



MEMORANDUM

TO: Mayor Diane Wolfe Marlin and City Council Members
FROM: Elizabeth Hannan, Human Resources & Finance Director / CFO
Alyana Robinson, Financial Analyst
DATE: June 23, 2022
SUBJECT: **Revised Ordinances Approving the FY2023 Annual Budget and Amending the FY2022 Annual Budget**

Introduction: Attached are two Council Bills adopting the FY2023 annual budget and amending the FY2022 annual budget, which are revised versions of the Council Bills presented on June 21. Changes in the budgeted amounts appear in bold text in the exhibits for each of the Ordinances. The budget amendment requires six affirmative votes, including the Mayor, to pass.

Discussion:

FY2023 Annual Budget: State law requires that the City adopt a budget prior to the beginning of the fiscal year. The Budget Ordinance is revised to account for the following items –

- Holiday pay is added in the Police and Fire Departments; this was inadvertently omitted from the proposed budget. The total required to meet these contractual obligations is \$394,604.
- The salary and benefits for the part-time Evidence Custodian is corrected, which results in a reduction of \$19,436.
- The salary allocation for the Grants Manager in Community Development is revised to be consistent with the allocation reflected in the staffing summary and list of budgeted positions. This results in a shift of \$18,795 from the General Fund to the Community Development Special Fund.
- City Attorney salary and benefits (\$164,870) are moved to legal services to pay for contracted services.
- In the VERF (Vehicle and Equipment Replacement Fund) expenditures are reduced by \$56,693 because a truck was replaced in FY2022, ahead of schedule.

FY2022 Budget Amendment: The following revisions are included in this Ordinance –

- A small increase (\$4,316) in the funds for annexation payments required under State law is necessary to meet our obligations to adjacent townships and fire protection districts.
- \$250,000 for replacement of meters in the Parking Fund in FY2022 is removed, since that replacement will occur in FY2023 and is already included in the budget.

Fiscal Impact: The projected ending fund balance in the General Operating Fund will be \$13,108,647 million, which is 33.79% of recurring expenditures. Recurring expenditures will be 100.32% of recurring revenues.

Alternatives:

1. Substitute the revised Ordinances and exhibits and approve the annual budget and budget amendment.
2. Amend one or both of the items and approve them.

Recommendation: Staff recommends that the City Council approve both Ordinances adopting the Annual Budget for FY2023 and amending the Annual Budget for FY2022, including the revisions described in this memo.

ORDINANCE NO. _____

AN ORDINANCE APPROVING THE FISCAL YEAR 2022-2023 ANNUAL BUDGET

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 Finance Director acting as Budget Director pursuant to Urbana City Code Sections 2-129 and 2-130 has compiled a proposed annual budget ordinance for the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with 65 ILCS 5/8-2-9.1 through and including 65 ILCS 5/8-2-9.9 and Urbana City Code Chapter 2, Article VI, Division 2; and

WHEREAS, the Mayor has made the proposed annual budget ordinance conveniently available for public inspection by publication in pamphlet form and by posting it on the City’s website at least 14 days prior to a public hearing on such ordinance; and

WHEREAS, the City Council held a public hearing on the proposed annual budget ordinance at 7:00 p.m., June 27, 2022 after due and proper notice of the availability for inspection of such ordinance and notice of such public hearing having been given by publication in *The News-Gazette*, a newspaper having general circulation within the City of Urbana, which date was at least 14 days prior to the time of the public hearing; and

WHEREAS, the City Council and the Mayor, being the corporate authorities, find that it is in the best interests of the City to approve the proposed annual budget ordinance as heretofore further changed, modified, and amended.

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 City of Urbana Fiscal Year 2022-2023 Annual Budget, a true and correct copy of which is attached hereto and made a part hereof as if set forth herein, be and the same is hereby passed, approved, and adopted as the annual budget ordinance of and for the City of Urbana for the fiscal year beginning July 1, 2022 and ending June 30, 2023, including changes listed on the Exhibit attached hereto and incorporated herein by reference.

Section 2.

The Finance Director acting as the Budget Director is hereby authorized to amend the Fiscal Year 2022-2023 Annual Budget to increase expenditures by the amount of encumbrances outstanding as of June 30, 2022.

Section 3.

