



**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: July 19, 2018

SUBJECT: FY2019 Budget Amendment #1 – Omnibus

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

Discussion:

FOP Labor Agreement: On July 9, The City Council approved a labor agreement with the Fraternal Order of Police. Per the agreement, Field Training Officer (FTO) pay increased from \$1.75 to \$3 hourly. Annual uniform allowances increased from \$1,096 to \$1,201. The overtime budget increased to accommodate wage increases, which are already accounted for in the current budget. All these increases are retroactive to July 1, 2017. The total increase in the General Fund is \$42,394, of which \$18,829 is a one-time expenditure for retro pay.

Vehicle Motor Pool: The vehicle motor pool was introduced in August 2017 to make more efficient use of City vehicles. Instead of allocating vehicle costs to only three departments, the costs would be allocated to all participating departments based on department usage. After collecting a sample of vehicle usage data, staff was able to determine the appropriate allocation percentage to allocate to each participating department.

Re-budget Funds for Windsor Road Project: In FY2018, \$1,454,758 of funds budgeted for the project were unspent. The remaining funds would be used to pay expenses related to the project in FY2019.

Development Incentives in Central TIF: Due to an oversight, \$140,000 of funds for development incentives were not included in the budget. This budget amendment will correct that error. The inter-fund transfer from TIF 2 to Central TIF will also increase by \$140,000.

Re-budget Funds for Items in Vehicle and Equipment Replacement Fund (VERF):

- The phone system replacement was not completed in FY2018. As a result, the project will be moved to FY2019. The replacement is projected to cost \$69,360.
- GPS Survey Equipment was not purchased in FY2018. Public Works Department will complete the purchase in FY2019. The estimated cost of the equipment is \$27,397.
- Staff in the Police Department have determined that a K-9 acquired by the department in FY2018 is not well suited for its intended use as a single purpose scent dog. The K-9 will be acquired by another police department for \$5,000, and these funds along with \$4,000 in unspent funds from the FY2018 budget, will be budgeted to replace the K-9.

Sewer Televising Truck: Due to an oversight, the expense for upgrading cameras and computer equipment for the sewer televising truck was not included in the VERF. This budget amendment will correct that error. The additional expense is \$82,044. Rather than purchasing a new TV truck every five years, the truck will be kept for ten years, with all cameras and computer equipment replaced in the middle of the life cycle.

Copier Supplies and Maintenance: Due to an oversight, \$3,968 of funds for copier maintenance agreements and \$11,500 of funds for copier supplies were not included in the budget. This budget amendment will correct that error. These expenses are now budgeted in the IT Fund and will be allocated to departments through inter-fund charges.

Fiscal Impact: The fund balance would decrease by \$40,313 in the General Operating Fund, \$140,000 in the TIF 2 Fund, \$82,044 in the VERF and \$17,549 in the Information Technology Fund. There will be no impacts on fund balance for the Local Motor Fuel Tax Fund since all increases in expenditures are due to changes in timing of expenditures.

Alternatives:

1. Forward the Ordinance amending the FY2019 budget to City Council for approval on August 6, 2018.
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.

ORDINANCE NO. 2018-07-053

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE

(Budget Amendment #1 - 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 ORDINANCED 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 a 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 - 01 - Exhibit A

