



**HUMAN RESOURCES &
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Diane Wolfe Marlin and City Council Members

FROM: Elizabeth Hannan, Human Resources & Finance Director / CFO
Shobhit Bhaskar, Financial Analyst

DATE: January 14, 2021

SUBJECT: FY2021 Budget Amendment #5 – Omnibus

Introduction: Attached is an Ordinance revising the FY2021 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: General Fund revenues will increase by \$53,376 and expenditures will increase by \$276,080, resulting in a decrease of \$222,704 in fund balance. At the same time, FY2020 ending fund balance has been reconciled, resulting in a substantial increase in fund balance. This will leave a fund balance of \$9,641,929, which is about 27.7% of recurring expenditures.

Implementing Gender-neutral Language: \$6,650 in funds budgeted for City Council travel and training would be reallocated to pay for an update to the City Code (\$4,500) and training (\$2,150) related to implementing gender-neutral language. This is intended to facilitate the first round of implementation of the proposed Resolution that is before the Council on the use of gender-neutral language for City business. The selection of the City Council travel and training budget as the source of the funds was at the suggestion of Councilmember Brown.

COVID Testing: The City plans to implement weekly testing for employees to identify asymptomatic, positive individuals who should be quarantined. This will reduce the risk of workplace exposure for all City employees. Champaign-Urbana Public Health District will make BinaxNOW rapid tests available to the City at no cost. There are some related costs that the City will need to budget. The funds allocated for this will be used to purchase supplies, such as masks, face shields, gloves, and timers. In addition, the City will pay for medical waste disposal through a contractor. The requested \$5,500 should be adequate to cover costs related to the BinaxNOW testing for the remainder of the fiscal year.

The City is also exploring use of the University of Illinois saliva test, and may ultimately use both tests. The budget amendment also includes \$25,000 that could be used to begin a testing program with the University. However, a long-term saliva testing program would

require additional funds. When the Financial Forecast was prepared, staff anticipated an additional \$250,000 in General Operating Fund expenditures related to COVID.

Fire Operations Overtime: The budget for overtime in Fire Operations will be increased by \$166,963. This year, the Fire Department has experienced an unusual amount of overtime related, in part, to duty injuries and absences related to illness and exposure caused by COVID. A typical 24-hour overtime shift has a cost of about \$900. The department has already reallocated about \$53,000 from other personnel line items to overtime.

While the budget was increased for FY2021 and funds have been reallocated, this will not be adequate to cover overtime needed through June 30. The vast majority of overtime in the Fire Department is needed to maintain minimum staffing, consistent with the labor agreement, so there are very few options to reduce overtime spending.

Grant Writer for SAFER Grant: The Fire Department is applying for a SAFER (Staffing for Adequate Fire and Emergency Response) grant to add an additional five firefighters to address increasing overtime. The level of overtime in recent years is concerning because of the burden this places on firefighters, some of whom are working excessive overtime hours. The department would like to hire a grant writer who is familiar with the program and requirements to increase the odds of a successful application. If the grant is awarded, it will cover the full cost of additional staffing for three years. Since the additional positions would reduce the frequency of callbacks for minimum staffing, the impact is expected to result in a significant reduction in overtime hours and spending.

Over the three-year period, the City could evaluate the impact of the additional positions on overtime. If the impact is not significant, the additional positions could be eliminated through attrition at the end of the grant period. The cost of the grant writer will be \$5,000.

Assistance to Firefighters Grant – Supplemental (AFG-S): This grant would cover costs related to COVID supplies and equipment. Please refer to related agenda item for more information. Expenditures for the grant are slightly less than revenues because a small amount of funding was spent in last fiscal year. Please refer to resolution no. 2021-01-001R for more information.

Illinois Arts Council Grant: The Illinois Arts Council Agency has awarded the city a grant for \$9,900. These funds have been accepted and will be added to City revenues. This grant reimburses expenditures that are already budgeted, so no increase in expenditures is required. Please refer to resolution no. 2020-11-055R for more information.

Capital Improvement and Replacement Fund: Expenditures increase by \$30,708, but there is no impact on fund balance, since a transfer from General Fund covers this expense.

HVAC Improvements Related to COVID: A new expenditure of \$30,708 would allow most City facilities to be equipped with bipolar ionization technology to improve indoor air quality. This technology would be integrated with the HVAC system to substantially reduce pathogens, airborne particulates, and odors. This would reduce the potential spread of COVID and other airborne infectious diseases through the City's HVAC system.

When the Financial Forecast was prepared, staff anticipated an additional \$250,000 in General Fund expenditures related to COVID. These funds would be transferred from the General Fund to the Capital Improvement and Replacement Fund.

Motor Fuel Tax Fund: There is no impact on fund balance; this change moves funds between two projects.