The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and 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 majority of the corporate authorities (5 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: _____

Phyllis D. Clark, City Clerk

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

Diane Wolfe Marlin, Mayor

Budget Ordinance FY2022/23 - Exhibit

General Ledger Code	Description	Proposed Budget	Adopted Budget	Difference	Reason
GENERAL OPERATING FUND					
100-49350	TFR FROM ARPA	878,495	787,931	(90,564)	Error correction - reconcile ARPA transfer to General Fund
100-41150	STATE GRANTS - CULTURE & RECREATION	9,900	14,400	4,500	IL Arts Council Summer Youth Employment Grant
	TOTAL REVENUES	39,502,386	39,416,322	(86,064)	
10010103-50110	LEGAL: SALARY - REGULAR EMPLOYEES	242,077	106,401	(135,676)	Move City Attorney sal & ben to legal services
10010103-50210	LEGAL: INSURANCE	41,582	31,959	(9,623)	Move City Attorney sal & ben to legal services
10010103-50220	LEGAL: FICA & MEDICARE	25,618	18,596	(7,022)	Move City Attorney sal & ben to legal services
10010103-50251	LEGAL: IMRF & SURS	35,252	22,703	(12,549)	Move City Attorney sal & ben to legal services
10010103-52101	LEGAL: LEGAL SERVICES	40,000	204,870	164,870	Moved from City Attorney sal & ben
10020200-50110	POLICE ADMIN: SALARY - REGULAR EMPLOYEES	409,862	366,316	(43,546)	PT evidence custodian moved to PD criminal investigation
10020200-50210	POLICE ADMIN: INSURANCE	43,166	22,007	(21,159)	Error - Intelligence analyst insurance should be under PD investigation
10020200-50251	POLICE ADMIN: IMRF & SURS	13,314	7,589	(5,725)	Error - Intelligence analyst imrf should be under PD investigation
10020201-50151	POLICE PATROL: HOLIDAY PAY	-	191,867	191,867	Add holiday pay budget
10020202-50110	POLICE CRIMINAL INVESTIGATION: SALARY - REGULAR EMPLOYEES	1,030,192	1,073,738	43,546	PT evidence custodian moved from PD admin
10020202-50110	POLICE CRIMINAL INVESTIGATION: SALARY - REGULAR EMPLOYEES	1,073,738	1,057,149	(16,589)	PT evidence custodian adjust to reflect part-time salary
10020202-50151	POLICE CRIMINAL INVESTIGATION: HOLIDAY PAY	-	11,875	11,875	Add holiday pay budget
10020202-50220	POLICE CRIMINAL INVESTIGATION: FICA & MEDICARE	33,507	32,238	(1,269)	PT evidence custodian adjust to reflect part-time salary
10020202-50251	POLICE CRIMINAL INVESTIGATION: IMRF & SURS	24,738	23,160	(1,578)	PT evidence custodian adjust to reflect part-time salary
10020202-50251	POLICE CRIMINAL INVESTIGATION: IMRF & SURS	23,160	28,885	5,725	Error - Intelligence analyst miff moved from PD admin
10020202-50210	POLICE CRIMINAL INVESTIGATION: INSURANCE	112,913	134,072	21,159	Error - Intelligence analyst insurance moved from PD admin
10020211-50151	POLICE SRO: HOLIDAY PAY	-	5,156	5,156	Add holiday pay budget
10030300-50110	FIRE OPERATIONS: SALARY - REGULAR EMPLOYEES	4,911,623	4,828,351	(83,272)	Error correction - position budget
10030300-50151	FIRE OPERATIONS: HOLIDAY PAY	-	185,706	185,706	Add holiday pay budget
10030300-50210	FIRE OPERATIONS: INSURANCE	792,890	782,060	(10,830)	Error correction - position budget
10030300-50220	FIRE OPERATIONS: FICA & MEDICARE	67,193	66,144	(1,049)	Error correction - position budget
10040410-52901	PW FACILITIES MAINTENANCE: JANITORIAL SERVICES	87,571	110,160	22,589	Updated FY23 budget due to increased cost
10040424-52999	PW STREET & MAINTENANCE: OTHER CONTRACTUAL SERVICES	184,269	49,269	(135,000)	Error correction - wrong org code should be under ROW & tech support
10040427-52999	PW ROW & TECHNICAL SUPPORT: OTHER CONTRACTUAL SERVICES	4,585	139,585	135,000	Error correction - wrong org code moved from street & maintenance
10040451-59600	PW ENVIRONMENTAL CONTROL: TFR TO EQUIPMENT SERVICES	3,866	-	(3,866)	Error correction - should be under CD environmental control
10050500-50110	CD ADMIN: SALARY - REGULAR EMPLOYEES	212,384	193,589	(18,795)	Error correction - CD grant salary allocation
10050501-52420	CD GEN FUND ECONOMIC DEVELOPMENT: ED CONTRIBUTION	39,500	89,500	50,000	Error correction - African American Heritage Trail
10050551-59600	CD ENVIRONMENTAL CONTROL: TFR TO EQUIPMENT SERVICES	-	3,866	3,866	Error correction - moved from PW environmental control
10050504-52909	CD PUBLIC ARTS: ADV/MKTING/PUBLIC EDUCATION	2,672	5,672	3,000	donation - public arts
10050504-52909	CD PUBLIC ARTS: ADV/MKTING/PUBLIC EDUCATION	5,672	8,172	2,500	donation - public arts
10050504-50120	CD PUBLIC ARTS: SALARY - TEMPORARY EMPLOYEES	2,958	7,458	4,500	IL Arts Council Summer Youth Employment Grant
10060109-52999	SISTER CITY: CONTRACTUAL SERVICES	8,277	-	(8,277)	Error correction - should no longer have a budget
	TOTAL EXPENDITURES	40,789,271	41,124,805	335,534	
	ENDING FUND BALANCE	13,571,696	13,108,647	(463,049)	
MOTOR FUEL TAX FUND					
20340470-53301-40144	HIGHWAY AND STREETS	118,905	286,000	167,095	Update estimate to reflect timing
	TOTAL EXPENDITURES	6,955,698	7,122,793	167,095	
	ENDING FUND BALANCE	392,498	392,498	-	
VEHICLE EQUIPMENT REPLACEMENT FUND					
30060600-53420	PW: VEHICLE	433,860	377,167	(56,693)	Error correction - remove from FY23 scheduled replacement
	TOTAL EXPENDITURES	1,465,751	1,409,058	(56,693)	
	ENDING FUND BALANCE	4,681,086	4,653,029	-	
CABLE TV PEG FUND					
32010107-53440	OTHER EQUIPMENT	-	50,000	50,000	Rebudget - \$50K for council chambers audio
	TOTAL EXPENDITURES	69,679	119,679	50,000	
	ENDING FUND BALANCE	137,248	137,248	-	
COMMUNITY DEVELOPMENT SPECIAL FUND					
33050530-50110	CD: SALARY- REGULAR EMPLOYEES	277,952	296,747	18,795	Error correction - CD grant salary allocation
	TOTAL EXPENDITURES	407,505	388,710	(18,795)	
	ENDING FUND BALANCE	42,779	24,464	(18,795)	
COMMUNITY DEVELOPMENT GRANTS FUND					

