

MEMORANDUM

TO: Mayor Diane Wolfe Marlin and City Council Members

FROM: Elizabeth Hannan, Human Resources & Finance Director / CFO
Alyana Robinson, Financial Analyst

DATE: November 10, 2021

SUBJECT: **FY2022 Budget Amendment #4 – Omnibus**

Introduction: Attached is an Ordinance revising the FY2022 annual budget to provide for items described below. This budget amendment requires six affirmative votes, including the Mayor, in order to pass.

Discussion: The following items are included in the attached Ordinance amending the annual budget.

General Operating Fund (100):

Rebudget items: A number of purchases and projects that were not completed in FY2021 will be rebudgeted to FY2022 budget. These items include:

- Equipment – certain equipment line items are budgeted at a level amount annually and then routinely rebudgeted to account for the fact that purchases are not made in equal annual amounts. This includes multiple equipment line in various departments (a total of \$122,918).
- Police Medical Services - \$13,922 for periodic physical exams

Utility Trailer – Public Works: An amendment (Budget Amendment #1) was done to move funds for the purchase of utility trailer (\$12,319) out of a small equipment line item in Public Works to the VEF. However, the transfer of funds out of the General Fund did not get included. This amendment is necessary to reconcile the interfund transfers.

IHSA Sponsorship and Meeting and Agenda Software – Executive Department: This change is to repurpose funds from a legal salary line item to pay for two things: 1) IHSA sponsorship – in 2019 the City pledged \$7,500 for each of 2021, 2022, and 2023. An amount of \$2,500 was budgeted for this year and an additional \$5,000 would be needed to fully fund this. 2) Meeting and Agenda Software – an additional \$5,000 is needed for completion of this project. A total of \$10,000 will be taken out of the Legal salary line item to cover these changes. This amendment will not increase or decrease expenditures.

Legal Services – Executive Department: Staff continues to use outside counsel to provide legal services for the City, which makes it necessary to reallocate an additional \$180,000 from salaries to legal services.

CADD and PAVER Software – Public Works: A recurring costs of \$15,000 for CADD (Computer-aided Design and Drafting) and PAVER software licenses was approved in the FY2022 Budget to support ongoing efforts to improve infrastructure in the City. A correction is necessary to move the \$15,000 out of a salary line item to the appropriate line item for technology services.

Electrical Services Contract – Public Works: Transfer \$30,000 unspent funds from the salary line items as a result of vacancies to fund supplementary contractual services for traffic and street lighting maintenance. At the end of November, Public Works will have one electrician and one traffic signal technician employed. The vacant positions are posted externally but there has been a lack of qualified applicants to date. These funds will allow Public Works to maintain essential services while the hiring process continues.

SAFER Grant – Fire Department: The City of Urbana has been awarded a grant up to about \$1.71 million to hire six firefighters to increase staffing levels to enhance compliance with NFPA-recommended staffing standards. Staff expects to fill these positions beginning February 21, 2022. This grant will cover salary and wages and benefits for a 36-month time period (please refer to resolution No. 2021-09-042R). For the FY2022 budget, total expenditures are expected to be \$275,231; \$199,669 will be eligible for reimbursement and \$75,562 is expected to be the City's portion of ineligible expenses. \$176,631 is expected to be City's portion (expenses ineligible for reimbursement) over the life of the grant (FY2023-FY2025). This will be budgeted to reflect related revenue and expenditures that affect FY2022 adopted budget.

Recruitment Services – HRF: \$25,000 will be budgeted for external recruitment assistance, including for the Director of Community Development Services.

Capital Improvement Fund (200):

Rebudget FY2021 Unspent Funds – Architectural Services: \$19,742 from remaining FY2021 funds for architectural services for the City Building Interim Reconfiguration will be carried over to FY2022. This will be used for project contingency.

Stormwater Utility Fund (201):

Vine Street Stormwater Pumps: This is to reallocate \$18,000 from stormwater management planning activities line item to stormwater sewer improvement to cover for emergency repairs to Vine Street stormwater pumps.

