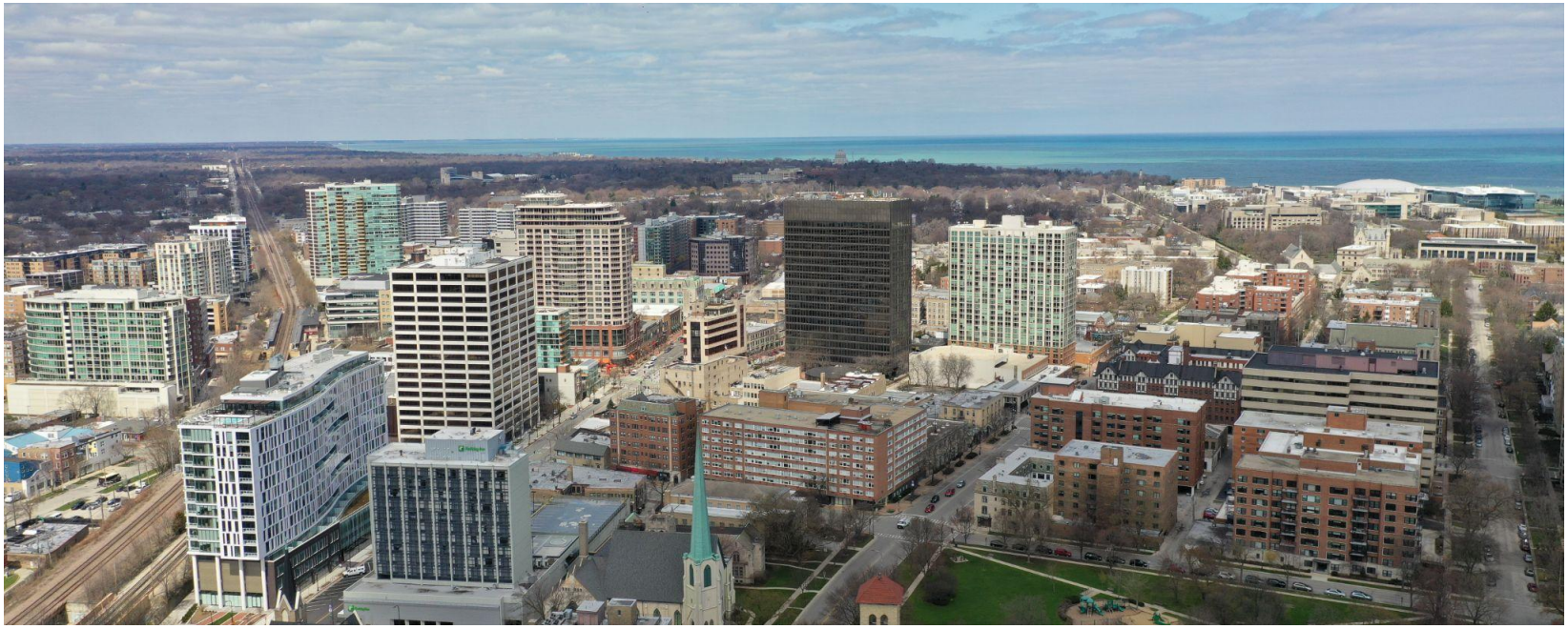
2027 Proposed Budget Overview

Ward Meetings



October/November 2026

City of Evanston™

City Manager's Office

Evanston 2027 Budget Presentation Topics

- Solid Waste Fund / Water Fund
- Overall Budget
  - Annual Budget Process/Budget Structure
  - Overall Budget
  - General Fund Budget
  - Property Taxes
  - Fee Increases
  - Other Funds and Initiatives

2027 Solid Waste Fund

Planning for New Rates and Financial Independence

Current State of Solid Waste Fund

- Fund is in a Structural Deficit
- Fund has been asked to remove all Property Tax levy assistance starting in 2027
  - Originally planned on phasing out all levy by 2032
  - $450,000 Revenue removed, Previous $1.3 mil levy as of 2024

Goals for Solid Waste Fund

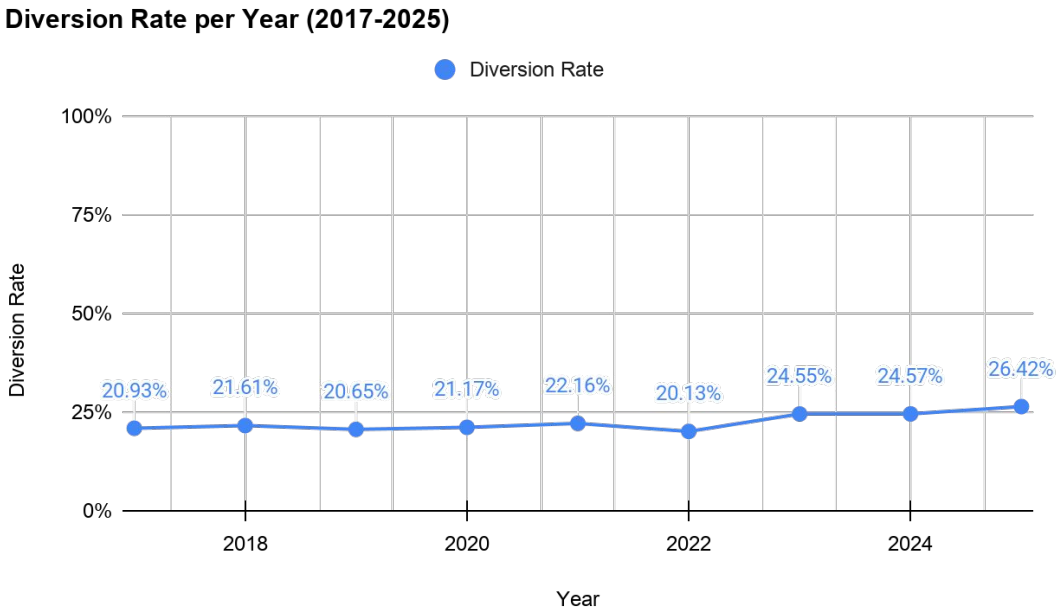
- Fix Structural Deficit
  - The Fund's Net Operating Income has been negative in every year since it was created in 2011.
  - It received property tax or General Fund subsidy every year since 2012. The subsidy has averaged $1 million per year.

- Become self sufficient enterprise fund (no property tax levy)
  - Has accounted for roughly **18%** of revenue
  - Currently only enterprise fund that is relying on any subsidy

- Proposing New Reserve Target of 10%
  - Help cover any potential expenditures in emergency situations
  - Utilize Fund balance over target to lessen increase amounts

Considerations

- CARP Goals
  - City has climate actions goals that staff are working to build more services through contracted agreements and programs to push towards goal
  - 50% diversion 2030 eventually to zero waste by 2040 (at ~25% now)



2027 Proposed Changes

- Continue to Shore up Gap between Smaller Cart Service and Typical Cost
  - Both the 35-gallon and 65-gallon carts are currently undervalued compared to 95-gallon carts
  - Those service rates expected to go up more quickly over the years to reach a floor
  - Most cost related to waste is having a truck and people stop at your house to pick up material

	Refuse Haul	Refuse Disposal	Recycling Haul	Recycling Disposal	'26 Rates (per month)	'27 Rate (per month)	% Increase* '26 to '27	% Diff from Avg. Cost
Avg Cost	$12.50	$4.20	$10.00	$0.00	$26.70			-
35G	-				$11.93	$13.28	+11.3%	-50%
65G	-				$14.00	$15.60	+11.4%	-42.4%**
95G	-				$26.95***	$28.20	+4.6%	+3%