Engineering Design Contract: Public Works needs an additional \$5,000 to cover the cost of an engineering design contract for improvements to Race Street from Washington Street to California Avenue. This contract is necessary to ensure that bidding and construction timelines are met, additional funds will be moved from planning for improvements to alleys and Smith Road in Savannah Green, which is expected to come in under budget. Because the City Code restricts transfer that change the budget for a project by more than 10%, this requires City Council approval.

Vehicle & Equipment Replacement Fund (VERF): While expenditures in this fund increase by \$41,350, these are expenditures that were budgeted, but not spent, in FY2020.

Police Body Camera Backup Server: Funds will be budgeted to cover the costs of purchasing a server used to backup body camera footage. This amendment will cover the costs of the server hardware, operating system, and backup software. These funds were originally budgeted for FY2020, but the purchase was delayed. This is critical for ensuring that body camera videos are backed up.

Fire Department Defibrillation Units: Semi-automatic defibrillation units for the fire department were scheduled for purchase in FY2020. An application for grant funds to cover these units was ongoing but ultimately was not approved, and these units were not purchased in the prior fiscal year. \$26,530 will be re-budgeted from FY2020 to FY2021 so that the equipment may be purchased.

Community Development Special Fund: The CD Special Fund will receive additional revenue for administrative costs related to the ESG-COVID and CDBG-CARES 3 grants described below. The total new revenue is \$89,916, which increases fund balance.

Community Development Grant Fund: Both revenues and expenditures increase by \$934,260; there is no change in fund balance.

Emergency Solutions Grant (ESG)-COVID: The City will receive an additional \$194,411 in ESG-COVID funds. Of these funds, \$128,700 will be distributed to Cunningham Township for their Bridge to Home program. In addition, CU at Home will receive \$42,750 to provide emergency shelter for men and women. \$22,961 is allocated for administrative costs and this also increases revenues in the CD Special Fund. Please refer to resolution no. 2020-12-062R for more information.

Community Development Block Grant (CDBG) - CARES 3: The City will receive additional funds through CDBG that may be used to support businesses and households that have been impacted by COVID-19. Housing assistance (\$67,894) may include mortgage, rent, and utility assistance. Business assistance (\$200,000) includes but is not limited to operating

expenses such as supplies, rent, utilities, etc. This also increases revenues in the CD Special Fund by \$66,955 to cover administrative costs for the program. Please refer to the agenda for more information. Specific programs for CARES 3 funding will be brought to Council for final approval later.

Rebudgeting Unspent CDGB and HOME Funds: Unexpended funds from CDBG (\$205,000) and HOME (\$200,000) would be carried over from FY2020 to FY2021. This is just a matter of timing of expenditures related to these grants.

Fiscal Impact: The new estimated ending fund balance in the General Operating Fund would be \$9,641,929, which is 27.7% of recurring expenditures. As planned, this provides a buffer to allow for reassessment of the impact of the pandemic on revenues and develop a thoughtful response. This has been reconciled to FY2020 year-end results. Reconciliation of fund balance in other funds will take place as time allows.

Alternatives:

1. Forward the Ordinance amending the FY2021 budget to City Council for approval on January 25, 2021.
2. Amend one or more of the items before forwarding the Ordinance to Council for approval.

Recommendation: Forward the Ordinance amending the budget for FY2021 to Council for approval at the January 25, 2021 City Council meeting.

ORDINANCE NO. 2021-01-001

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, 2020 and ending June 30, 2021; 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 2020/21 - 05 - Exhibit A

