \$5,000 to the program. This budget amendment will reflect both revenue and expense related to that donation.

Temporary Employee (Community Development): Because of a vacant position, a transfer of \$5,500

from a personnel line to a contractual services line will be completed to pay for a temporary contract employee in the Building Safety division.

Fire Operations Overtime: Due to an unusual level of absences related to duty injuries, Fire Operations overtime is expected to exceed the budget by \$72,000. This budget can fluctuate significantly from year-to-year. This is a one-time expense.

Vehicle Leasing / Vehicle and Equipment Replacement Fund (VERF):

As a result of further review, staff has determined that the best option for the City is to directly finance vehicle purchases, rather than lease. While the leasing program would have had some benefits, the underlying cost of financing will be less with a bond. Staff is in the process of updating the VERF and developing a financing plan. Meanwhile, purchases will continue from the VERF, which requires that the budget be revised to remove lease payments and add back vehicle purchases.

Also, due to changes in timing of expenditures, \$21,098 unspent funds from FY2018 for a pickup truck (PW16) will be rebudgeted in the Vehicle and Equipment Replacement Fund.

Rebudget Capital Improvement Projects: Funds for the Lincoln Avenue project that were not spent in FY2018 will be rebudgeted to FY2019. Due to an oversight, this project was not included in previous budget amendments.

MobileMeter Credit Card Fees: The City currently collects \$0.25 per MobileMeter transaction, of which \$0.15 goes to pay for some of costs associated with the credit card processing fees. Due to an increase in MobileMeter transactions, an additional \$38,100 is needed to pay for the remaining estimated credit card fees in FY19. MobileMeter customers now account for 70% of meter payments, and this has been steadily increasing.

Meter Maintenance Technician Position: Because an employee has not been able to return to unrestricted regular work due to an injury, \$15,500 is being reallocated from other expense lines to a personnel line to cover a temporary pay increase for another employee through the end of the fiscal year.

Replacement of Fleet Software: This budget amendment will transfer \$12,000 from a personnel line to a technology services line to implement new fleet software. The current software is outdated and no longer supported. Savings is available due to turnover. This is a one-time expense.

Fiscal Impact: All of the increases in the General Fund are for one-time expenditures and will not occur again in the future. These changes to the budget do not have a significant fiscal impact on the General Fund.

Alternatives:

1. Forward the Ordinance amending the FY2019 budget to City Council for approval on April 1, 2019.
2. Amend one or more of the items before forwarding to Council for approval.

Recommendation: Forward the budget amendment authorizing these adjustments to the FY2019 budget for approval at the April 1, 2019 City Council meeting.

ORDINANCE NO. 2019-03-022

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE

(Budget Amendment #9 - Omnibus)

WHEREAS, the City of Urbana (“City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution of 1970, and may exercise any power and perform any function pertaining to its governmental business and affairs, and the passage of this Ordinance constitutes an exercise of the City’s home rule powers and functions as granted by the Illinois Constitution of 1970; and

WHEREAS, the corporate authorities of the City heretofore did approve the annual budget ordinance of and for the City of Urbana for the fiscal year beginning July 1, 2018 and ending June 30, 2019; and

WHEREAS, the said corporate authorities find that revising the annual budget ordinance by deleting, adding to, changing, or creating sub-classes within object classes and object classes themselves is in the best interests of the residents of the City and is desirable for the welfare of the City’s government and affairs; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, the Budget Director may not may not make such revision under the authority so delegated to the Budget Director pursuant to 65 ILCS 5/8-2-9.6 or Urbana City Code Section 2-133.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL AND THE MAYOR, BEING THE CORPORATE AUTHORITIES OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1.

The annual budget ordinance shall be and the same is hereby revised as set forth in the exhibit appended hereto and made a part hereof as if fully set forth herein.

Section 2.

This Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code (65 ILCS 5/1-2-4).