General Ledger Code	Description	Proposed Budget	Adopted Budget	Difference	Reason
33150531-41340	CDBG: FEDERAL GRANTS - HOUSING & CD	1,150,000	1,151,404	1,404	Updated revenue estimates
33150532-41340	HOME: FEDERAL GRANTS - HOUSING & CD	4,898,902	4,871,629	(27,273)	Updated revenue estimates
	TOTAL REVENUES	<u>6,126,402</u>	<u>6,100,533</u>	<u>(25,869)</u>	
33150531-52800	CDBG: GRANT MISC CONTRACTUAL SERVICE	525,000	526,404	1,404	Updated estimates
33150531-53301-40112	CDBG: HIGHWAY AND STREETS	500,000	-	(500,000)	Error correction - capital improvements - duplicate
33150532-52800	HOME: GRANT MISC CONTRACTUAL SERVICE	4,691,668	4,664,395	(27,273)	Updated estimates
	TOTAL EXPENDITURES	<u>6,626,402</u>	<u>6,100,533</u>	<u>(525,869)</u>	
	ENDING FUND BALANCE	<u>(657,621)</u>	<u>(294,244)</u>	<u>363,377</u>	
AMERICAN RESCUE PLAN FUND					
35060620-59100	TFR TO GENERAL FUND	878,495	787,931	(90,564)	Error correction - reconcile ARPA transfer to General Fund
	TOTAL EXPENDITURES	<u>1,043,495</u>	<u>952,931</u>	<u>(90,564)</u>	
	ENDING FUND BALANCE	<u>11,831,815</u>	<u>11,922,379</u>	<u>90,564</u>	

ORDINANCE NO. _____

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE

(Budget Amendment #8 – Fiscal Year 2021-2022 Estimates)

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, 2021 and ending June 30, 2022; 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 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 column labeled “FY22 Estimate” in the proposed Fiscal Year 2022-23 budget document, including changes listed on the Exhibit attached hereto and incorporated herein by reference.