<u>General Ledger Code</u>	<u>Project String</u>	<u>Description</u>	<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
<u>GENERAL OPERATING FUND (100)</u>						
<u>Revenues</u>						
100-41150	50515-ST	STATE GRANTS - CULTURE & RECR	3,515	13,415	9,900	Illinois Arts Council Grant
100-41320	30001-FED	FEDERAL GRANTS PUBLIC SAFETY	1,736,806	1,780,282	43,476	AFG-S Grant
<u>Total Revenues</u>			<u>35,971,314</u>	<u>36,024,690</u>	<u>53,376</u>	
<u>Expenditures</u>						
10001100-52320		TRAVEL, EDUCATION, TRAINING	6,650	0	(6,650)	Implement Gender-neutral Language
10010103-52199		OTHER PROFESSIONAL SERVICES	49,929	54,429	4,500	Implement Gender-neutral Language
10015155-52103	COVID-TEST	MEDICAL SERVICES	20,000	50,500	30,500	COVID Testing
10015155-52320		TRAVEL, EDUCATION, TRAINING	27,400	29,550	2,150	Implement Gender-neutral Language
10030300-50131		REGULAR OVERTIME	558,037	725,000	166,963	Fire Operations Overtime
10030300-51900	30001-SUPPLIES	OTHER SUPPLIES	18,759	61,668	42,909	AFG-S Covid supplies & equipment
10030301-52999		OTHER CONTRACTUAL SERVICES	0	5,000	5,000	Professional Grant Writer
10060610-59200		TFR TO CA REPL & IMPR FUND	808,610	839,318	30,708	HVAC Improvements - COVID
<u>Total Expenditures</u>			<u>36,529,643</u>	<u>36,805,723</u>	<u>276,080</u>	
<u>Ending Fund Balance</u>			<u>9,864,633</u>	<u>9,641,929</u>	<u>(222,704)</u>	
<u>CAPITAL REPLACMT & IMPROV FUND (200)</u>						
<u>Revenues</u>						
200-49100		TRANSFER FROM GENERAL FUND	808,610	839,318	30,708	HVAC Improvements - COVID
<u>Total Revenues</u>			<u>1,875,110</u>	<u>1,905,818</u>	<u>30,708</u>	
<u>Expenditures</u>						
20040470-53200-40816	COVID-HVAC	BUILDINGS (CITY FACILITIES)	0	30,708	30,708	HVAC Improvements - COVID
<u>Total Expenditures</u>			<u>2,862,000</u>	<u>2,892,708</u>	<u>30,708</u>	
<u>Ending Fund Balance</u>			<u>245,468</u>	<u>245,468</u>	<u>0</u>	
<u>MOTOR FUEL TAX FUND (203)</u>						
<u>Expenditures</u>						
20340470-52105-40142	40142-PLANNING	PLNG SVCS (RACE-WASH-CALIF)	25,000	30,000	5,000	Engineering Design Contract
20340470-52105-40148	40148-PLANNING-MFT	PLNG SVCS (SAVANNAH GREEN)	510,250	505,250	(5,000)	Engineering Design Contract
<u>Total Expenditures</u>			<u>760,250</u>	<u>760,250</u>	<u>0</u>	
<u>Ending Fund Balance</u>			<u>2,518,037</u>	<u>2,518,037</u>	<u>0</u>	
<u>VEHICLE & EQUIPMENT REPLACEMENT FUND (300)</u>						
<u>Expenditures</u>						
30060600-53440	VERF-FD-175	OTHER EQUIPMENT	747,716	774,246	26,530	Rebudget AEDs
30060600-53440	VERF-PD-225	OTHER EQUIPMENT	774,246	789,246	15,000	Rebudget Backup Video Server
<u>Total Expenditures</u>			<u>4,159,957</u>	<u>4,201,487</u>	<u>41,530</u>	
<u>Ending Fund Balance</u>			<u>3,576,357</u>	<u>3,576,357</u>	<u>0</u>	
<u>COMMUNITY DEVELOPMENT SPECIAL FUND (330)</u>						
<u>Revenues</u>						
330-49331	50202-ADMIN	TRANSFER FROM CD GRANT FUND	234,990	301,945	66,955	CDBG-CARES 3 Admin
330-49331	50302-ADMIN	TRANSFER FROM CD GRANT FUND	301,945	324,906	22,961	ESG-COVID Admin
<u>Total Revenues</u>			<u>89,916</u>			
<u>Ending Fund Balance</u>			<u>83,236</u>	<u>173,152</u>	<u>89,916</u>	

COMMUNITY DEVELOPMENT GRANT FUND (331)

Revenues

33150531-41340	50200-2019-FED	FEDERAL GRANTS - HOUSING & CD	1,045,415	1,250,415	205,000	CDBG
33150531-41340	50202-FED	FEDERAL GRANTS - HOUSING & CD	1,250,415	1,585,264	334,849	CDBG-CARES 3
33150532-41340	50100-2019-FED	FEDERAL GRANTS - HOUSING & CD	1,222,390	1,422,390	200,000	HOME
33150533-41340	50302-FED	FEDERAL GRANTS - HOUSING & CD	48,602	243,013	194,411	ESG-COVID
Total Revenues			2,267,805	3,202,065	934,260	

Expenditures

33150531-52800	50202-RA	GRANT MISC. CONTRACTUAL SERVICE	314,982	382,876	67,894	CDBG-CARES 3 housing assistance
33150531-52800	50202-SBA	GRANT MISC. CONTRACTUAL SERVICE	382,876	582,876	200,000	CDBG-CARES 3 small bus. assistance
33150531-52800	50200-2019-URBANA	GRANT MISC. CONTRACTUAL SERVICE	582,876	787,876	205,000	CDBG carry forward
33150531-59330	50202-ADMIN	TFR TO CD SPECIAL FUND	139,807	206,762	66,955	CDBG-CARES 3 admin
33150532-52800	50100-2019-URBANA	GRANT MISC. CONTRACTUAL SERVICE	967,373	1,167,373	200,000	HOME carry forward
33150533-52800	50302-CV	GRANT MISC. CONTRACTUAL SERVICE	0	171,450	171,450	ESG-COVID grants
33150533-59330	50302-ADMIN	TFR TO CD SPECIAL FUND	0	22,961	22,961	ESG-COVID admin
Total Expenditures			1,557,380	2,491,640	934,260	

Ending Fund Balance

30,050	30,050	0
---------------	---------------	----------