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of two-thirds of the corporate authorities then holding office (6 of 8 votes) of the City of Urbana, Illinois, at a duly noticed and convened meeting of the said corporate authorities.

PASSED BY THE CORPORATE AUTHORITIES this __ Day of _____, 20__.

AYES: _____

NAYS: _____

ABSTENTIONS: _____

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this __ Day of _____, 20__.

Diane Wolfe Marlin, Mayor

Budget Amendment 2018/19 - 09 - Exhibit A

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
GENERAL OPERATING FUND (100)					
<u>Revenues</u>					
100-46300	GENERAL FUND - DONATIONS/CONTRIBUTIONS/GIFTS	252,850	282,850	30,000	greenscapes & city branding donations
<u>Total Revenues</u>		<u>33,617,607</u>	<u>33,647,607</u>	<u>30,000</u>	
<u>Expenditures</u>					
10010101-50110	MAYOR / CITY ADMIN OFFICE - SALARY - REGULAR EMPLOYEES	310,416	327,916	17,500	management analyst position
10010101-50210	MAYOR'S OFFICE - INSURANCE	23,248	28,448	5,200	management analyst position
10010101-50220	MAYOR / CITY ADMIN OFFICE - FICA AND MEDICARE	23,850	25,000	1,150	management analyst position
10010101-50251	MAYOR / CITY ADMIN OFFICE - IMRF & SURS	35,884	37,584	1,700	management analyst position
10010101-52101	MAYOR / CITY ADMIN - LEGAL SERVICES	83,977	173,977	90,000	legal fees
10010101-52999	MAYOR / CITY ADMIN OFFICE - OTHER CONTRACTUAL SERVICES	12,284	37,284	25,000	city branding donation
10015150-52920	FINANCE ADMIN - VEHICLE LEASING	15,690	-	(15,690)	reverse lease/verf contributions
10015150-59300	FINANCE ADMIN - TFR TO VERF FUND	7,646	19,606	11,960	reverse lease/verf contributions
10020200-52920	POLICE ADMIN - VEHICLE LEASING	43,147	-	(43,147)	reverse lease/verf contributions
10020200-59300	POLICE ADMIN - TFR TO VERF FUND	279,498	316,879	37,381	reverse lease/verf contributions
10020201-50110	POLICE PATROL - SALARY - REGULAR EMPLOYEES	3,622,148	3,653,850	31,702	military pay
10020201-50220	POLICE PATROL - FICA AND MEDICARE	59,575	60,035	460	military pay
10030300-50131	FIRE OPS - REGULAR OVERTIME	361,089	433,089	72,000	fire operations overtime
10030300-52920	FIRE OPS - VEHICLE LEASING	3,922	-	(3,922)	reverse lease/verf contributions
10030300-59300	FIRE OPS - TFR TO VERF FUND	393,259	398,341	5,082	reverse lease/verf contributions
10030301-52920	FIRE ADMIN - VEHICLE LEASING	3,922	-	(3,922)	reverse lease/verf contributions
10030301-59300	FIRE ADMIN - TFR TO VERF FUND	-	3,919	3,919	reverse lease/verf contributions
10030302-52920	FIRE PREVENTION - VEHICLE LEASING	7,845	-	(7,845)	reverse lease/verf contributions
10030302-59300	FIRE PREVENTION - TFR TO VERF FUND	4,867	12,801	7,934	reverse lease/verf contributions
10040400-50110	PW ADMIN - SALARY - REGULAR EMPLOYEES	326,461	300,911	(25,550)	management analyst position
10040400-52920	PW ADMIN - VEHICLE LEASING	86,294	-	(86,294)	reverse lease/verf contributions
10040400-59300	PW ADMIN - TFR TO VERF FUND	432,771	542,272	109,501	reverse lease/verf contributions
10040401-51900	URBAN FORESTRY - OTHER SUPPLIES	24,981	29,981	5,000	greenscapes donations
10050500-52920	CD ADMIN - VEHICLE LEASING	31,380	-	(31,380)	reverse lease/verf contributions
10050500-59300	CD ADMIN - TFR TO VERF FUND	1,937	7,655	5,718	reverse lease/verf contributions
10050522-50110	RENTAL HOUSING - SALARY - REGULAR EMPLOYEES	80,902	75,402	(5,500)	temporary employee
10050522-52199	RENTAL HOUSING - OTHER PROFESSIONAL SERVICES	8,962	14,462	5,500	temporary employee
10050522-59300	CD RENTAL HOUSING - TFR TO VERF FUND	-	10,705	10,705	reverse lease/verf contributions
<u>Total Expenditures</u>		<u>34,008,295</u>	<u>34,132,913</u>	<u>124,618</u>	
<u>Ending Fund Balance (estimated)</u>		<u>4,728,767</u>	<u>4,742,454</u>	<u>13,687</u>	
MOTOR FUEL TAX FUND (203)					
<u>Expenditures</u>					
20340470-53301-40103	LINCOLN AVE - HIGHWAY AND STREETS	-	188,603	188,603	rebudget capital improvement project - lincoln ave
<u>Total Expenditures</u>		<u>2,282,617</u>	<u>2,471,220</u>	<u>188,603</u>	
<u>Ending Fund Balance (estimated)</u>		<u>174,611</u>	<u>174,611</u>	<u>-</u>	
VEHICLE & EQUIPMENT REPLACEMENT FUND (300)					
<u>Revenues</u>					
100-49100	TFR FROM GENERAL FUND	1,248,557	1,440,757	192,200	reverse lease/verf contributions
<u>Total Revenues</u>		<u>1,369,314</u>	<u>1,561,514</u>	<u>192,200</u>	
<u>Expenditures</u>					
30060600-53420	VEHICLE & EQUIPMENT REPLACEMENT - VEHICLES	648,253	1,012,746	364,493	rebudget - pw16, add back vehicle purchases
<u>Total Expenditures</u>		<u>3,725,269</u>	<u>4,089,762</u>	<u>364,493</u>	
<u>Ending Fund Balance (estimated)</u>		<u>5,010,603</u>	<u>4,667,208</u>	<u>(343,395)</u>	

