



**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:** February 27, 2019  
**SUBJECT:** **FY2020 Budget Amendment #6 – Omnibus**

**Introduction:** Attached is an Ordinance revising the FY2020 annual budget to provide for items described below. This budget amendment requires six of eight affirmative votes, including the Mayor, in order to pass.

**Discussion:**

Carle Property Tax Repayment: Per the ruling in case 2008-L-202 in the Circuit Court of Champaign County, the City is required to pay \$2,531,913 to the County Treasurer's Office. The County Treasurer will pay the entire sum for all taxing districts to Carle. This repayment is for property tax exemptions for four parcels for the tax years of 2005-2011. The City will retain about \$762,000 for tax year 2004 and for non-exempt portions of parcels for 2005-2011.

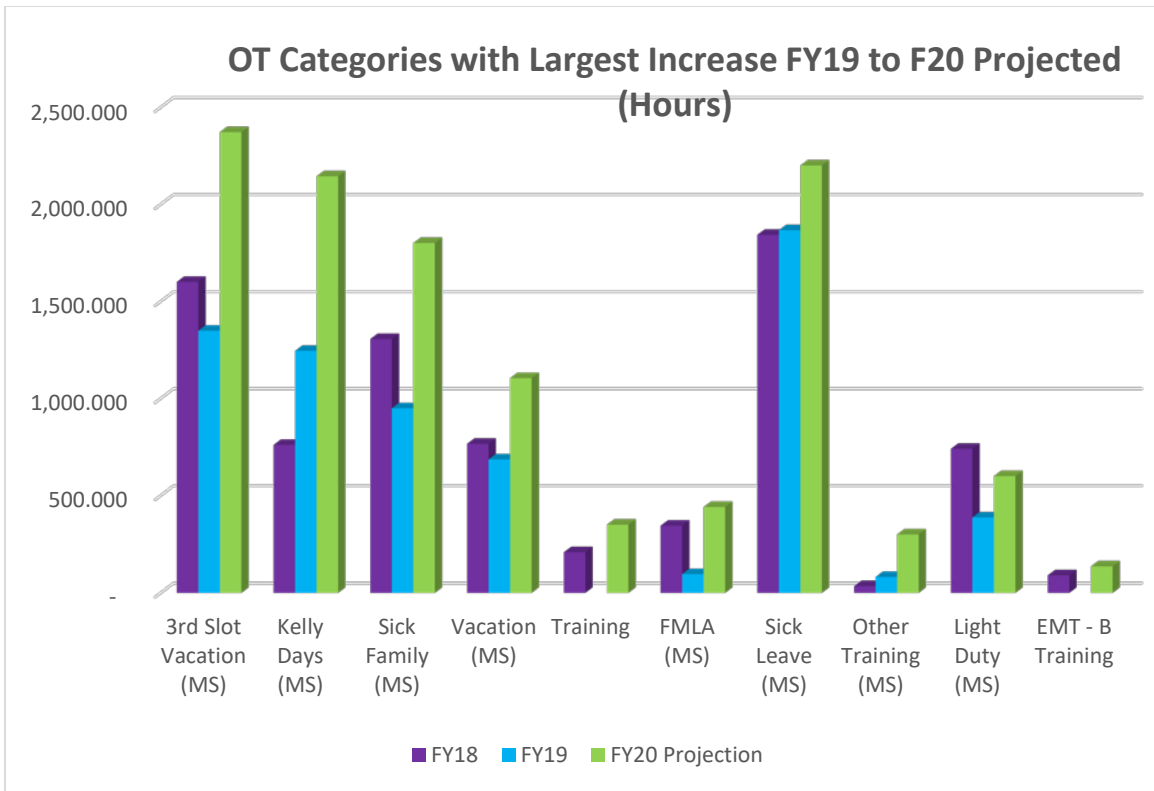
New Position: The City is going to create a limited term (3-year) position to oversee the development of the City's comprehensive plan and ensure elements of the plan are integrated and implementable. This budget amendment reflects a partial year in FY2020 in the Mayor & City Administrator budget to allow for project planning and budgeting occurring this fiscal year in anticipation for the full comprehensive planning process to begin in earnest in FY21. Additional funding requests for comprehensive planning-related staff and tasks will be part of the FY21 proposed budget.

