



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

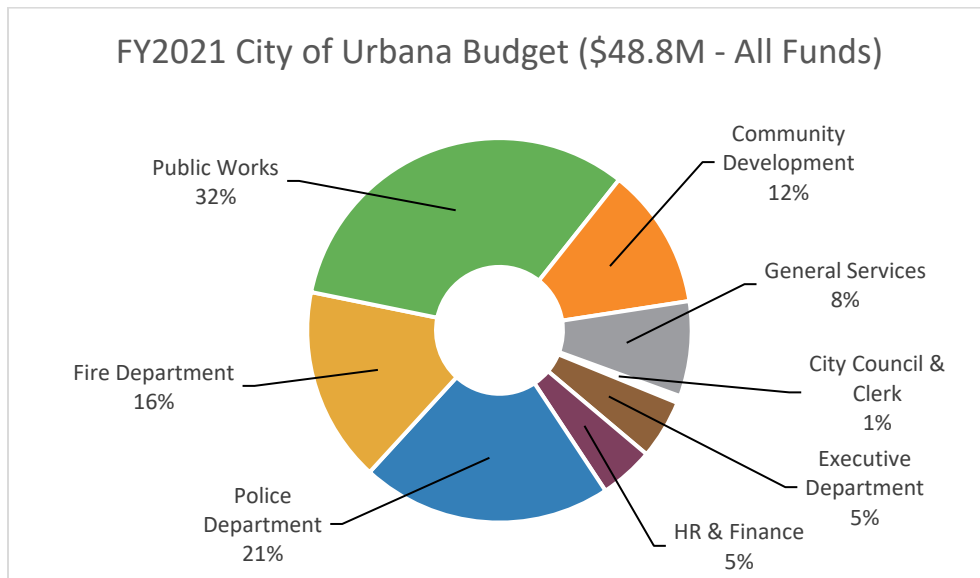
TO: Mayor Diane Wolfe Marlin and City Council Members
FROM: Elizabeth Hannan, Finance Director
Don Ho, Senior Financial Analyst/Budget Coordinator
DATE: June 18, 2020
SUBJECT: **Ordinances Approving the FY2021 Annual Budget and Amending the FY2020 Annual Budget**

Introduction: Attached are two Council Bills –

1. An Ordinance adopting the FY2021 Annual Budget
2. An Ordinance amending the FY2020 Annual Budget

Discussion:

FY2021 Annual Budget: The following chart provides a high level summary of the budget for all City funds by department.



On this chart, Public Works includes all capital improvements. General Services includes items that cannot be assigned to one department, such as the Vehicle and Equipment Replacement Fund and Retained Risk Fund.

Illinois law normally requires the City to adopt a budget before the beginning of the fiscal year on July 1. During a disaster, such as the current pandemic, new legislation allows an exception to extend the time by 60 days. However, expenditures are controlled in the financial system to stay within budget. If Council does not approve a budget before July 1, the City would have to control expenditures based on last year's budget. This would likely result in delaying some expenditures until a budget could be approved.

The proposed budget was reviewed with the City Council in the meeting on June 10 and further discussion occurred on June 15. A public hearing on the budget was advertised on June 7 and will be held on June 22, prior to approval of the budget the same evening.

The Ordinance approving the Annual Budget includes a detailed listing of changes from the proposed budget provided to the City Council. Some of these changes are housekeeping items, including changes in the timing of capital improvement projects. Significant items include –

- Budget Errors: In the midst of trying to adjust the budget in light of falling revenues, staff missed a couple of errors that made their way into the proposed budget. First, some expenditures were overwritten at the time new expenditures were added. Second, there were some miscalculations in the salary and benefit projection. The total impact on the General Fund is an increase of \$894,053. This affects total expenditures and also our analysis of recurring expenditures and fund balance
- Police Training Institute: Due to a legislative change that went into effect in July, Illinois Law Enforcement Training and Standards Board (ILETSB) will no longer be able to cover the tuition for new police officers attending basic academy. This will increase the training budget in the Patrol division by \$31,300. Staff expects ILETSB to reimburse at least 25% of the costs.
- Community Development Staffing Changes: The Community Development Services Department is charged with administering programs with regulations imposed at local, state, and federal levels. As a result, the Officer Clerk position will be temporarily converted to the Office Specialist position to assist with monitoring and administering these programs to ensure compliance with those regulations. While this position has always been needed, it is essential at this time due to the additional programs that were funded through CDBG-CV to respond to the pandemic. These changes will have no impact on the General Fund.
- MCORE Project Expense: An additional MCORE project expense of \$1M, which will be fully reimbursed by the water company, is also included.
- The Finance Director would be authorized to amend the budget to carry forward purchase orders open on June 30. This carry forward would be for items for which a commitment to purchase is made prior to June 30, but funds have not yet been spent.