Budget Amendment 2018/19 - 09 - Exhibit A

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
<u>PARKING FUND (500)</u>					
<u>Expenditures</u>					
50040412-52907	PARKING SYSTEM - CREDIT CARD & BANK FEES	52,545	90,645	38,100	mobilemeter credit card fees
50040412-53200-40700	PARKING SYSTEM - BUILDING - PARKING GARAGE REHAB	180,871	165,371	(15,500)	temporary assignments
50040413-50110	PARKING GARAGE OPERATIONS - SALARY - REGULAR EMPLOYEES	20,170	33,170	13,000	temporary assignments
50040413-50220	PARKING GARAGE OPERATIONS - FICA AND MEDICARE	1,620	2,620	1,000	temporary assignments
50040413-50251	PARKING GARAGE OPERATIONS - IMRF & SURS	2,438	3,938	1,500	temporary assignments
<u>Total Expenditures</u>		<u>1,976,528</u>	<u>2,014,628</u>	<u>38,100</u>	
<u>Ending Fund Balance (estimated)</u>		<u>701,660</u>	<u>663,560</u>	<u>(38,100)</u>	
<u>EQUIPMENT SERVICES FUND (600)</u>					
<u>Expenditures</u>					
60040460-50110	FLEET - SALARY - REGULAR EMPLOYEES	267,178	255,178	(12,000)	replacement of fleet software
60040460-52102	FLEET - TECHNOLOGY SERVICES	-	12,000	12,000	replacement of fleet software
<u>Total Expenditures</u>		<u>1,029,606</u>	<u>1,029,606</u>	<u>-</u>	
<u>Ending Fund Balance (estimated)</u>		<u>357,301</u>	<u>357,301</u>	<u>-</u>	