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
GENERAL OPERATING FUND (100)					
<u>Expenditures</u>					
10020200-50230	POLICE ADMIN - EMPLOYEE ALLOWANCES	2,192	2,612	420	FOP Agreement - Uniform Allowance Increase
10020201-50131	POLICE PATROL - REGULAR OVERTIME	203,775	231,941	28,166	FOP Agreement - Pay Increase
10020201-50220	POLICE PATROL - FICA AND MEDICARE	59,166	59,575	409	FOP Agreement - Pay Increase
10020201-50230	POLICE PATROL - EMPLOYEE ALLOWANCES	48,000	57,030	9,030	FOP Agreement - Uniform Allowance Increase
10020202-50131	POLICE INVESTIGATION - REGULAR OVERTIME	37,963	40,837	2,874	FOP Agreement - Pay Increase
10020202-50220	POLICE INVESTIGATION - FICA AND MEDICARE	24,321	24,346	25	FOP Agreement - Pay Increase
10020202-50230	POLICE INVESTIGATION - EMPLOYEE ALLOWANCES	8,856	10,326	1,470	FOP Agreement - Uniform Allowance Increase
10005140-59600	CITY CLERK - TFR TO EQUIPMENT SERVICES	1,957	328	(1,629)	Motor Pool Vehicle Usage - City Clerk
10015150-59600	FINANCE ADMIN - TFR TO EQUIPMENT SERVICES	356	656	300	Motor Pool Vehicle Usage - Finance
10015151-59600	FINANCE ADMIN SERVICES - TFR TO EQUIPMENT SERVICES	1,164	-	(1,164)	Motor Pool Vehicle Usage - Finance
10030301-59600	FIRE ADMIN - TFR TO EQUIPMENT SERVICES	-	807	807	Motor Pool Vehicle Usage - Fire
10040400-59600	PUBLIC WORKS ADMIN - TFR TO EQUIPMENT SERVICES	6,458	2,958	(3,500)	Motor Pool Vehicle Usage - Public Works
10050500-59600	CD ADMIN - TFR TO EQUIPMENT SERVICES	1,283	8,741	7,458	Motor Pool Vehicle Usage - Community Development
10050520-59600	CD NEW CONSTRUCTION - TFR TO EQUIPMENT SERVICES	5,900	1,547	(4,353)	Motor Pool Vehicle Usage - Community Development
<u>Total Expenditures</u>		<u>33,273,511</u>	<u>33,313,824</u>	<u>40,313</u>	
<u>Ending Fund Balance (estimated)</u>		<u>4,900,074</u>	<u>4,859,761</u>	<u>(40,313)</u>	
LOCAL FUEL MOTOR TAX FUND (202)					
<u>Revenues</u>					
202-41330-40107	FEDERAL GRANTS - STREETS & HW	-	1,044,681	1,044,681	Rebudget Windsor Road Project
<u>Total Revenues</u>			<u>1,044,681</u>	<u>1,044,681</u>	
<u>Expenditures</u>					
20240470-53301-40107	CAPITAL PROJECTS - HIGHWAY AND STREETS	-	1,453,248	1,453,248	Rebudget Windsor Road Project
20240470-52101-40107	CAPITAL PROJECTS - LEGAL SERVICES	-	1,510	1,510	Rebudget Windsor Road Project
<u>Total Expenditures</u>		<u>180,806</u>	<u>1,635,564</u>	<u>1,454,758</u>	
<u>Ending Fund Balance (estimated)</u>		<u>(74,466)</u>	<u>(74,466)</u>	<u>-</u>	
TIF 2 FUND (342)					
<u>Expenditures</u>					
34250501-59344	TFR TO CENTRAL TIF	252,521	392,521	140,000	Correction - Budget for Development Incentives
<u>Total Expenditures</u>		<u>1,633,184</u>	<u>1,773,184</u>	<u>140,000</u>	
<u>Ending Fund Balance (estimated)</u>		<u>179,285</u>	<u>39,285</u>	<u>(140,000)</u>	
CENTRAL TIF FUND (344)					
<u>Revenues</u>					
344-49342	TFR FROM TIF 2	883,280	1,023,280	140,000	Correction - Budget for Development Incentives
<u>Total Revenues</u>			<u>140,000</u>	<u>140,000</u>	
<u>Expenditures</u>					
34450501-52410	ECONOMIC DEV - DEVELOPMENT INCENTIVES	-	140,000	140,000	Correction - Budget for Development Incentives
<u>Total Expenditures</u>		<u>258,971</u>	<u>398,971</u>	<u>140,000</u>	
<u>Ending Fund Balance (estimated)</u>		<u>-</u>	<u>-</u>	<u>-</u>	

VEHICLE AND EQUIPMENT REPLACEMENT FUND (300)

<u>Revenues</u>					
300-46100	SALE OF PROPERTY	-	5,000	5,000	Sale of Police K-9
<u>Total Revenues</u>		<u>1,333,061</u>	<u>1,338,061</u>	<u>5,000</u>	
<u>Expenditures</u>					
30060600-53440	OTHER EQUIPMENT	485,439	673,240	187,801	Replace Police K-9 (\$9,000) Rebudget GPS Equipment (\$27,397) Rebudget Phone System Replacement (\$69,360) Correction - Sewer Televising Truck (\$82,044)
<u>Total Expenditures</u>		<u>3,323,275</u>	<u>3,511,076</u>	<u>187,801</u>	
<u>Ending Fund Balance (estimated)</u>		<u>5,011,639</u>	<u>4,929,595</u>	<u>(82,044)</u>	

INFORMATION TECHNOLOGY FUND (610)

<u>Expenditures</u>					
61010106-59600	IT - TFR TO EQUIPMENT SERVICES	-	2,081	2,081	Motor Pool Vehicle Usage - IT
61010106-51101	IT - COPIER SUPPLIES	-	11,500	11,500	Correction - Budget for Paper
61010106-52206	IT - COPIER MAINTENANCE AGREEMENTS	-	3,968	3,968	Correction - Copier Maintenance Agreements
<u>Total Expenditures</u>		<u>899,183</u>	<u>916,732</u>	<u>17,549</u>	
<u>Ending Fund Balance (estimated)</u>		<u>178,432</u>	<u>160,883</u>	<u>(17,549)</u>	