*Projects about 5.6% increase in revenue for fund
**was 46% difference last year
***no increase in this fee in 2026

2027 Proposed Changes

- Increase Admin Fee of Commercial Franchise
  - Fee is applied based on scale of trash service
  - Businesses and Commercial Properties can look to more recycling service to offset costs or avoid
  - Larger generators will see higher proportional costs
  - Admin Fee has not been increase since its inception in 2020
  - $2.40 per weekly cubic yard of trash to $2.52

- Condo & Apartment Service
  - Haven't been adjusted in couple years
  - Flat unit rate based on pricing; buildings with more units see higher increases
  - Condo ($11.56 per Unit to $12.91 per Unit)
  - Apartment ($2.76 per Unit to $3.26)

- Bag Tax Increase ($0.10 to $0.15)
  - Tax only applied at point of sale bags at stores over 10,000 square feet
  - fee has been $0.10 per bag since inception
  - Proposing increasing cut that goes to SWF to offset other fees ($0.05 goes to Retailer, $0.02 goes to Health, $0.03 goes to SWF)-> ($0.08 goes to SWF)
  - Average of ~350,000 bags distributed per month; higher fee can spurs decrease in usage.

2027 Water Fund

There are several factors that are placing the financial burden on the water fund, all of which are related to the distribution system:

- The cost of water main and lead service line replacement must be borne by the Evanston retail customers ($20M+ per year).
- The need to replace the aging water mains.
- The need to replace lead service lines as part of the water main projects.
- The need to replace all remaining 9,240 lead service lines between 2027 and 2047 (timeline could be reduced 10 years to 2037 due to the LCRI).
- The increased cost of water main construction
    - competition, resource scarcity

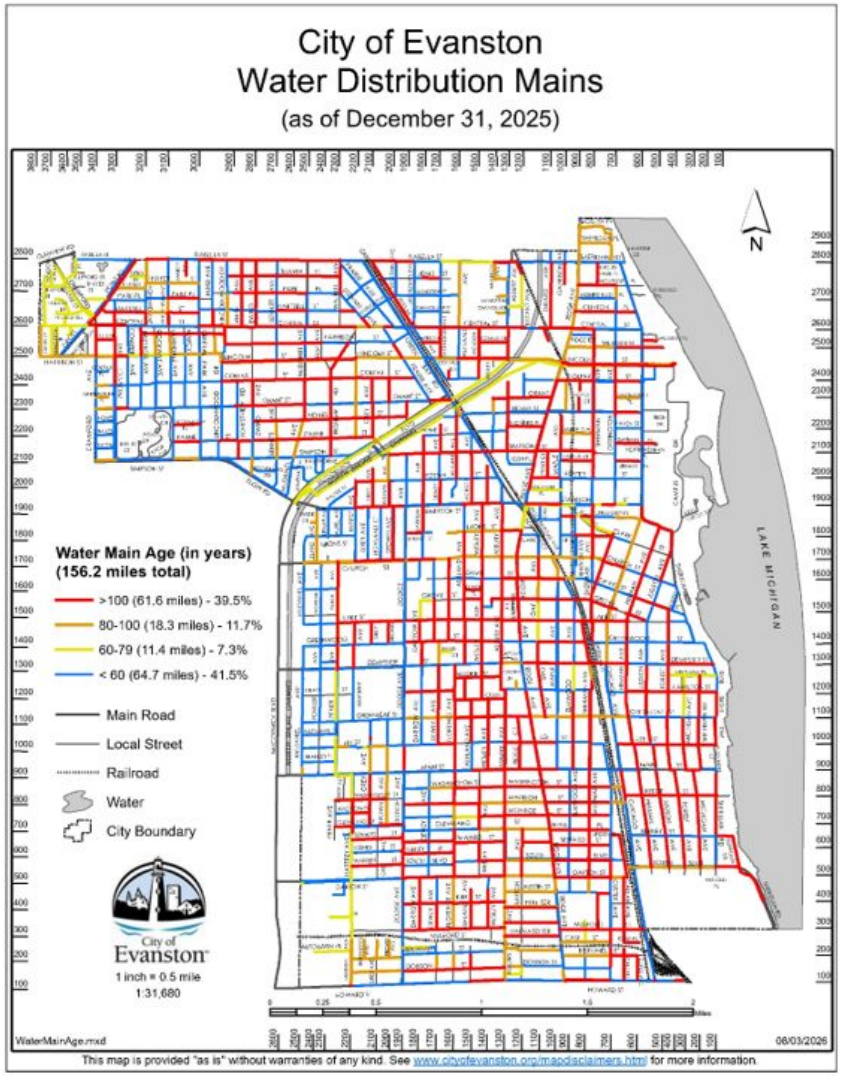
Water Fund Goals & Current State

The financial goals of the water fund are the following:

1. Maintain a minimum cash balance of $5,800,000, which is based on the adopted budget fund policy for the Water Fund (a minimum of 16.6% of expenses shall be maintained as a reserve.
2. Keep debt service expenses associated with the distribution system to less than 25% of the operating capital.
3. Maintain the water treatment plant in good operating condition.
4. Replace or rehabilitate approximately 2% (3.2 miles) of the water distribution system annually.
5. Replace approximately 500 lead service lines each year beginning in 2027 *(This number could increase to 625 or 1000 per year by 2028).*

2027 Planned CIP Projects - GO Bond Funded *Total: $25M*

- *Construction - Water Main & Lead Service Replacement: $19.6M*
- *Engineering - Water Main & Lead Service Replacement: $1.8M*
- *Miscellaneous Projects: $3.6M*


City of Evanston
Water Distribution Mains
(as of December 31, 2025)
Water Main Age (in years)
(156.2 miles total)
>100 (61.6 miles) - 39.5%
80-100 (18.3 miles) - 11.7%
60-79 (11.4 miles) - 7.3%
< 60 (64.7 miles) - 41.5%
Main Road
Local Street
Railroad
Water
City Boundary
City of Evanston
1 inch = 0.5 mile
1:31,680
N
LAKE MICHIGAN
WaterMainAge.mxd
08/03/2026
This map is provided "as is" without warranties of any kind. See www.cityofevanston.org/mapdisclaimers.html for more information.