FY2020 Budget Amendment: This Ordinance amends the FY2020 budget to conform to estimates provided in the proposed budget, with changes detailed on the attachment. Again, most changes are housekeeping items, such as changes in the timing of expenditures for capital projects. Changes include –

- Salary Estimates: Due to multiple vacant positions, salary estimates for Public Works Administration and Engineering division have been revised downward. This allows us to more accurately estimate fund balance. This results in an increase of \$573,120 in General Fund FY20 ending fund balance, which is carried forward to FY21.
- COVID-19: Changes have been made to reflect all the money that the City has spent related to the Covid-19 pandemic. These expenditures will be reimbursed by different grant revenues in FY21.

Note on COVID-19: The COVID-19 pandemic has changed the landscape dramatically. We are relying on the strong foundation we have built over the past few years to weather this. Unfortunately, there is much that is unknown about the scope and duration of the pandemic. Staff plans to provide an updated forecast in late summer or early fall, when more information is available.

Fiscal Impact: The projected ending fund balance in the General Operating Fund will be \$6.8 million, which is 19.3% of recurring expenditures. Recurring expenditures will be 95.3% of recurring revenues.

Alternatives:

1. Approve both Ordinances adopting the Annual Budget for FY2021 and amending the Annual Budget for FY2020.
2. Amend one or more of the items.

Recommendation: Staff recommends that the City Council approve both Ordinances adopting the Annual Budget for FY2021 and amending the Annual Budget for FY2020.

ORDINANCE NO. _____

AN ORDINANCE APPROVING THE FISCAL YEAR 2020-2021 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(s) has compiled a proposed annual budget ordinance for the fiscal year beginning July 1, 2020 and ending June 30, 2021, 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 22, 2020 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 2020-2021 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, 2020 and ending June 30, 2021, 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 2020-2021 Annual Budget to increase expenditures by the amount of encumbrances outstanding as of June 30, 2020.

