



MEMORANDUM

TO: Mayor Diane Wolfe Marlin and City Council Members
FROM: Elizabeth Hannan, Human Resources & Finance Director / CFO
Alyana Robinson, Financial Analyst
DATE: June 16, 2022
SUBJECT: **Ordinances Approving the FY2023 Annual Budget and Amending the FY2022 Annual Budget**

Introduction: Attached are two Council Bills –

1. An Ordinance adopting the FY2023 Annual Budget
2. An Ordinance amending the FY2022 Annual Budget

The budget amendment requires six affirmative votes, including the Mayor, to pass.

Discussion:

FY2023 Annual Budget: 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, such as change in the timing of expenditures. Changes include –

- Budget Errors: Budget preparation is a busy time, and it is not unusual to have some corrections that get picked up in the budget Ordinance. First, the salary and benefits for the part-time Evidence Custodian and Intelligence Analyst were inadvertently budgeted under Police Administration, but should be budgeted under Police Criminal Investigation. Second, under Fire Operations, the salary & benefits projection for a firefighter position got posted twice. The sponsorship for the African American Heritage Trail (\$50,000) was inadvertently left out of the budget. In addition, under Public Works, \$135,000 for utility locating services was inadvertently budgeted under Public Works Street & Maintenance, but it should have been under Public Works Right-of-Way & Technical Support.
- Public Works – Facilities Maintenance: An additional \$22,589 is needed to cover the increased cost of a new janitorial services contract. The City received only one bid, which was considerably higher than the current contract.
- Cable TV PEG Fund: Unspent funds of \$50,000 for the replacement of microphones and related audio equipment for the Council Chambers will be carried forward to the FY2023 budget.
- Community Development Grant Funds: \$500,000 that relates to Capital Improvement Projects that use grant funds was inadvertently budgeted twice.

- Motor Fuel Tax Fund – Rebudget: Carried forward total funds of \$167,095 from FY2022 to FY2023 budget. This is to reflect timing of expenditures at fiscal year-end.

FY2022 Budget Amendment: This Ordinance amends the FY2022 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. Changes include –

- Budget errors: The Environmental Control program was moved to Community Development several years ago and is no longer under Public Works. The FY22 transfer to the IT Fund for Environmental Control should have been under Community Development, therefore, \$2,029 will be moved to Community Development.

Under the IT Fund, an additional \$63,496 is requested to cover prior year adjustments to prepaid expenditures that were posted in FY2022, but should have been posted in prior years. These generally relate to multi-year contracts that are expensed as services are used.

- Update estimates: Due to timing of expenditures, estimates for Community Development Grant Funds grant miscellaneous contractual service have been revised upward to reflect an updated estimated fund balance.

In addition, FY2022 estimates have been reduced by a total of \$167,095 for a couple of capital projects in the State Motor Fuel Tax Fund and carried forward to the FY2023 budget. This is to reflect timing of expenditures at fiscal year-end.

- Other Items: The City received donations for the arts program, which will be reflected in the FY22 budget.

In TIF 4, an additional \$35,089 is needed to pay for Urbana School District vocational payment and \$31,158 is needed to cover a property tax rebate related to a development agreement.

Fiscal Impact: The projected ending fund balance in the General Operating Fund will be \$13,469,336, which is 35.03% of recurring expenditures. Recurring expenditures will be 99.41% of recurring revenues.

Alternatives:

1. Approve both Ordinances, thereby adopting the Annual Budget for FY2023 and amending the Annual Budget for FY2022.
2. Amend one or more of the items.

Recommendation: Staff recommends that the City Council approve both Ordinances, thereby adopting the Annual Budget for FY2023 and amending the Annual Budget for FY2022.

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 21, 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)	
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
10020202-50110	POLICE CRIMINAL INVESTIGATION: SALARY - REGULAR EMPLOYEES	1,030,192	1,073,738	43,546	PT evidence custodian moved from PD admin
10020202-50210	POLICE CRIMINAL INVESTIGATION: INSURANCE	112,913	134,072	21,159	Error - Intelligence analyst insurance moved from PD admin
10020202-50251	POLICE CRIMINAL INVESTIGATION: IMRF & SURS	24,738	30,463	5,725	Error - Intelligence analyst miff moved from PD admin
10030300-50110	FIRE OPERATIONS: SALARY - REGULAR EMPLOYEES	4,911,623	4,828,351	(83,272)	Error correction - position 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
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	40,768,432	(20,839)	
	ENDING FUND BALANCE	13,571,696	13,469,336	(102,360)	
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	-	
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 GRANTS FUND					
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	6,126,402	6,100,533	(25,869)	
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	4,691,568	4,664,395	(27,273)	Updated estimates
	TOTAL EXPENDITURES	6,626,402	6,100,533	(525,869)	
	ENDING FUND BALANCE	(657,621)	(294,244)	363,377	
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	1,043,495	952,931	(90,564)	
	ENDING FUND BALANCE	11,831,815	11,922,379	90,564	

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
	TOTAL EXPENDITURES	<u>41,957,851</u>	<u>41,957,851</u>	<u>-</u>	
	ENDING FUND BALANCE	<u>14,858,581</u>	<u>14,821,446</u>	<u>(37,135)</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>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>	