Annual Household Combined Water and Sewer Cost-Area Comparison

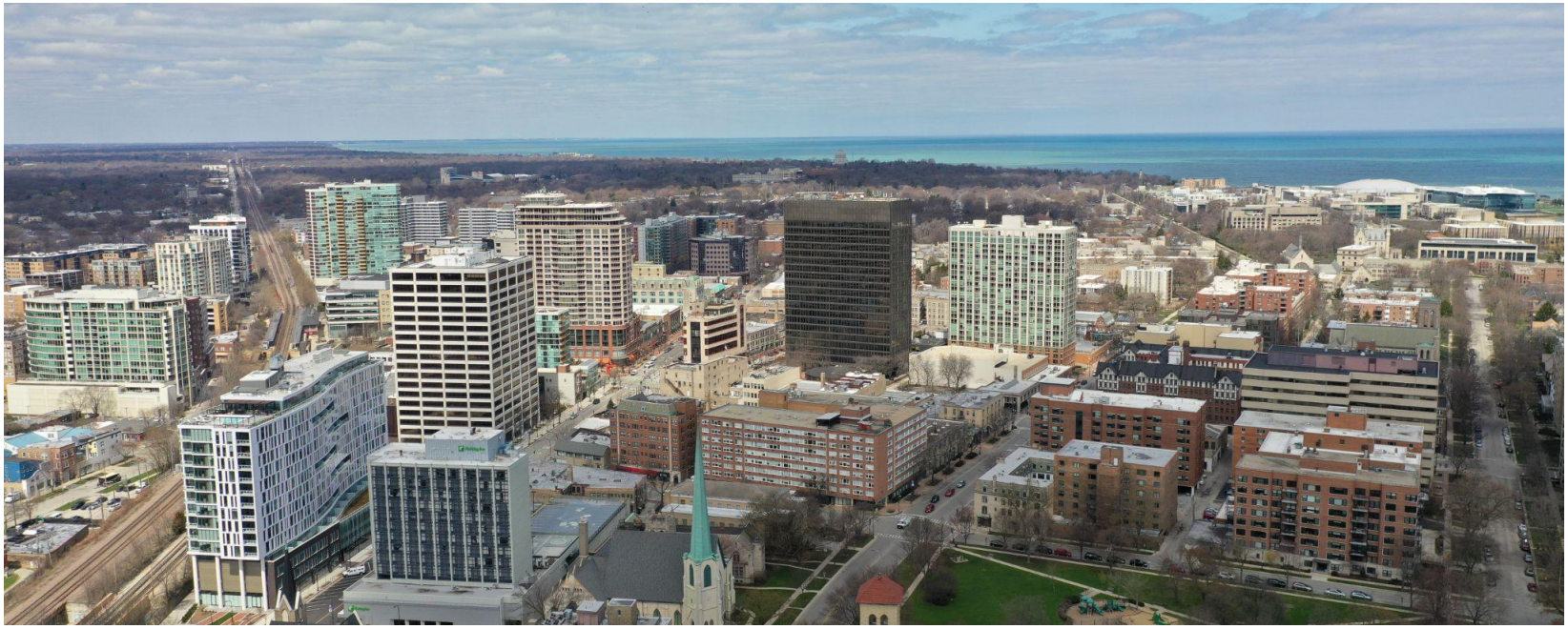
Community	Annual Usage Charges	Annual Fixed Charges	Total Annual Charges
Des Plaines	$ 1,655	$ 52	$ 1,707
Lincolnshire	$ 1,608	$ -	$ 1,608
Deerfield	$ 1,590	$ -	$ 1,590
Oak Park	$ 1,321	$ 144	$ 1,465
Buffalo Grove	$ 1,219	$ 209	$ 1,428
Northfield	$ 1,424	$ -	$ 1,424
Schaumburg	$ 1,326	$ -	$ 1,326
Park Ridge	$ 1,100	$ 183	$ 1,283
Glencoe	$ 1,100	$ 137	$ 1,237
Niles	$ 1,032	$ 72	$ 1,104
Morton Grove	$ 1,097	$ -	$ 1,097
Lincolnwood	$ 1,026	$ -	$ 1,026
Winnetka	$ 1,022	$ -	$ 1,022
Glenview	$ 833	$ 159	$ 992
Evanston, 2027 (+25%)	$ 991	$ -	$ 991
Arlington Heights	$ 963	$ -	$ 963
Skokie	$ 878	$ -	$ 878
Chicago	$ 876	$ -	$ 876
Wheeling	$ 873	$ -	$ 873
Northbrook	$ 869	$ -	$ 869
Evanston, 2026	$ 856	$ -	$ 856
Wilmette	$ 822	$ 4	$ 826
Golf	$ 817	$ -	$ 817
Palatine	$ 697	$ 99	$ 796
Kenilworth	$ 708	$ -	$ 708
Evanston Affordable, 2025-2027	$ 526	$ -	$ 526

Water Fund Update

- Water rate increase remains necessary.
- Community members who qualify for the affordable water and sewer rate (486 participants - owners 125; renters 361) will not be impacted by any proposed utility rate increase.
  - cityofevanston.org/benefitcard
- Sign-up for WaterSmart for FREE
  - cityofevanston.watersmart.com
- LSLR Public Dashboard
  - evanstonleadreplacement.org

2027 Proposed Budget Overview

Ward Meetings



City of Evanston™

City Manager's Office

2027 Proposed Budget – Calendar

- **April - October 2026:** Staff work with departments to draft FY 2027 budget.
- **April 2026:** Preliminary meeting with Finance and Budget Committee
- **May 2026:** Staff meet with elected officials to discuss FY 2027 budget.
- **July 2026:** Fund Balance review with Finance and Budget Committee
- **July 2026:** Staff meet with elected officials to discuss FY 2027 budget.
- **August 2026:** 2026/2027 Budget review with Finance and Budget Committee
- **Tuesday, October 6:** 2027 Proposed Budget available on City Website
- **Wednesday, October 7:** Budget Discussion with Finance and Budget Committee
- **Monday, October 12:** Budget Discussion at City Council
- **October - November:** Budget Ward Meetings
- **Monday, October 26:** Budget Public Hearing at City Council

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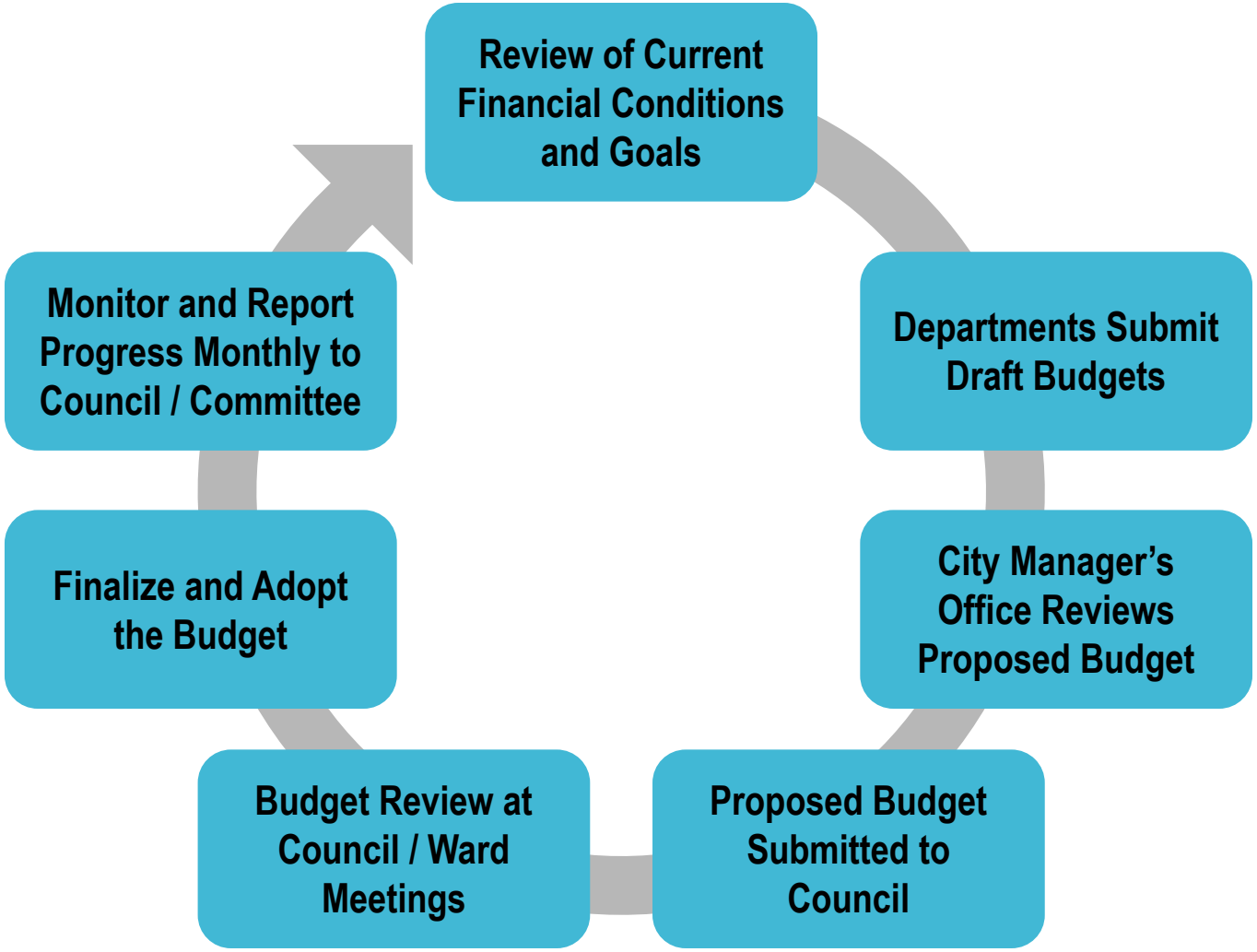
- **Thursday, October 29:** Budget Discussion with Finance and Budget Committee
- **Monday, November 2:** Truth in Taxation Hearing at City Council
- **Wednesday, November 4:** Budget Discussion with Finance and Budget Committee
- **Monday, November 9:** Budget Discussion & Introduction of Tax Levy Ordinances
- **Monday, November 23:** Target Adoption of 2027 Budget by City Council
- **Late December:** Tax Levy Filing Deadline