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: _____

City Clerk

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

Diane Wolfe Marlin, Mayor

Budget Ordinance FY2020/21 - Exhibit

<u>General Ledger Code</u>	<u>Description</u>	<u>Proposed Budget</u>	<u>Adopted Budget</u>	<u>Difference</u>	<u>Reason</u>
<u>GENERAL OPERATING FUND</u>					
100-41150	STATE GRANTS - CULTURE & RECR	-	3,515	3,515	IACA GRANT
100-41120	STATE GRANTS - PUBLIC SAFETY	-	7,825	7,825	PTI TRAINING REIMBURSEMENT
100-41320	FEDERAL GRANTS - PUBLIC SAFETY	-	35,119	35,119	DOJ COVID GRANT
	TOTAL REVENUES	<u>33,677,668</u>	<u>33,724,127</u>	<u>46,459</u>	
10020200-52320	PD ADMIN - TRAVEL, EDUCATION AND TRAINING	9,703	41,003	31,300	PTI TRAINING
10030300-50110	FIRE OPS - SALARY - REGULAR EMPLOYEES	3,947,492	4,391,316	443,824	BUDGET CORRECTION
10030300-50131	FIRE OPS - REGULAR OVERTIME	162,760	504,890	342,130	BUDGET CORRECTION
10030300-50154	FIRE OPS - SPECIALTY PAY	-	24,910	24,910	BUDGET CORRECTION
10030300-50155	FIRE OPS - EDUCATIONAL INCENTIVE	-	21,264	21,264	BUDGET CORRECTION
10030300-50220	FIRE OPS - FICA AND MEDICARE	57,264	63,254	5,990	BUDGET CORRECTION
10030300-51320	FIRE OPS - REPAIR & MAINTENANCE MATERIALS	500	8,843	8,343	BUDGET CORRECTION
10030300-51600	FIRE OPS - UNIFORMS	48,800	96,393	47,593	BUDGET CORRECTION
10050500-50110	CD - SALARY - REGULAR EMPLOYEES	82,532	107,504	24,972	CD STAFFING CHANGES
10050500-50220	CD - FICA AND MEDICARE	6,316	8,227	1,911	CD STAFFING CHANGES
10050500-50251	CD - IMRF & SURS	10,466	13,632	3,166	CD STAFFING CHANGES
10050504-50120	CD - SALARY - TEMPORARY EMPLOYEES	1,198	5,338	4,140	IACA GRANT
10050504-50220	CD - FICA AND MEDICARE	93	409	316	IACA GRANT
10050522-50110	CD - SALARY - REGULAR EMPLOYEES	64,212	71,682	7,470	CD STAFFING CHANGES
10050522-50210	CD - INSURANCE	11,613	13,272	1,659	CD STAFFING CHANGES
10050522-50220	CD - FICA AND MEDICARE	4,915	5,486	571	CD STAFFING CHANGES
10050522-50251	CD - IMRF & SURS	8,143	7,431	(712)	CD STAFFING CHANGES
10010105-50120	EXEC - SALARY - TEMPORARY EMPLOYEES	240	-	(240)	BUDGET CORRECTION
10010105-50220	EXEC - FICA AND MEDICARE	20	-	(20)	BUDGET CORRECTION
10010105-50240	EXEC - RHS CONTRIBUTION	2,383	-	(2,383)	BUDGET CORRECTION
10015155-50120	HRF - SALARY - TEMPORARY EMPLOYEES	-	360	360	BUDGET CORRECTION
10015155-50220	HRF - FICA AND MEDICARE	26,305	26,335	30	BUDGET CORRECTION
10015155-50240	HRF - RHS CONTRIBUTION	-	2,383	2,383	BUDGET CORRECTION
	TOTAL EXPENDITURES	<u>34,287,008</u>	<u>35,255,985</u>	<u>968,977</u>	
	ENDING FUND BALANCE	<u>7,181,845</u>	<u>6,809,853</u>	<u>(371,992)</u>	
<u>CAPITAL IMPROVEMENT FUND</u>					
200-46290-40102	MCORE REIMBURSEMENTS	-	1,000,000	1,000,000	REIMBURSEMENT FROM WATER COMPANY
	TOTAL REVENUES	<u>875,110</u>	<u>1,875,110</u>	<u>1,000,000</u>	
20040470-53301-40102	MCORE	-	1,000,000	1,000,000	INCLUDE REIMBURSABLE EXPENSE IN BUDGET
20040470-53302-40604	CAMPUS LIGHTING IMPROVEMENT	612,000	712,000	100,000	
	TOTAL EXPENDITURES	<u>1,762,000</u>	<u>2,862,000</u>	<u>1,100,000</u>	
	ENDING FUND BALANCE	<u>227,080</u>	<u>247,780</u>	<u>20,700</u>	
<u>MOTOR FUEL TAX FUND</u>					
203-40312	REBUILD ILLINOIS	-	906,179	906,179	REVISE FY21 BUDGET
	TOTAL REVENUES	<u>1,551,097</u>	<u>2,457,276</u>	<u>906,179</u>	
	ENDING FUND BALANCE	<u>970,165</u>	<u>2,518,037</u>	<u>1,547,872</u>	

COMMUNITY DEVELOPMENT SPECIAL FUND

33050530-50110	SALARY - REGULAR EMPLOYEES	178,267	199,183	20,916	CD STAFFING CHANGES
33050530-50210	INSURANCE	20,258	23,576	3,318	CD STAFFING CHANGES
33050530-50220	FICA AND MEDICARE	13,641	15,240	1,599	CD STAFFING CHANGES
33050530-50251	IMRF & SURS	22,606	25,295	2,689	CD STAFFING CHANGES
	TOTAL EXPENDITURES	<u>263,611</u>	<u>292,133</u>	<u>28,522</u>	
	ENDING FUND BALANCE	<u>78,236</u>	<u>42,814</u>	<u>(35,422)</u>	