Local Motor Fuel Tax Fund (202):

Washington Street Bridge Reconstruction: The Washington Street Bridge recently received a load limit based on structural evaluation from IDOT after our annual bridge inspection yielded poor and declining conditions due to increased degradation of the structure. Because of this new information, it is necessary to make some modifications to the FY2022 funding outlined in the 2021 Capital Improvement Plan (CIP) to accommodate improvements to the bridge as a higher priority over other approved projects. This amendment is to reduce the scope of a couple of planned maintenance programs in FY2022; Annual Street Maintenance

and Annual Joint, and Crack Seal Programs and reprioritize the Fairlawn project as it was lowest in the transportation prioritization developed this year. The total estimate for design & construction is anticipated to be \$659,000.

Donation: The City received a donation of \$3,000, which will be used to fund an additional mural for Downtown Urbana. The revenue and expenditure will be adjusted accordingly.

Vehicle & Equipment Replacement Fund (300) - Rebudget items: A number of purchases and projects that were not completed in FY2021 will be rebudgeted to the FY2022 budget. These items include:

- Public Works Vehicle - \$56,693
- Public Works Machinery - \$387,478

Police Special Fund (310) – Rebudget items: certain equipment line items of scheduled purchases that were not completed in FY2021 will be rebudgeted to FY2022 budget (a total of \$9,238).

ARMS Programming Fund (321):

Reallocate Payroll Costs: In FY2022 approved budget, funds were set aside to pay for staff salaries for the ARMS program. However, this will no longer continue as the employee was hired by METCAD. The City is now billed monthly by METCAD for the costs incurred for the ongoing work to support ARMS program. This amendment is to reduce the payroll cost related line items from the budget and to increase technology services line item from which the monthly bills from METCAD are being paid.

Community Development Special Fund (330): The CD Special Fund will receive additional revenue for administrative costs related to the HOME-ARP grant described below; this will increase the revenue by \$25,000.

Community Development Grants Fund (331):

HOME (Housing Opportunities Made Equal) -American Rescue Plan (ARP) Grant: HUD (Housing and Urban Development) has entitled the City a grant up to \$2,970,773 for the HOME-ARP Program. The HOME-ARP Program is to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter, to reduce homelessness and increase housing stability. \$148,539 (5% of the total grant) will be budgeted for administration and planning. That includes preparation of an action plan that will be approved by the City Council. \$25,000 of that amount will be allocated for administrative costs, which increases revenues in the CD Special Fund (330).

Information Technology Fund (610):

Phone Budget - IT: In the Information Technology Fund, utilities expense line item will be increased by \$2,060 to cover the difference between funds set aside for phone expenses versus estimated annual costs for the new phone system.

Fiscal Impact: These changes will not increase either recurring revenues or recurring expenditures in the General Fund. The new estimated ending fund balance in the General Operating Fund would

be \$10,519,486, which is 28.72% of recurring expenditures.

Alternatives:

1. Forward the Ordinance amending the FY2022 budget to City Council for approval on November 22, 2021.
2. Amend one or more of the items before forwarding to Council for approval.

Recommendation: Forward the budget amendment authorizing these adjustments to the FY2022 budget for approval at the November 22, 2021 City Council meeting.

ORDINANCE NO. _____

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE

(Budget Amendment #4 - 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, 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 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: _____