Annual Budget Process



Budget Structure
Funds and Departments

- **Funds** - The largest financial unit of the budget
  - i.e. General Fund, Sewer Fund, Reparations Fund
  - 41 Funds as of FY 2026
  - 3-digit number in Evanston GL *(ex. #100 = General Fund)*

- **Departments** - Functional Unit of Government
  - i.e. Police Department, Parks and Recreation
  - 11 Departments as of FY 2026 (incl. Library)
  - 2-digit number in Evanston GL

City of Evanston Budget Structure - Types of Funds

- **Government Funds:** Account for activity traditionally associated with local government operations, which are not required to be accounted for in other types of funds.

General #100	Parks and Recreation #130	Human Services #176

- **Component Unit Funds:** Account for activity associated with legally separate organizations for which the City's elected officials are financially accountable.

Library #185	Library Debt Service #186	Library Capital Improvement #187

- **Special Revenue Funds**: Account for activities associated with specific funding sources that go towards specific purposes.

ARPA #170	General Assistance #175	Reparations #177	Sustainability #178
Good Neighbor #180	Motor Fuel Tax #200	Emergency 911 #205	Foreign Fire Insurance #206
CDBG #215	CDBG Loan #220	Grants Fund #230	HOME #240
Affordable Housing #250			

- **Capital Project Funds:** Account for activity associated with major infrastructure projects (roads, parks, facilities).

Capital Improvements #415	Crown Construction #416	Crown Maintenance #417	Special Assessment #420

City of Evanston Budget Structure - Types of Funds

- **TIF and SSA Funds:** Accounts for activities that use funds from Tax Increment Financing (TIF) and Special Service Area (SSA) districts. These districts are a financial tools that promote economic development and capital investment in a specific area.

Howard-Ridge TIF #330	West Evanston TIF #335	Dempster-Dodge TIF #340	Chicago-Main TIF #345
Five-Fifths TIF #365	SSA6 #350	SSA7 #355	SSA8 #360
SSA9 #210	SSA10 #361		

- **Enterprise Funds**: Account for activities related to self-supporting services, such as utilities, that are financed primarily through user fees rather than general taxes.

Parking System #505	Water #510	Sewer #515	Solid Waste #520

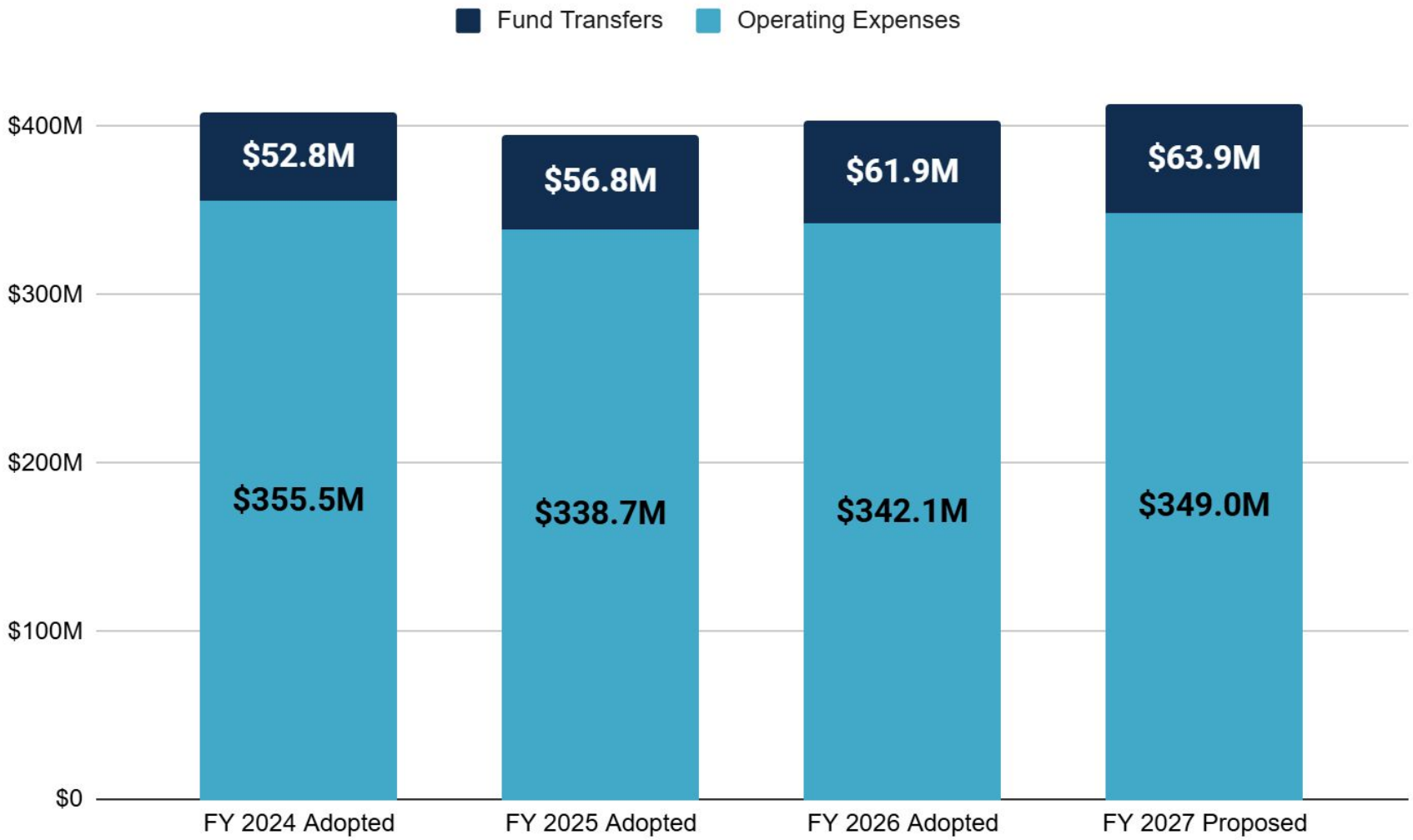
- **Internal Service Funds:** Account for citywide activities across all funds and operations. These are supported by transfers from other funds to consolidate specific costs.