FARMERS MARKET FUND

33250503-50110	SALARY - REGULAR EMPLOYEES	26,839	26,735	(104)	BUDGET CORRECTION
33250503-50120	SALARY - TEMPORARY EMPLOYEES	13,647	22,821	9,174	BUDGET CORRECTION
33250503-50210	INSURANCE	5,925	4,980	(945)	BUDGET CORRECTION
33250503-50220	FICA AND MEDICARE	3,100	3,794	694	BUDGET CORRECTION
33250503-50251	IMRF & SURS	4,275	4,261	(14)	BUDGET CORRECTION
	TOTAL EXPENDITURES	<u>95,686</u>	<u>104,491</u>	<u>8,805</u>	
	ENDING FUND BALANCE	<u>92,688</u>	<u>83,883</u>	<u>(8,805)</u>	

TIF2 FUND

34250501-50110	SALARY - REGULAR EMPLOYEES	50,371	64,931	14,560	CD STAFFING CHANGES
34250501-50210	INSURANCE	6,291	8,614	2,323	CD STAFFING CHANGES
34250501-50220	FICA AND MEDICARE	3,855	4,969	1,114	CD STAFFING CHANGES
34250501-50251	IMRF & SURS	6,388	8,261	1,873	CD STAFFING CHANGES
	TOTAL EXPENDITURES	<u>1,688,295</u>	<u>1,708,165</u>	<u>19,870</u>	
	ENDING FUND BALANCE	<u>75,045</u>	<u>55,175</u>	<u>(19,870)</u>	

INFORMATION TECHNOLOGY FUND

61010106-50120	SALARY - TEMPORARY EMPLOYEES	29,472	32,616	3,144	BUDGET CORRECTION
61010106-50160	SEPARATION PAY	90,629	-	(90,629)	BUDGET CORRECTION
61010106-50210	INSURANCE	38,331	35,778	(2,553)	BUDGET CORRECTION
61010106-50220	FICA AND MEDICARE	25,536	25,778	242	BUDGET CORRECTION
61010106-50251	IMRF & SURS	42,322	38,584	(3,738)	BUDGET CORRECTION
61010106-52102	TECHNOLOGY SERVICES	19,200	28,950	9,750	BUDGET CORRECTION
61010106-52205	H/W & S/W MAINTENANCE	10,000	132,475	122,475	BUDGET CORRECTION
61010106-53440	OTHER EQUIPMENT	40,000	95,000	55,000	BUDGET CORRECTION
	TOTAL EXPENDITURES	<u>776,923</u>	<u>870,614</u>	<u>93,691</u>	
	ENDING FUND BALANCE	<u>327,626</u>	<u>200,150</u>	<u>(127,476)</u>	

ORDINANCE NO. _____

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE

(Budget Amendment #8 – Fiscal Year 2019-2020 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, 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 Finance Director acting as Budget Director pursuant to Urbana City Code Sections 2-129 and 2-130 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 “FY20 Estimate” in the proposed Fiscal Year 2020-2021 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 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: _____