Phyllis D. Clark, City Clerk

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

Diane Wolfe Marlin, Mayor

Budget Amendment 2021/22 - 04 - Exhibit A

| General Ledger Code | Project String | Description | Current Budget | Revised Budget | Difference | Reason |
|---|------------------------------|---|-------------------|-------------------|------------------|--|
| GENERAL FUND (100) | | | | | | |
| <u>Revenues</u> | | | | | | |
| 100-41320 | 30002-FED | FEDERAL GRANTS - PUBLIC SAFETY | - | 174,051 | 174,051 | SAFER Grant |
| 100-46300 | 50511-DONATE-GEN | DONATIONS/CONTRIBUTIONS/GIFTS | - | 3,000 | 3,000 | donation to Urbana Arts Program |
| Total Revenues | | | 36,778,487 | 36,955,538 | 177,051 | |
| <u>Expenditures</u> | | | | | | |
| 10015150-51411 | | HRF - SMALL SCHEDULED EQUIPMENT | 1,528 | 5,709 | 4,181 | rebudget |
| 10030300-51411 | | FIRE OPERATIONS - SMALL SCHEDULED EQUIPMENT | 17,672 | 31,075 | 13,403 | rebudget |
| 10040400-51411 | | PW ADMIN - SMALL SCHEDULED EQUIPMENT | 651 | 1,520 | 869 | rebudget |
| 10040402-51411 | | PW LANDSCAPE - SMALL SCHEDULED EQUIPMENT | 6,455 | 27,125 | 20,670 | rebudget |
| 10040410-51411 | | PW FACILITIES - SMALL SCHEDULED EQUIPMENT | 20,277 | 30,194 | 9,917 | rebudget |
| 10040420-51411 | | PW TOOL ROOM - SMALL SCHEDULED EQUIPMENT | 12,215 | 72,871 | 60,656 | rebudget |
| 10040420-51411 | | PW TOOL ROOM - SMALL SCHEDULED EQUIPMENT | 72,871 | 60,552 | (12,319) | correction - VERF tfr for utility trailer in BUA#1 |
| 10040420-59300 | | PW TOOL ROOM - TFR TO VERF FUND | 25,377 | 37,696 | 12,319 | correction - VERF tfr for utility trailer in BUA#1 |
| 10040440-51411 | | PW ENGINEERING - SMALL SCHEDULED EQUIPMENT | 32,415 | 36,020 | 3,605 | rebudget |
| 10020201-52103 | | POLICE PATROL - MEDICAL SERVICES | 7,171 | 21,093 | 13,922 | rebudget |
| 10020201-51410 | | POLICE PATROL - SMALL TOOLS & EQUIPMENT | - | 9,617 | 9,617 | rebudget |
| 10010103-50110 | | EXECUTIVE - SALARY - REGULAR EMPLOYEES | 262,023 | 252,023 | (10,000) | reallocate - IHSA and M&A software budget |
| 10010101-52999 | | EXECUTIVE - OTHER CONTRACTUAL SERVICES | 64,144 | 74,144 | 10,000 | reallocate - IHSA and M&A software budget |
| 10010103-50110 | | EXECUTIVE - SALARY - REGULAR EMPLOYEES | 252,023 | 72,023 | (180,000) | reallocate salaries to legal services |
| 10010103-52101 | | EXECUTIVE - LEGAL SERVICES | 101,131 | 281,131 | 180,000 | reallocate salaries to legal services |
| 10040440-50110 | | PW - SALARY - REGULAR EMPLOYEES | 763,321 | 748,321 | (15,000) | correction - CADD and PAVER software budget |
| 10040440-52102 | | PW - TECHNOLOGY SERVICES | - | 15,000 | 15,000 | correction - CADD and PAVER software budget |
| 10040423-50110 | | PW STREET LIGHTING - SALARY - REGULAR EMPLOYEES | 233,436 | 208,436 | (25,000) | electrical services contract |
| 10040426-50110 | | PW TRAFFIC SIGNALS - SALARY - REGULAR EMPLOYEES | 95,499 | 90,499 | (5,000) | electrical services contract |
| 10040423-52299 | | PW STREET LIGHTING - OTHER MAINT COSTS | 8,789 | 38,789 | 30,000 | electrical services contract |
| 10030300-50110 | 30002-ELIGIBLE-REG SALARY | FIRE OPERATIONS - SALARY - REGULAR EMPLOYEES | 4,357,068 | 4,467,611 | 110,543 | SAFER Grant |
| 10030300-50131 | 30002-ELIGIBLE-OT | FIRE OPERATIONS - REGULAR OVERTIME | 573,383 | 587,883 | 14,500 | SAFER Grant |
| 10030300-50210 | 30002-ELIGIBLE-INSURANCE | FIRE OPERATIONS - INSURANCE | 616,817 | 648,938 | 32,121 | SAFER Grant |
| 10030300-50220 | 30002-ELIGIBLE-FICA | FIRE OPERATIONS - FICA AND MEDICARE | 63,217 | 64,796 | 1,579 | SAFER Grant |
