



MEMORANDUM

TO: Mayor Laurel Lunt Prussing and Members of Urbana City Council
FROM: William R. Gray, Public Works Director
Ronald C. Eldridge, City Comptroller
DATE: April 10, 2008
RE: Budget Amendment Ordinance
Public Works Overtime and Vehicle Services

Background

City staff tries to predict conditions as best as they can when preparing budget documents. The approach is typically based upon normal, average or historical data. When preparing budget numbers, requests are made given normal predictions so funds are not unnecessarily tied to those line items for rare or unpredictable situations. This year, the City of Urbana faced two unpredictable situations that directly impacted specific parts of the budget and that have indirectly affected other aspects of the budget. The two unpredictable situations were more frequent snow events than usual and fuel prices that exceeded what was anticipated. The snow events required increased overtime costs and fuel usage; the increased fuel prices caused a rise in operating costs.

As stated in the City of Urbana Snow and Ice Operational Plan, Urbana can expect an average of 23 to 30 different snow events during a normal winter, of which seven or eight can be expected to be plowing events. Based upon information from the Illinois Water Survey, the winter of 2006-2007 was slightly over the annual average with 38 different snow events, resulting in 8 plowing events; the winter of 2007-2008, in comparison, had 53 snow events, resulting in 17 plowing events. Although Urbana did not receive any record or heavy snow events this year, the frequency of the snow events required Public Works crews to work beyond their scheduled work days to maintain safe passage on city streets.

Overtime costs are typically set based upon historic information, as is mentioned in the paragraph above. As a result of the unusual snow season, the overtime line item exceeded the yearly budgeted amount by approximately \$13,000. This does not include any future costs resulting from emergency work between now and the end of the fiscal year (after hours sewer backups, streetlight poles being knocked down, tree and limb falls, spraying, street flooding and community events) for which the public depends upon Public Works crews. We estimate that with these anticipated events, we will exceed our budget by a total of \$16,380.

Fuel costs exceeded any estimates available at the time the City's FY07/08 budget documents were being prepared. In the spring of 2007, no one was predicting that a barrel of oil would exceed \$100. Fuel costs per gallon have dramatically increased since the same time last year. Again, the actual amount of snow was less this year, but the frequency of the snowfall and icing and the fuel costs were higher.

Operating costs, including fuel costs, were increased by approximately 5% for FY07/08 budget. Vehicle services are anticipated to exceed the budgeted amount by \$8,000. The reasons for the cost overage include the escalating costs of fuel, parts, contractual services and extended hours of equipment use. Until this year, Equipment Services Division had held to a 0% increase in costs for a five-year period. The division spent close to 95% of its budget in FY06/07 but was able to stay within budget due to mild winters and gradual increases in fuel prices. Due to the rapid increase in fuel costs this year, the Equipment Services Division has felt the impact of ever increasing costs, not only in fuel costs but in costs for parts and contractual services.

Another increase resulting from the weather and fuel costs has been noticed in the cost of patching potholes by the Operations Division. Although none of the patching work is occurring outside of the regular work day, the number of repairs is higher during winter seasons, such as this one, with frequent freezing and thawing. Due to the nature of the work, which requires frequent stopping and starting, repairs involve more fuel consumption than other repair jobs which are confined to a localized area.

Budget Impacts

The Urbana Public Works Department has implemented several policies to reduce fuel consumption and vehicle usage. The department has reviewed its current budget line items to find projects or services that can be reduced or foregone until FY 08/09. After reviewing projected costs for the remainder of the year, staff is requesting the additional \$ 24,380 (\$16,380 for overtime costs; \$8,000 for vehicle services) come from the General Reserve Fund.

Recommendations

Staff is recommending that AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE (Public Works—Snow Removal Overtime) be approved.

Attachment: Ordinance

ORDINANCE NO. 2008-04-026

**AN ORDINANCE
REVISING THE ANNUAL BUDGET ORDINANCE
(Public Works—Snow Removal Overtime)**

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2007, and ending June 30, 2008, (the "Annual Budget Ordinance") has been duly adopted according to sections 8-2-9.1 et seq. of the Illinois Municipal Code (the "Municipal Code") and Division 2, entitled "Budget", of Article VI, entitled "Finances and Purchases", of Chapter 2, entitled "Administration", of the Code of Ordinances, City of Urbana, Illinois (the "City Code"); and

WHEREAS, the City Council of the said City of Urbana finds it necessary to revise said Annual Budget Ordinance by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves; and

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

WHEREAS, such revision is not one that may be made by the Budget Director under the authority so delegated to the Budget Director pursuant to section 8-2-9.6 of the Municipal Code and section 2-133 of the City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Annual Budget be and the same is hereby revised to provide as follows:

FUND:	General Fund, Public Works Dept.	
INCREASE EXPENSE	Personnel- Overtime	\$16,380
INCREASE EXPENSE	Contractual - Vehicle Service	\$ 8,000
REDUCE	Fund Balance	\$24,380

Section 2. This Ordinance shall be effective immediately upon passage and approval and shall not be published.

Section 3. This Ordinance is hereby passed by the affirmative vote of two-thirds of the members of the corporate authorities then holding office, the "ayes" and "nays" being called at a regular meeting of said Council.

PASSED by the City Council this _____ day of _____,

_____.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,

_____.

Laurel L. Prussing, Mayor