

MEMORANDUM

TO: Mayor Diane Wolfe Marlin and City Council Members

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

DATE: January 13, 2022

SUBJECT: **FY2022 Budget Amendment #5 – 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):

COVID-related expenses – Human Resources: An additional \$15,000 will be budgeted to cover for PPE supplies related to COVID expenses. With the recent surge of the more transmissible Omicron variant, this will help to reduce spread of the virus at work.

Overtime – Fire Operations: The budget overtime in Fire Operations will be increased by \$161,500 to account for projected leave related to COVID and duty injuries. Budgeting overtime related to these things is challenging since it often results from unpredictable situations. The vast majority of overtime in the Fire Department is needed to maintain minimum staffing, consistent with the labor agreement. Staff is continuing to evaluate and expects that an additional increase may be needed.

Land Acquisition: An additional \$905,000 will be transferred to the Capital Improvement Plan Fund for the purchase of land for the new fire station. This is discussed in more detail in a separate item on this agenda.

Contract with the County - Police Animal Control: The City will be contracting with the County to provide animal control services. This amendment is necessary to reallocate \$28,560 from a salary line item to other contractual services line item. A separate item to approve an agreement for these services is also on this agenda.

Video Production Services – UPTV: UPTV does not have the staffing to accommodate all of the City's video production needs. This amendment is to reallocate \$5,000 from personnel line items to a contractual services line item to use outside services for video production.

Medical Services – Human Resources & Finance: Due to an anticipated higher number of new hires this year, an additional \$6,500 is needed to cover pre-employment exam costs.

Capital Improvement Fund (200):

Land Acquisition: The \$905,000 transferred from the General Fund for land acquisition is reflected in both revenue and expense in the Capital Improvement Fund.

Vehicle & Equipment Replacement Fund (300):

Hardware Virtual Servers – Information Technology: This amendment would move necessary funds for the purchase of new virtual servers (\$46,100) out of an equipment line item in the Information Technology Fund to the VERF. Based on the amount and useful life of this equipment, this should be treated as capital equipment and budgeted in the VERF. This relates to items discussed in the next paragraph.

Information Technology Fund (610):

New Infrastructure Replacement: A total estimated cost of \$112,120 is requested for the replacement of the current infrastructure of 15 server machines with a new architecture running virtual servers on two new machines. IT Fund's FY2022 budget already includes \$25,000 for new servers, which will offset some of the cost, so an additional \$87,120 will be needed to cover the total estimated cost. The request includes Windows Server software costs and contractual services to help City staff make a smooth switch from the old network. This request will also cover network switch upgrades to improve connection speeds.

As mentioned above, a new VERF item will be set up for the virtual servers to be replaced every 7 years. A one-time transfer of the full estimated cost (\$46,100) will be transferred to VERF for this purchase.

An overview of this item was presented on January 10; a detailed presentation will be provided on January 18.

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 \$11,554,486, which is 31.56% of recurring expenditures.

Alternatives:

1. Forward the Ordinance amending the FY2022 budget to City Council for approval on January 24, 2022.
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 January 24, 2022 City Council meeting.

ORDINANCE NO. _____

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE

(Budget Amendment #5 - 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 - 05 - Exhibit A

General Ledger Code	Project String	Description	Current Budget	Revised Budget	Difference	Reason
GENERAL FUND (100)						
<u>Expenditures</u>						
10015155-51900		HRF - OTHER SUPPLIES	-	15,000	15,000	ppe related to COVID
10030300-50131		FIRE OPERATIONS - REGULAR OVERTIME	587,883	749,383	161,500	FD OT increase
10060610-59200		NON DEPT GEN SVCS - TFR TO CAP REPL & IMPL FUND	2,833,434	3,738,434	905,000	land acquisition - fire station
10020204-50110		ANIMAL CONTROL - SALARY - REGULAR EMPLOYEES	51,796	23,236	(28,560)	IGA with the County
10020204-52999		ANIMAL CONTROL - OTHER CONTRACTUAL SERVICES	43,682	72,242	28,560	IGA with the County
10010107-50210		UPTV - INSURANCE	8,118	4,118	(4,000)	video production services RFP
10010107-50251		UPTV - IMRF & SURS	9,797	8,797	(1,000)	video production services RFP
10010107-52999		UPTV - OTHER CONTRACTUAL SERVICES	-	5,000	5,000	video production services RFP
10015155-52103		HRF - MEDICAL SERVICES	2,046	8,546	6,500	new hires pre employment
Total Expenditures			41,060,674	42,148,674	1,088,000	
Ending Fund Balance (estimated)			10,466,486	11,554,486	1,088,000	
CAPITAL IMPROVEMENT FUND (200)						
<u>Revenues</u>						
200-49100		TFR FROM GENERAL FUND	2,833,434	3,738,434	905,000	land acquisition - fire station
Total Revenues			6,768,847	7,673,847	905,000	
<u>Expenditures</u>						
20040470-53100-40800	40800-PROPACQ-FIRESTA4	LAND	-	905,000	905,000	land acquisition - new fire station
Total Expenditures			8,236,997	9,141,997	905,000	
Ending Fund Balance (estimated)			1,958,780	1,958,780	-	
VEHICLE & EQUIPMENT REPLACEMENT FUND (300)						
<u>Revenues</u>						
300-49610	VERF-EXEC-223	EXEC - OTHER EQUIPMENT	10,092	56,192	46,100	Hardware virtual servers (new VERF item)
Total Revenues			1,891,702	1,937,802	46,100	
<u>Expenditures</u>						
30060600-53440	VERF-EXEC-223	EXEC - OTHER EQUIPMENT	928,870	974,970	46,100	Hardware virtual servers (new VERF item)
Total Expenditures			2,520,014	2,566,114	46,100	
Ending Fund Balance (estimated)			3,430,836	3,430,836	-	
INFORMATION TECHNOLOGY FUND (610)						
<u>Expenditures</u>						
61010106-53440		OTHER EQUIPMENT	28,000	64,784	36,784	virtual servers & network switches
61010106-53440		OTHER EQUIPMENT	64,784	18,684	(46,100)	hardware virtual servers- transfer to verf
61010106-59300		TFR TO VERF FUND	10,092	56,192	46,100	hardware virtual servers- transfer to verf
61010106-52205		H/W & S/W MAINTENANCE	131,048	166,564	35,516	windows server licensing - 1 year subscription
61010106-52102		TECHNOLOGY SERVICES	51,800	66,620	14,820	contractual services to assist w/ one-time switch
Total Expenditures			900,931	988,051	87,120	
Ending Fund Balance (estimated)			50,550	(36,570)	(87,120)	