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: _____

Phyllis D. Clark, City Clerk

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

Diane Wolfe Marlin, Mayor

Budget Amendment 2021/22 - #8 - Exhibit

<u>General Ledger Code</u>	<u>Description</u>	<u>Estimated</u>	<u>Updated Estimate</u>	<u>Difference</u>	<u>Reason</u>
<u>GENERAL OPERATING FUND</u>					
100-46300	DONATIONS/CONTRIBUTIONS/GIFTS	99,650	102,650	3,000	donation - arts program
100-46300	DONATIONS/CONTRIBUTIONS/GIFTS	102,650	105,150	2,500	donation - arts program
	TOTAL REVENUES	<u>39,096,092</u>	<u>39,101,592</u>	<u>5,500</u>	
10040451-59610	PW ENVIRONMENTAL CONTROL: TFR TO IT FUND	2,029	-	(2,029)	moved to CD environmental control
10050551-59610	CD ENVIRONMENTAL CONTROL: TFR TO IT FUND	-	2,029	2,029	moved from PW environmental control
10060610-52410	GF NON-DEPT GEN SERVICES: DEVELOPMENTAL INCENTIVES	23,965	28,281	4,316	correct annexation payments - State law
	TOTAL EXPENDITURES	<u>41,957,851</u>	<u>41,962,167</u>	<u>4,316</u>	
	ENDING FUND BALANCE	<u>14,858,581</u>	<u>14,817,130</u>	<u>(41,451)</u>	
<u>MOTOR FUEL TAX FUND</u>					
20340470-53301-40144	HIGHWAY AND STREETS	2,331,095	2,164,000	(167,095)	Update estimate to reflect timing
	TOTAL EXPENDITURES	<u>3,225,088</u>	<u>3,057,993</u>	<u>(167,095)</u>	
	ENDING FUND BALANCE	<u>4,418,742</u>	<u>4,585,837</u>	<u>167,095</u>	
<u>CABLE TV PEG FUND</u>					
32010107-53440	OTHER EQUIPMENT	50,000	-	(50,000)	carry forward council chambers audio
	TOTAL EXPENDITURES	<u>173,058</u>	<u>123,058</u>	<u>(50,000)</u>	
	ENDING FUND BALANCE	<u>65,490</u>	<u>115,490</u>	<u>50,000</u>	
<u>COMMUNITY DEVELOPMENT GRANTS FUND</u>					
33150533-52800	GRANT MISC CONTRACTUAL SERVICE	230,946	367,569	136,623	update estimate
	TOTAL EXPENDITURES	<u>1,183,493</u>	<u>1,320,116</u>	<u>136,623</u>	
	ENDING FUND BALANCE	<u>(157,621)</u>	<u>(294,244)</u>	<u>(136,623)</u>	
<u>TIF 4</u>					
34350501-52410	DEVELOPMENT INCENTIVES	225,000	256,158	31,158	Property tax rebate - development agreement
34350501-52500	INTERGOVERNMENTAL AND AGENCY	239,000	312,266	73,266	Urbana School District Vocational Payment
	TOTAL EXPENDITURES	<u>804,852</u>	<u>909,276</u>	<u>104,424</u>	
	ENDING FUND BALANCE	<u>4,260,603</u>	<u>4,140,179</u>	<u>(120,424)</u>	
<u>PARKING FUND</u>					
50040412-53305-40701	OTHER CONSTRUCTION - METER INFRASTRUCTURE	250,000	-	(250,000)	update estimate
	TOTAL EXPENDITURES	<u>2,075,564</u>	<u>2,325,564</u>	<u>250,000</u>	
	ENDING FUND BALANCE	<u>363,942</u>	<u>613,942</u>	<u>250,000</u>	
<u>INFORMATION TECHNOLOGY FUND</u>					
61010106-52205	H/W & S/W MAINTENANCE	131,048	194,544	63,496	prior year prepaid adjustments
	TOTAL EXPENDITURES	<u>950,123</u>	<u>1,013,619</u>	<u>63,496</u>	
	ENDING FUND BALANCE	<u>46,773</u>	<u>(17,923)</u>	<u>(64,696)</u>	