Fleet Services #600	Equipment Replacement #601	Insurance #605

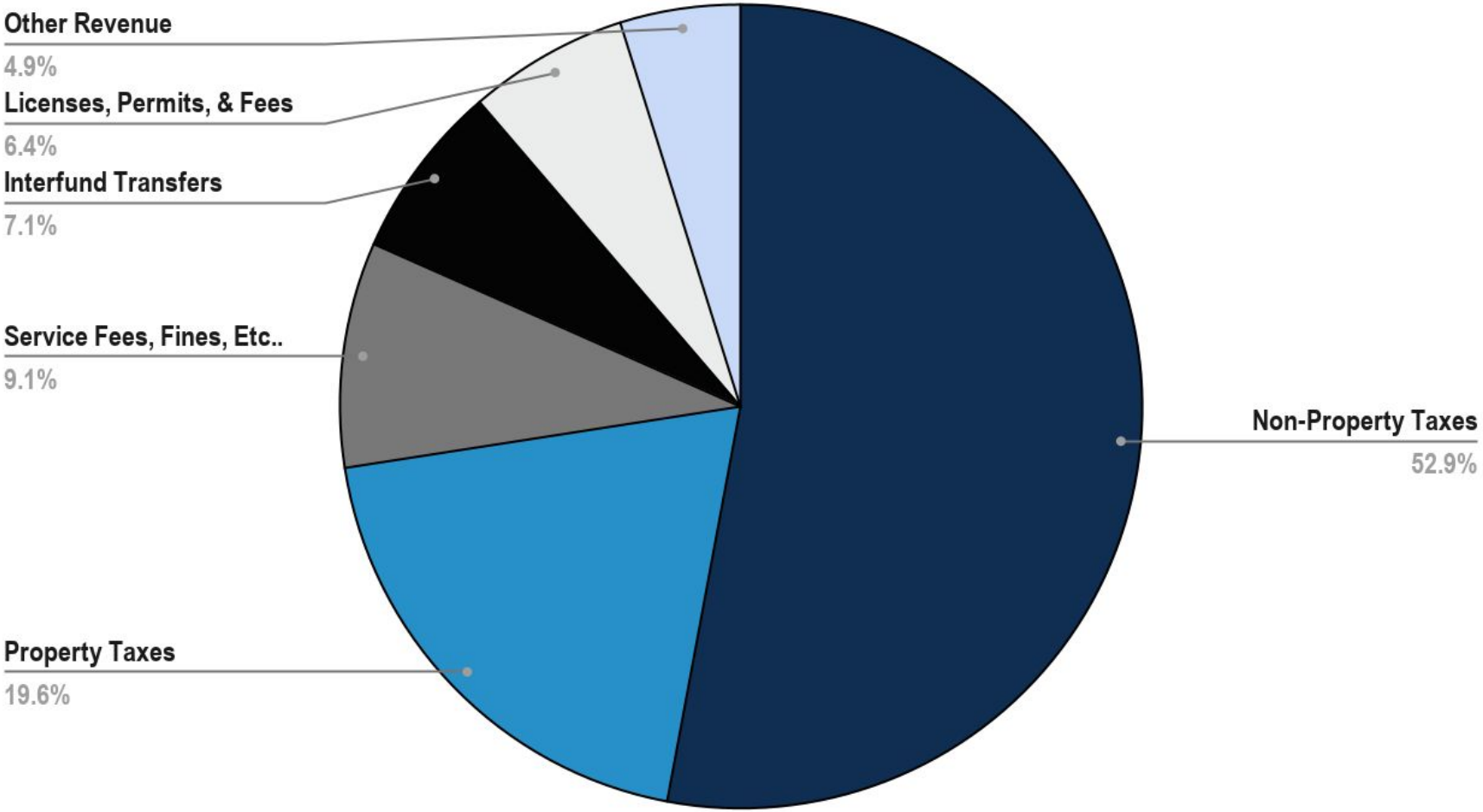
- **Debt Service Fund:** Account for payment of the principal, interest, and other fees on long-term debt (such as bonds).

