



Office of the Mayor  
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October 17, 2012

To: Urbana City Council

From: Laurel Prussing

Re: Elected Official Salaries for 2013 through 2016

Dear Diane, Heather, Dennis, Brandon, Robert, Eric and Charlie,

As you may recall, four years ago we set elected official salaries with 3% annual increases for four years. This was to keep the salaries generally in line with employee salary increases.

As the accompany chart, Major Revenue Sources, indicates we used to be able to count on healthy revenue increases including steady growth in property taxes even while we lowered rates because assessed values increased (including new construction).

However, since the recession has hit local governments, 3% increases are no longer affordable by most governments and no longer the norm.

Because of the significant reductions in our revenues and in order to keep our employees and avoid layoffs and furloughs we gave 0% percent increases to non-union employees one year and the elected officials voluntarily returned their increases for that year to the city. The fire fighters also agreed to a zero increase for the first year of their contract.

We are starting to see some renewed growth in our revenues but still face an uncertain financial situation. Therefore, I am proposing for your consideration no elected official salary increase for next year and modest increases for the following years:

May 2013 0% , May 2014 1% , May 2015 2% and May 2016 2%

The dollar amounts in the proposed salary ordinance for elected officials reflect these percent changes.

The accompanying chart shows the historic pattern of Urbana's revenues from before the recession (FY 2006-07) up through FY 2011-12 with estimates projected for the current year and the next two years. My estimates for the future are slightly higher than Ron Eldridge's, but both are reasonable.

Please keep in mind that our major support from the property tax has actually declined for the first time in many years, and that is why we need to take a cautious approach to setting salaries. Our other revenue sources are gradually recovering, but we face strong pressure on spending from health insurance and pension obligations.

I think we will see a gradual recovery in property values in the next two years and I estimate a 2% increase in FY 2014-15 (property taxes are based on assessed value of the prior year).



**AN ORDINANCE FIXING THE SALARY OF CITY OFFICERS  
WHO ARE ELECTED FOR A DEFINITE TERM**

(2013-2016)

WHEREAS, the City of Urbana has a population in excess of 25,000 people, and therefore is a home-rule municipality per the Illinois Constitution of 1970 and state statute; and

WHEREAS, the corporate authorities of a municipality may, in an ordinance, fix the salaries of all officers who hold elective office for a definite term in accordance with 65 ILCS 5/3.1-50-10; and

WHEREAS, the Mayor, City Clerk, and Alderpersons of the City of Urbana are all elected for definite terms; and

WHEREAS, from time to time the City of Urbana elects to adjust the salaries of its elected officers and must do so within a specific, statutory timeframe;

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

That the annual (12 month) salary of the following city officers who are to be elected for a definite term beginning in May, 2013, shall be and the same are hereby established for that and subsequent terms of office, as follows:

<u>Office</u>	<u>Annual Salary</u>			
	<u>May 2013</u>	<u>May 2014</u>	<u>May 2015</u>	<u>May 2016</u>
Mayor	\$61,643	\$62,259	\$63,504	\$64,774
City Clerk	\$54,246	\$54,788	\$55,884	\$57,002
Alderman/Alderwoman	\$ 6,164	\$ 6,226	\$ 6,351	\$ 6,478

This ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said Council.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

AYES:

NAYS:

ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

## Major Revenue Sources (\$ millions)

Urbana, Illinois ( Actual and Estimated)

	FY 2006-07		FY 2007-08		FY 2008-09		FY 2009-10		FY 2010-11		FY 2011-12 Actual		FY 2012-13 est.		FY 2013-14 est.		FY 2014-15 est.	
	Amount	% Inc.	Amount	% Inc.	Amount	% Inc.	Amount	% Inc.	Amount	% Inc.	Amount	% Inc.	Amount	% Inc.	Amount	% Inc.	Amount	% Inc.
<b>Property tax</b>	6.544	6.4	7.019	7.3	7.508	7.0	7.660	2.0	7.711	0.7	7.711	0.0	7.710	0.0	7.710	0.0	7.864	2.0
<b>Sales Taxes</b>	8.224	20.1	8.836	7.4	8.739	-1.1	8.422	-4.0	8.793	4.2	9.351	5.0	9.632	3.0	9.920	3.0	10.416	5.0
<b>Hotel Tax</b>	0.736	2.9	0.711	-3.6	0.652	-8.3	0.638	-2.2	0.651	2.1	0.884	14.0	0.928	5.0	0.975	5.0	1.023	5.0
<b>State Income Tax</b>	3.749	12.9	3.951	8.4	3.769	-4.6	3.380	-10.3	3.576	5.8	3.816	4.4	3.988	4.5	4.187	5.0	4.417	5.5
<b>Utility taxes</b>	3.632	-6.9	3.723	2.5	3.822	2.7	3.693	-3.6	3.865	4.6	3.856	1.5	3.929	1.9	4.004	1.9	4.080	1.9
<b>Franchise Fees</b>	0.565	4.5	0.676	19.6	0.787	16.5	0.742	-5.8	0.803	8.2	0.781	-2.8	0.800	2.5	0.820	2.5	0.8405	2.5
<b>Interest</b>	0.204	281.0	0.144	-29.5	0.198	37.2	0.371	87.7	0.071	-80.9	0.023	-67.5	0.023	0.0	0.023	0.0	0.023	0.0
<b>Fines</b>	0.762	-0.5	0.793	3.9	0.700	-11.7	0.738	5.8	0.643	-12.9	0.689	0.4	0.692	0.4	0.692	0.0	0.692	0.0
<b>Licenses/Fees</b>	1.896	3.0	1.855	-2.2	2.745	48.0	2.633	-4.1	2.833	7.6	2.845	1.0	2.535	2.0	2.586	2.0	2.637	2.0
<b>Transfers</b>	1.107	9.0	1.157	4.5	1.216	5.1	1.284	5.6	1.380	7.4	1.615	7.4	1.691	4.7	1.770	4.7	1.853	4.7
<b>TOTAL REVENUE</b>	<b>28.202</b>	<b>9.4</b>	<b>29.760</b>	<b>5.5</b>	<b>29.025</b>	<b>-1.5</b>	<b>29.076</b>	<b>-2.0</b>	<b>29.861</b>	<b>2.5</b>	<b>31.102</b>	<b>4.5</b>	<b>31.928</b>	<b>2.7</b>	<b>32.687</b>	<b>2.4</b>	<b>33.847</b>	<b>2.4</b>