Police Tuition Reimbursements: Due to recent financial challenges, Illinois Law Enforcement Training and Standards Board (ILETSB) will no longer be able to fully reimburse basic training tuition and expenses. As a result, the academies will have to go back to the prior practice of billing agencies directly for their recruits' tuition upon enrollment in the academy and then apply for reimbursements at the end of the fiscal year. However, ILETSB cannot guarantee that the full amount of tuition will be reimbursed. The total tuition for the remainder of FY2020 is \$18,060. A percentage of that may be reimbursed in the coming fiscal year. The budget will also be adjusted going forward to cover the additional expense and reflect estimated reimbursement revenue.

**Fire Overtime:** Increased overtime in the Fire Department this year requires a budget increase of \$220,386. At this point, it appears that about 14,500 overtime hours will be required to maintain minimum staffing and provide training for staff. This is up from about 12,000 hours in F2018 and about 10,500 hours in FY2019.

This increase is largely driven by the need to maintain minimum staffing levels on fire apparatus due to increased use of employee and family sick leave, vacation slots, and Kelly days. In particular the use of the “3rd vacation slot” is proving to be higher than anticipated when the last labor agreement was negotiated.

The following chart shows categories of overtime with the largest increases between FY2019 and the projected level for FY2020.



The Finance Director and Fire Chief will continue to review overtime use and determine whether an increase should be requested in the FY2021 annual budget.

**Fiscal Impact:** Carle property tax repayment will have no impact on the General Fund since the money has been set aside in the General Reserve Fund (360). Increases in the General Fund are for one-time expenditures and do not affect the planned level or recurring expenditures. These expenditures reduce the predicted end of year fund balance to \$6,118,523.

**Alternatives:**

1. Forward the Ordinance amending the FY2020 budget to City Council for approval on March 9, 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 FY2020 budget for approval at the March 9, 2019 City Council meeting.

**ORDINANCE NO. 2020-03-010**

**AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE**

**(Budget Amendment #6 – Omnibus, Including Carle Tax Payment)**

**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, 2019 and ending June 30, 2020; 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\_\_.

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Diane Wolfe Marlin, Mayor

**Budget Amendment 2019/20 - 06 - Exhibit A**

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
<b><u>GENERAL OPERATING FUND (100)</u></b>					
<u>Expenditures</u>					
10010101-50110	MAYOR'S OFFICE - SALARY REGULAR EMPLOYEES	325,937	372,097	46,160	new limited term position
10010101-50210	MAYOR'S OFFICE - INSURANCE	25,634	30,146	4,512	new limited term position
10010101-50220	MAYOR'S OFFICE - FICA & MEDICARE	34,278	37,814	3,536	new limited term position
10010101-50251	MAYOR'S OFFICE - IMRF & SURS	25,752	31,240	5,488	new limited term position
10020201-52320	POLICE PATROL - TRAVEL, EDUCATION & TRAINING	29,544	47,604	18,060	PTI training
10030300-51600	FIRE OPERATIONS - REGULAR OVERTIME	392,514	612,900	220,386	fire overtime
<u>Total Expenditures</u>		<u>37,018,968</u>	<u>37,317,110</u>	<u>298,142</u>	
<u>Ending Fund Balance (estimated)</u>		<u>6,416,665</u>	<u>6,118,523</u>	<u>(298,142)</u>	
<b><u>GENERAL RESERVE FUND (360)</u></b>					
<u>Expenditures</u>					
36060610-52723	GENERAL SERVICES - OTHER CLAIMS & JUDGEMENTS	-	2,531,913	2,531,913	carle property tax repayment
<u>Total Expenditures</u>		<u>-</u>	<u>2,531,913</u>	<u>2,531,913</u>	
<u>Ending Fund Balance (estimated)</u>		<u>5,670,388</u>	<u>3,138,475</u>	<u>(2,531,913)</u>	