Debt Service #320

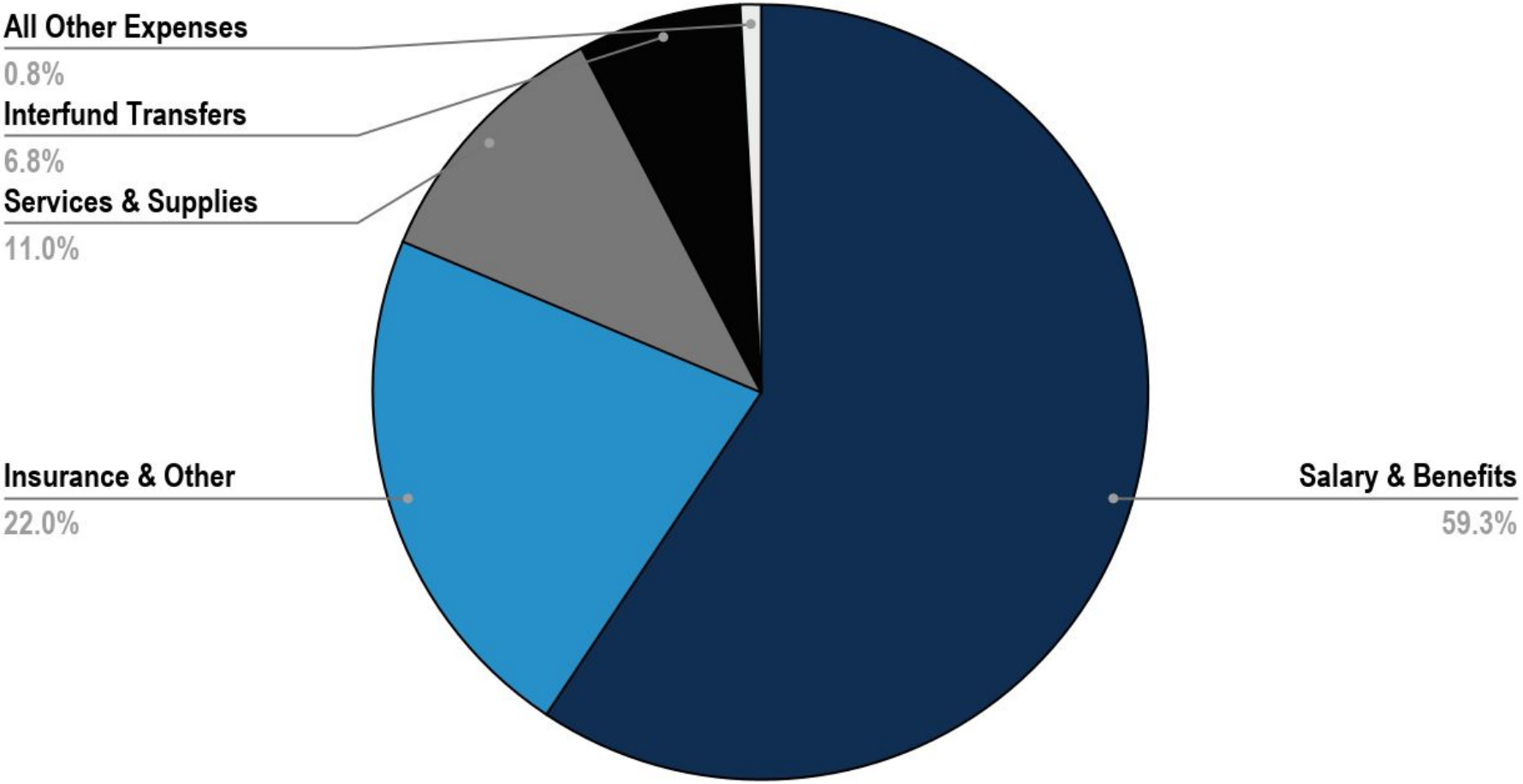
Overall Budget - Expenses



General Fund - Revenue Summary



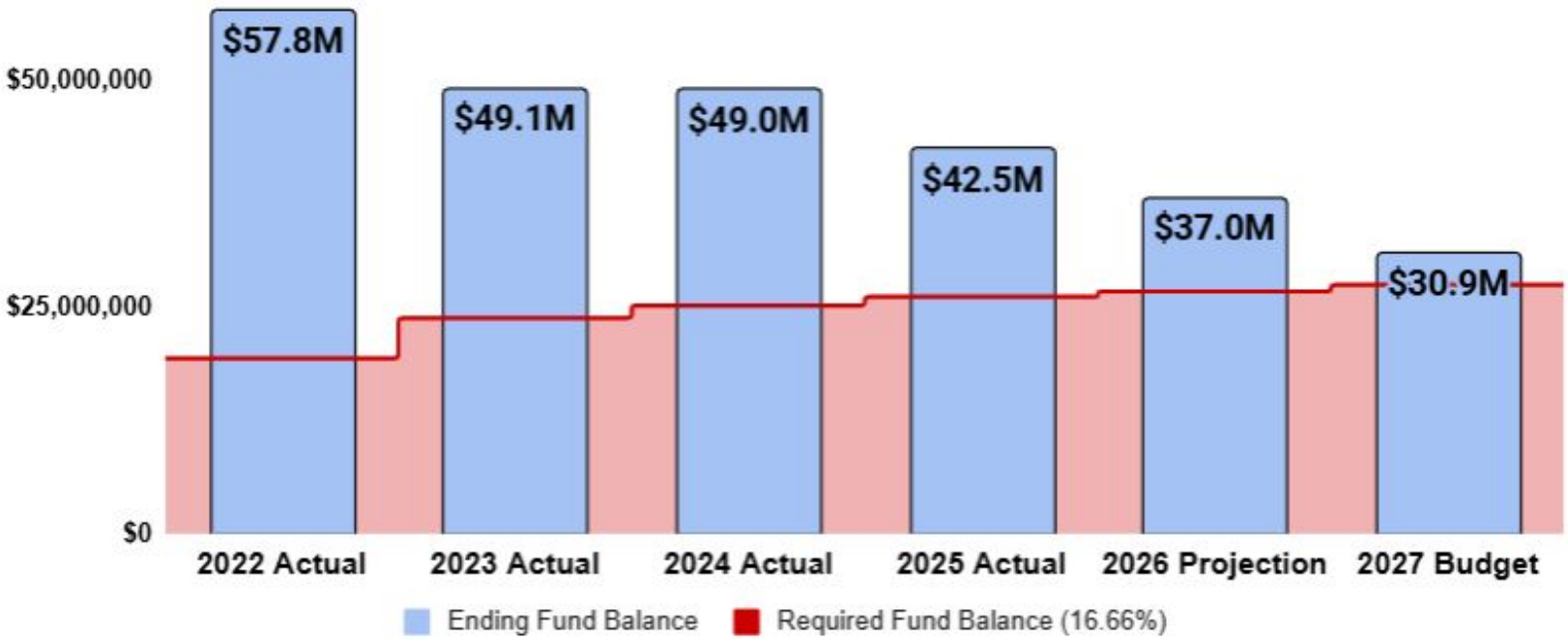
General Fund - Expense Summary



General Fund - FY 2027 Highlights

- **Public Safety Pensions** - Actuarial numbers shows slight decrease of $70,000 at $30.3M in FY 2027
- **Wage Increases** - Budget includes 2% wage increases given uncertainty around collective bargaining contracts.
- **Health Insurance** - Budget includes a 17% increase in health insurance rates given claim experience and increased utilization of GLP-1 medications.
- **Vehicle Replacements** - Budget includes a $1 million increase in vehicle replacements that have been covered by ARPA and ARPA interest since 2022.
- **Operating Requests - Net increase of $990,000 in non-personnel expenses including the items below**
  - **$400,000 -** Economic development spending increase (note that $1 million in additional spending was recommended by the Economic Development Committee)
  - **$400,000** - Rightsizing the budget for electricity costs and building maintenance.
  - **$370,000** - Zoning Code update to span through 2028.
  - **$150,000** - Resources for cybersecurity and data loss prevention.

General Fund: Fund Balance Projection



Property Tax Levy

The property tax levy and tax rate are **not** the same.

- **Tax Levy:** Amount of money requested by the City and other taxing bodies (schools, county, etc.)
- **Tax Rate:** Tax levy divided by the total value of all properties in the City.

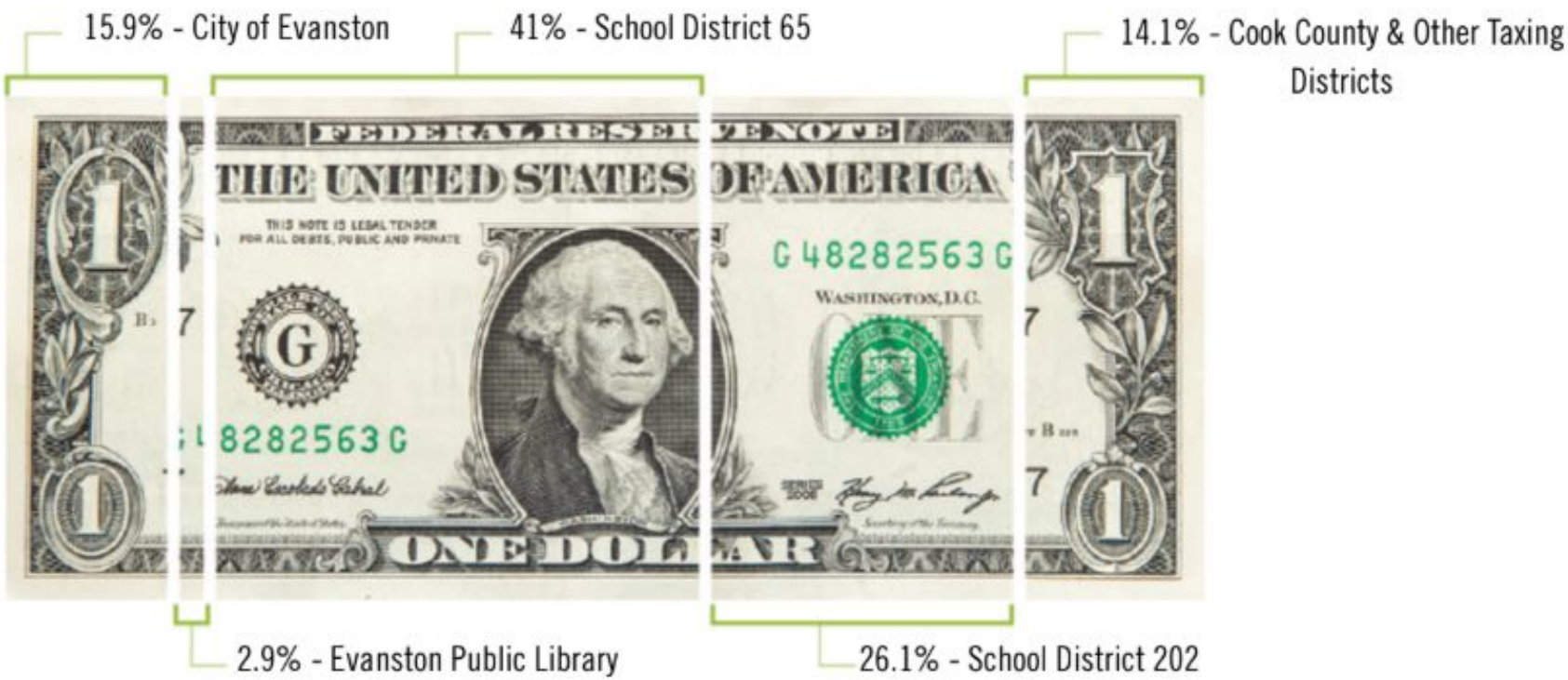
If property values increase, the tax levy can also increase with the rate remaining the same.