| 10030300-50253 | 30002-ELIGIBLE-PENSION | FIRE OPERATIONS - FIRE PENSION | 1,410,029 | 1,450,956 | 40,927 | SAFER Grant |
| 10030300-51600 | 30002-NON-ELIGIB-UNIFORMS | FIRE OPERATIONS - UNIFORMS | 107,800 | 155,800 | 48,000 | SAFER Grant |
| 10030300-52320 | 30002-NON-ELIGIB-TRAINING | FIRE OPERATIONS - TRAVEL, EDUCATION & TRAINING | 92,863 | 117,863 | 25,000 | SAFER Grant |
| 10030300-50151 | 30002-NON-ELIGIB-HOLIDAY PAY | FIRE OPERATIONS - HOLIDAY PAY | 158,947 | 161,509 | 2,562 | SAFER Grant |
| 10015155-52904 | | HUMAN RESOURCES & FINANCE - RECRUITING EXPENS | 15,928 | 40,928 | 25,000 | CD director recruiting expenses |
| 10050504-52999 | 50511-2022-DONATION-GEN | OTHER CONTRACTUAL SERVICES | - | 3,000 | 3,000 | donation to Urbana Arts Program |
| Total Expenditures | | | 40,602,958 | 41,043,029 | 440,071 | |
| Ending Fund Balance (estimated) | | | 10,652,283 | 10,516,486 | (135,797) | |
| CAPITAL IMPROVEMENT FUND (200) | | | | | | |
| <u>Expenditures</u> | | | | | | |
| 20040470-53200-40800 | 40800-CONST | PW - BUILDING | 4,434,258 | 4,454,000 | 19,742 | carryover unspent funds from FY21 |
| Total Expenditures | | | 8,217,255 | 8,236,997 | 19,742 | |
| Ending Fund Balance (estimated) | | | 1,958,780 | 1,958,780 | - | |
| STORMWATER UTILITY FUND (201) | | | | | | |
| <u>Expenditures</u> | | | | | | |
| 20140470-52106-40412 | 40412-PLANNING | ARCHITECTURAL & ENG SERVICES | 133,518 | 115,518 | (18,000) | Vine street stormwater pumps emergency repairs |
| 20140470-53303-40400 | 40400-CONST | STORMWATER | 127,652 | 145,652 | 18,000 | Vine street stormwater pumps emergency repairs |
| Total Expenditures | | | 1,991,049 | 1,991,049 | - | |
| Ending Fund Balance (estimated) | | | 1,572,964 | 1,572,964 | - | |
| LOCAL MOTOR FUEL TAX FUND (202) | | | | | | |
| <u>Expenditures</u> | | | | | | |
| 20240470-53301-40108 | 40108-CONST-LMFT | HIGHWAY AND STREETS | 300,000 | 200,000 | (100,000) | reprioritize Washington Street Bridge project |
| 20240470-53301-40159 | 40159-CONST-LMFT | HIGHWAY AND STREETS | 140,000 | - | (140,000) | reprioritize Washington Street Bridge project |
| 20240470-52105-40131 | 40131-PLANNING-SANSWR | PLANNING SERVICES | 50,000 | - | (50,000) | reprioritize Washington Street Bridge project |
| 20240470-53301-40131 | 40131-CONST-LMFT | HIGHWAY AND STREETS | 200,000 | - | (200,000) | reprioritize Washington Street Bridge project |
| 20240470-52105-40109 | 40109-PLANNING | PLANNING SERVICES | - | 214,000 | 214,000 | Washington Street Bridge project - planning cost |
| 20240470-53301-40109 | 40109-CONST | HIGHWAY AND STREETS | - | 445,000 | 445,000 | Washington Street Bridge project - construction cost |
| Total Expenditures | | | 1,642,487 | 1,811,487 | 169,000 | |
| Ending Fund Balance (estimated) | | | 482,712 | 313,712 | (169,000) | |
| VEHICLE & EQUIPMENT REPLACEMENT FUND (300) | | | | | | |
| <u>Expenditures</u> | | | | | | |
| 30060600-53420 | VERF-PW-058 | PW - VEHICLES | 75,016 | 131,709 | 56,693 | rebudget - carryforward scheduled replacement |
| 30060600-53410 | VERF-PW-035 | PW - MACHINERY | 1,053,750 | 1,185,266 | 131,516 | rebudget - carryforward scheduled replacement |
| 30060600-53410 | VERF-PW-065 | PW - MACHINERY | 1,185,266 | 1,314,075 | 128,809 | rebudget - carryforward scheduled replacement |
| 30060600-53410 | VERF-PW-055 | PW - MACHINERY | 1,314,075 | 1,441,228 | 127,153 | rebudget - carryforward scheduled replacement |
| Total Expenditures | | | 2,075,843 | 2,520,014 | 444,171 | |
| Ending Fund Balance (estimated) | | | 3,430,836 | 3,430,836 | - | |