City Clerk

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

Diane Wolfe Marlin, Mayor

Budget Amendment 2019/20 - 8 - Exhibit

General Ledger Code	Description	Estimated in		Difference	Reason
		Proposed Budget	Updated Estimate		
<u>GENERAL OPERATING FUND</u>					
10005140-51100	CITY CLERK - OFFICE SUPPLIES	2,100	4,130	2,030	COVID EXPENSE
10010101-51100	MAYOR - OFFICE SUPPLIES	8,625	10,618	1,993	COVID EXPENSE
10020201-51600	PD PATROL - UNIFORMS	70,398	71,676	1,278	COVID EXPENSE
10020203-51900	PD SERVICES - OTHER SUPPLIES	17,676	20,348	2,672	COVID EXPENSE
10030300-51900	FIRE OPS - OTHER SUPPLIES	22,271	31,898	9,627	COVID EXPENSE
10040410-51320	PW FACILITIES - REPAIR & MAINTENANCE MATERIALS	26,216	30,410	4,194	COVID EXPENSE
10040400-50110	PW ADMIN - SALARY REGULAR EMP	308,473	160,000	(148,473)	REVISE FY20 EST - PW SALARIES
10040400-50210	PW ADMIN - INSURANCE	24,066	16,000	(8,066)	REVISE FY20 EST - PW SALARIES
10040400-50220	PW ADMIN - FICA & MEDICARE	24,157	12,000	(12,157)	REVISE FY20 EST - PW SALARIES
10040400-50251	PW ADMIN - IMRF & SURS	40,036	20,000	(20,036)	REVISE FY20 EST - PW SALARIES
10040440-50110	PW ENGINEERING DEV - SALARY REGULAR EMP	215,725	117,000	(98,725)	REVISE FY20 EST - PW SALARIES
10040440-50210	PW ENGINEERING DEV - INSURANCE	30,328	20,000	(10,328)	REVISE FY20 EST - PW SALARIES
10040440-50220	PW ENGINEERING DEV - FICA & MEDICARE	17,901	11,000	(6,901)	REVISE FY20 EST - PW SALARIES
10040440-50251	PW ENGINEERING DEV - IMRF & SURS	24,313	15,000	(9,313)	REVISE FY20 EST - PW SALARIES
10040441-50110	PW ENGINEERING TRANS - SALARY REGULAR EMP	348,644	165,000	(183,644)	REVISE FY20 EST - PW SALARIES
10040441-50210	PW ENGINEERING TRANS - INSURANCE	69,102	22,000	(47,102)	REVISE FY20 EST - PW SALARIES
10040441-50220	PW ENGINEERING TRANS - FICA & MEDICARE	27,151	15,000	(12,151)	REVISE FY20 EST - PW SALARIES
10040441-50251	PW ENGINEERING TRANS - IMRF & SURS	36,224	20,000	(16,224)	REVISE FY20 EST - PW SALARIES
10050504-50120	CD ARTS & CULTURE - TEMPORARY EMPLOYEES	4,937	5,680	743	IACA GRANT
10050504-50220	CD ARTS & CULTURE - FICA & MEDICARE	240	297	57	IACA GRANT
	TOTAL EXPENDITURES	<u>36,872,130</u>	<u>36,321,604</u>	<u>(550,526)</u>	
	ENDING FUND BALANCE	<u>7,791,185</u>	<u>8,341,711</u>	<u>550,526</u>	
<u>CAPITAL IMPROVEMENT FUND</u>					
20040470-52105-40105	OLYMPIAN DRIVE	33,947	-	(33,947)	RECONCILING TO CIP
20440470-52105-40140	LINCOLN: DELAWARE - N NEVADA	53,000	-	(53,000)	RECONCILING TO CIP
20040470-53301-40104	AIRPORT ROAD WEST	43,586	9,833	(33,753)	RECONCILING TO CIP
	TOTAL EXPENDITURES	<u>5,143,671</u>	<u>5,022,971</u>	<u>(120,700)</u>	
	ENDING FUND BALANCE	<u>1,113,970</u>	<u>1,234,670</u>	<u>120,700</u>	
<u>MOTOR FUEL TAX FUND</u>					
203-40312	REBUILD ILLINOIS	-	453,090	453,090	RECONCILING TO CIP
	TOTAL REVENUES	<u>2,427,287</u>	<u>2,880,377</u>	<u>453,090</u>	
20340470-53301-40103	LINCOLN: N SALINE - OLYMPIAN	188,603	-	(188,603)	RECONCILING TO CIP
	TOTAL EXPENDITURES	<u>5,932,905</u>	<u>5,744,302</u>	<u>(188,603)</u>	
	ENDING FUND BALANCE	<u>179,318</u>	<u>821,011</u>	<u>641,693</u>	
<u>COMMUNITY DEVELOPMENT SPECIAL FUND</u>					
33050530-53440	CD - OTHER EQUIPMENT	2,000	8,900	6,900	COVID EXPENSE
	TOTAL EXPENDITURES	<u>433,895</u>	<u>440,795</u>	<u>6,900</u>	
	ENDING FUND BALANCE	<u>105,817</u>	<u>98,917</u>	<u>(6,900)</u>	
<u>INFORMATION TECHNOLOGY FUND</u>					
61010106-51410	SMALL TOOLS & EQUIPMENT	32,250	66,035	33,785	COVID EXPENSE
	TOTAL EXPENDITURES	<u>994,466</u>	<u>1,028,251</u>	<u>33,785</u>	
	ENDING FUND BALANCE	<u>259,463</u>	<u>225,678</u>	<u>(33,785)</u>	