2027 Proposed Budget - Property Tax Levy

	2024 Adopted Tax Levy (FY 2025)	2025 Adopted Tax Levy (FY 2026)	2026 Proposed Tax Levy (FY 2027)	Proposed Change ($)	Proposed Change (%)
General Fund Tax Levy	9,449,797	9,949,797	9,399,797	(550,000)	-5.5%
Parks and Recreation Levy	0	1,000,000	5,800,000	4,800,000	480.0%
Human Services Fund	3,650,000	6,150,000	5,625,000	(525,000)	-8.5%
General Assistance Fund	750,000	750,000	1,275,000	525,000	70.0%
Solid Waste Fund	950,000	450,000	0	(450,000)	-100.0%
Debt Service (City)	12,766,093	12,766,093	14,104,532	1,338,439	10.5%
Fire Pension Fund	9,598,610	9,598,610	9,598,610	0	0.0%
Police Pension Fund	10,391,495	10,391,495	10,391,495	0	0.0%
Total City Levy	**47,555,995**	**51,055,995**	**56,194,434**	**5,138,439**	**10.1%**
Library Fund	8,624,347	9,486,782	9,723,951	237,169	2.5%
Debt Service (Library)	576,946	547,822	626,976	79,154	14.4%
Total Library Levy	**9,201,293**	**10,034,604**	**10,350,927**	**316,323**	**3.2%**
Total Levy (City & Library)	**56,757,288**	**61,090,599**	**66,545,361**	**5,454,762**	**8.9%**

2027 Proposed Budget – Property Tax Levy

For every dollar you pay in property tax, the City receives 16 cents.



2027 Proposed Budget – Property Tax Rate

	Home Value	2025 Avg Composite Rate	Approximate Tax Bill for Composite Rate	Approximate Tax Bill for City + Library + Park District	Approximate Tax Bill for Elem. & High School Districts	Approximate Tax Bill for All Other Taxing Districts
Oak Park	$ 481,200	11.6646	$ 17,007.41	$ 4,166.05	$ 10,865.28	$ 1,976.08
Palatine	$ 481,200	8.7467	$ 12,753.00	$ 2,413.78	$ 8,438.82	$ 1,900.40
Skokie	$ 481,200	8.6014	$ 12,541.15	$ 1,802.28	$ 9,591.11	$ 1,147.77
Arlington Heights	$ 481,200	8.3389	$ 12,158.42	$ 2,431.13	$ 7,807.49	$ 1,919.80
Park Ridge	$ 481,200	8.2597	$ 12,042.94	$ 1,815.69	$ 8,622.53	$ 1,604.71
Bloomington*	$ 481,200	8.0679	$ 12,811.50	$ 1,946.68	$ 7,783.86	$ 3,080.96
Des Plaines	$ 481,200	7.9658	$ 11,614.42	$ 2,083.24	$ 7,940.32	$ 1,590.86
Evanston**	$ 481,200	7.3690	$ 10,744.27	$ 2,016.17	$ 7,213.78	$ 1,514.32

*Bloomington uses McLean County's calculation for a property's EAV at 33.33% of market value, which differs from Cook County

**Evanston Municipality rate also includes the General Assistant property tax levy.

Note: Total taxes for this table do not include homeowner or other exemptions.

2027 Proposed Budget – Property Tax Rate

	2025 Avg Composite Rate	2025 Municipality Rate	2025 Park District Rate	2025 Library Rate	City + Library + Park District Rate	City + Library + Parks as % of Composite Rate
Oak Park	11.6646	1.7599	0.5686	0.5288	2.8573	24.50%
Arlington Heights	8.3389	0.8878	0.4275	0.3521	1.6674	20.00%
Palatine	8.7467	0.7793	0.5689	0.3073	1.6555	18.93%
Evanston*	7.3690	1.1683**	0.0000	0.2145	1.3828	18.77%
Des Plaines	7.9658	0.8268	0.4075	0.1945	1.4288	17.94%
Bloomington*	8.0679	0.9616	0.0000	0.2643	1.2259	15.19%
Park Ridge	8.2597	0.6103	0.4561	0.1789	1.2453	15.08%
Skokie	8.6014	0.4479	0.3859	0.4023	1.2361	14.37%

*Evanston and Bloomington have a Parks Department, not a separate Park District

**Evanston Municipality rate also includes General Assistance property tax levy

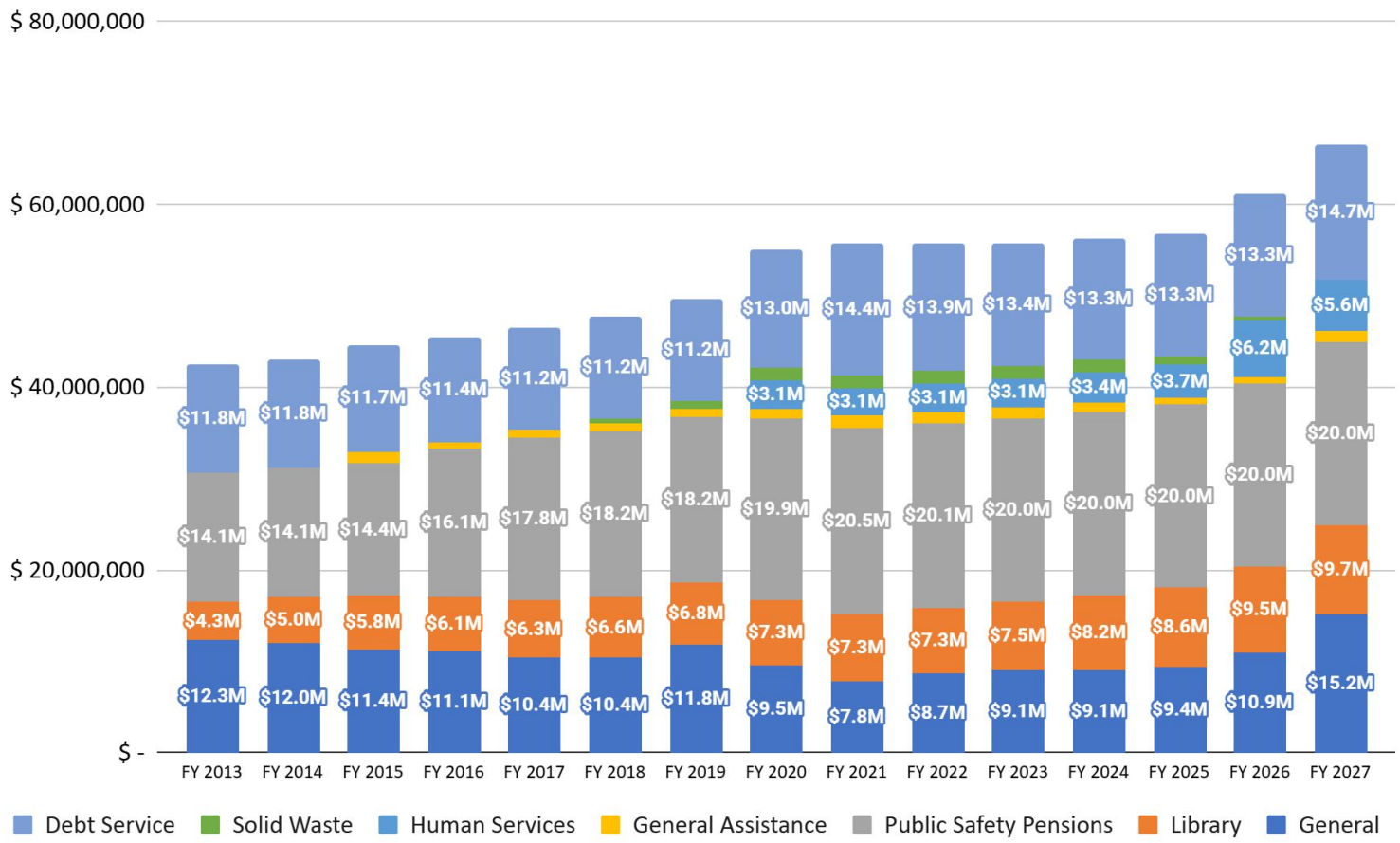
Proposed Property Tax Impact
(compared to 2025 Tax Rates)