POLICE SPECIAL FUND (310)

| <u>Expenditures</u> | | | | | |
|---------------------------|-------------------------|---------------|---------------|--------------|----------|
| 31020205-53440 | OTHER EQUIPMENT | 10,000 | 14,710 | 4,710 | rebudget |
| 31020206-51410 | SMALL TOOLS & EQUIPMENT | 7,000 | 8,772 | 1,772 | rebudget |
| 31020206-53440 | OTHER EQUIPMENT | 13,000 | 14,256 | 1,256 | rebudget |
| 31020207-53440 | OTHER EQUIPMENT | 4,400 | 5,900 | 1,500 | rebudget |
| Total Expenditures | | 87,469 | 96,707 | 9,238 | |

Ending Fund Balance (estimated)

| | | |
|----------------|----------------|----------|
| 138,408 | 138,408 | - |
|----------------|----------------|----------|

ARMS PROGRAMMING FUND (321)

| <u>Expenditures</u> | | | | | |
|---------------------------|----------------------------|---------------|---------------|-----------------|--|
| 32110108-50110 | SALARY - REGULAR EMPLOYEES | 70,531 | - | (70,531) | tech services used for remaining ARMS work |
| 32110108-50210 | INSURANCE | 1,643 | 153 | (1,490) | tech services used for remaining ARMS work |
| 32110108-50220 | FICA AND MEDICARE | 5,396 | 12 | (5,384) | tech services used for remaining ARMS work |
| 32110108-50251 | IMRF & SURS | 8,944 | - | (8,944) | tech services used for remaining ARMS work |
| 32110108-50230 | EMPLOYEE ALLOWANCES | 360 | - | (360) | tech services used for remaining ARMS work |
| 32110108-52102 | TECHNOLOGY SERVICES | 10,000 | 28,000 | 18,000 | tech services used for remaining ARMS work |
| Total Expenditures | | 98,874 | 30,165 | (68,709) | |

Ending Fund Balance (estimated)

| | | |
|----------------|----------------|---------------|
| 115,655 | 184,364 | 68,709 |
|----------------|----------------|---------------|

COMMUNITY DEV SPECIAL FUND (330)

| <u>Revenues</u> | | | | | | |
|-----------------------|-------------------------|------------------------|----------------|----------------|---------------|--|
| 330-49331 | 50102-2022-ADMIN-SALARY | TFR FROM CD GRANT FUND | 221,237 | 246,237 | 25,000 | HOME ARP grant admin salary transfer from cd grant |
| Total Revenues | | | 222,277 | 247,277 | 25,000 | |

Ending Fund Balance (estimated)

| | | |
|---------------|---------------|---------------|
| 51,024 | 76,024 | 25,000 |
|---------------|---------------|---------------|

COMMUNITY DEV GRANTS FUND (331)

| <u>Revenues</u> | | | | | | |
|-----------------------|----------------|-------------------------------|------------------|------------------|----------------|----------------|
| 33150532-41340 | 50102-2022-FED | FEDERAL GRANTS - HOUSING & CD | 819,687 | 968,226 | 148,539 | HOME ARP grant |
| Total Revenues | | | 1,828,542 | 1,977,081 | 148,539 | |

Expenditures

| | | | | | | |
|---------------------------|-------------------------|--------------------------------|------------------|------------------|---------------|-------------------------------------|
| 33150532-59330 | 50102-2022-ADMIN-SALARY | TFR TO CD SPECIAL FUND | 81,968 | 106,968 | 25,000 | HOME ARP grant - admin salary |
| 33150532-52800 | 50102-2022-HOME ARP | GRANT MSIC CONTRACTUAL SERVICE | 1,386,350 | 1,509,888 | 123,539 | HOME ARP grant - for planning costs |
| Total Expenditures | | | 2,812,295 | 2,837,295 | 25,000 | |

Ending Fund Balance (estimated)

| | | |
|------------------|------------------|----------|
| (182,413) | (182,413) | - |
|------------------|------------------|----------|

INFORMATION TECHNOLOGY FUND (610)

| <u>Expenditures</u> | | | | | |
|---------------------------|--------------------------|----------------|----------------|--------------|-----------------------------------|
| 61010106-52600 | EXECUTIVE IT - UTILITIES | 40,940 | 43,000 | 2,060 | increase in expected actual costs |
| Total Expenditures | | 898,871 | 900,931 | 2,060 | |

Ending Fund Balance (estimated)

| | | |
|---------------|---------------|----------------|
| 52,610 | 50,550 | (2,060) |
|---------------|---------------|----------------|