Market Value	10% Market Assessed Value	Equalized Value*	Estimated City/Library 2025 Tax Levy	Projected City/Library 2026 Tax Levy (with 8.9% Increase)	Estimated Increase (Annual)
$250,000	$25,000	$75,750	$1,047.47	$1,141.02	$93.55
(Median) $481,200	$48,120	$145,804	$2,016.17	$2,196.23	$180.06
$750,000	$75,000	$227,250	$3,142.41	$3,423.06	$280.64
$1,000,000	$100,000	$303,000	$4,189.88	$4,564.07	$374.19

*Does not account for homeowner or other exemptions

2027 Proposed Budget – Property Tax Impact

Property Tax Levy (FY 2013 - FY 2027)



2027 Proposed Budget – Other Tax / Fee Increases

Fee	Change	Explanation
Amusement Tax: Streaming Services	5% → 10%	Consistent with rate imposed by Chicago (10.25%).
Natural Gas Use Tax	2.5¢ → 5¢ Per Therm	Aligns with neighboring communities (i.e. Skokie, Arlington Heights, Buffalo Grove, Winnetka) and supports the City's CARP goals.
Transportation Network Provider Tax	Shared Ride: 20¢ → 50¢ Solo Ride: 45¢ → 75¢	New rate is still notably lower than the rate imposed by Chicago ($1.13).
Real Estate Transfer Tax - Top Tiers' Rates $X per $1,000 in Value	Sale Price: $1.5M - $5M $7 → $8 per $1,000 Sale Price: $5M+ $9 → $10 per $1,000	Increases the tax rates for higher value property sales. Passage of a city-wide referendum, or public vote, would be needed before enacting this increase.
Real Estate Transfer Tax - Exempt Charge	$100 → $500	Some properties are "Exempt" from the Real Estate Transfer Tax when sold, instead paying an administrative charge for a transfer stamp. This would increase that charge.

Impact on Households

Streaming Tax

- Average 3-4 streaming services per household
- Average $45-$60/month for services ($540-$720 annually)
- Average $27-$36 annually in taxes currently
- Average increase to $54-$72 annually

Natural Gas Use Tax

- Average 90 therms/month (1,080 therms annually)
- Approximately $27 annually in Gas Use Tax currently
- Approximate increase to $54 annually in Gas Use Tax

Impact on Households

Water Rate Increase

- Average rate payer $856 annually
- Average rate payer increase to $991 annually

- *Evanston Affordable Rate unchanged (average $526 annually)*

Solid Waste Rate Increases

- Cart Fees increasing $15-$19 annually
- Condo/Apartment rates increasing $6-$15 annually

FY 2027 Proposed Budget - Combined Impact on a Typical Household

Tax / Fee	FY2026 Estimate Paid ($)	FY 2027 Estimate Paid ($)	Increase ($)
City & Library Property Tax *(median home value =$481K)*	$ 2,016	$ 2,196	$ 180.00
Streaming Tax *(annual streaming subscription costs = $630)*	$ 32	$ 63	$ 31.50
Natural Gas Tax (annual use = 1,080 therms)	$ 27	$ 54	$ 27.00
Solid Waste Refuse Fee *(service type = 95 Gallon Cart)*	$ 323	$ 338	$ 15.00
Annual Water & Sewer Fees *(3/4-inch meter using 115 units annually)*	$ 856	$ 991	$ 135.00
Totals:	**$ 3,254**	**$ 3,642**	**$ 388.50**

2027 Proposed Capital Improvement Plan

Visit the City's budget webpage to find Public Works' CIP Dashboard for a full list of planned projects and details (cityofevanston.org/government/budget/).

Project Category / Subtype	2027 CIP
Street Resurfacing, Water Main, and Sewer	***$ 40,676,000***
Water Main	$ 24,776,000
Major Projects	$ 8,100,000
Sewer Rehabilitation	$ 7,700,000
Street Resurfacing	$ 100,000
Other Transportation	***$ 21,355,000***
Major Projects	$ 14,370,000
Annual Projects	$ 4,435,000
Sidewalk Projects	$ 2,550,000
Parks	***$ 11,200,000***
Community Parks	$ 7,810,000
Investment & Modernization	$ 2,220,000
Neighborhood Parks - Legacy	$ 1,100,000
Neighborhood Parks	$ 70,000
Facilities	***$ 8,530,000***
Non-Legacy	$ 5,260,000
Investment & Modernization	$ 2,660,000
Legacy	$ 610,000
Miscellaneous	***$ 2,250,000***
Large-Scale Facilities	***$ 2,300,000***
Water Treatment, Billing and Storage	***$ 13,669,000***
Total:	**$ 99,980,000**

2027 Proposed Budget – Other Fund Highlights

- **Human Services Fund**
  - Property tax decrease to offset a needed increase in the General Assistance Fund.

- **Dempster Dodge TIF Fund**
  - Fund expected to close at the end of 2027 and transfer all remaining debt service requirements to the Debt Service Fund.

- **Grants Fund**
  - "PRO Housing Fund" was expanded to include other State and Federal grant projects including DCEO Urban Shelter, ESG, Brownfield, Stretch Code.

- **Special Assessments Fund**
  - Long waiting list of alleys to be paved. Increasing the amount of work performed annually would require additional funding, potentially an increase to the bond issuance.

- **American Rescue Plan Act (ARPA) Fund**
  - All dollars allocated to Evanston will be spent by early 2027 and the fund will be closed.

2027 Proposed Budget – Other Initiatives

- **Urban Forestry and Green Canopy**: Planting 500 trees and implementation of action items in the Parks and Green Space Strategic Plan.
- **Downtown & Sidewalk Upgrades**: Replacing 22,500 sq ft of downtown paver walkways with durable banded concrete; closing sidewalk gaps citywide.
- **Water Main & Meters**: Replacing 3.2 miles of water main and completion of the meter replacement project which replaces 1,000 meters and 13,000 meter interface units.
- **Shelter Rehabilitation**: Finish rehabilitation shelter projects, the Margarita Inn and Hilda's Place, while leveraging CDBG and PRO Housing funds.
- **Affordable Housing:** Continue designing and begin implementation of the City's Pathways to Removing Obstacles to Housing (PRO) Housing Grant programming.
- **EV Charging Network Expansion**: Continue coordinating the addition of electric vehicle chargers at the Levy Senior Center and Maple Ave Parking Garage.
- **Parks and Recreation Program Assessment**: Develop and administer a program needs assessment survey to better understand community interests, service gaps, and future programming priorities.