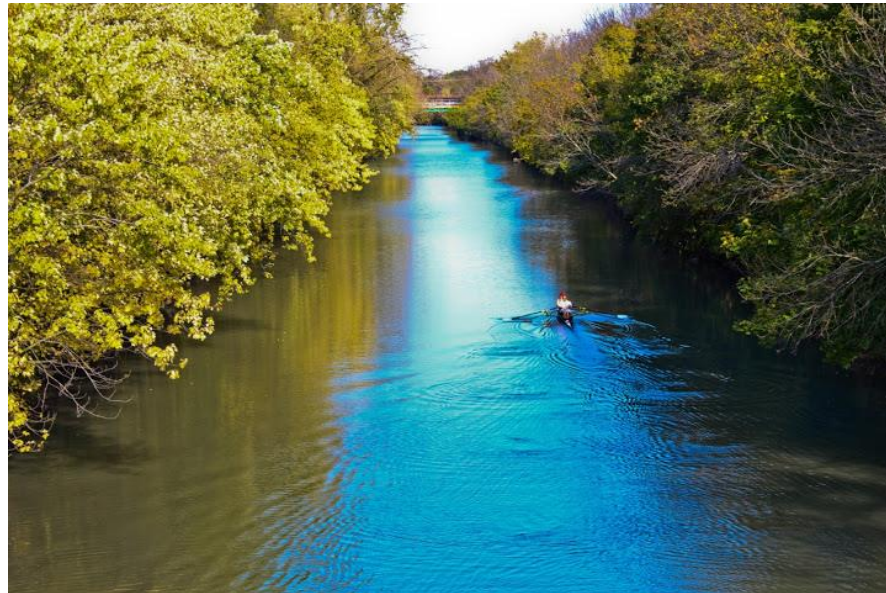


EVANSTON

FY 2019 Proposed Budget Presentation



October 22, 2019

2019 BUDGET PRESENTATION

Today

- FY 2019 Budget Overview
- Budget Balancing Worksheet Proposals
- Capital Improvements Plan Overview

Upcoming Meetings

- October 27, 2018 – Public Hearing, 9 am
- October 29, 2018 – City Council, 7 pm

2018 CITY COUNCIL GOALS



Invest in City Infrastructure and Facilities



Enhance Community Development and Job Creation Citywide



Expand Affordable Housing Options



Further Police/Community Relations Initiatives



Ensure Equity in All City Operations



Stabilize Long-term City Finances

BALANCE

2019 ALL FUNDS OVERVIEW

All Funds Total Budget - \$320,083,536

- Decrease from 2018 - \$15.4M or 4.6%

Major changes:

- Library Capital - \$8.2M decrease
- Washington-National TIF - \$9.2M decrease
- Capital Fund - \$16M decrease
- Crown Construction - \$15M increase

2019 BASELINE BUDGET

2019 Starting Deficit = \$7.4M

Composed of:

- General Fund Operating Deficit = \$4.9M
- Crown Project Debt Service = \$1M
 - For 2019 interest payment
- Contribution to Reserves = \$1.5M
 - To reach General Fund reserve policy of 16.6% by 2021

2019 BASELINE BUDGET

General Fund Operating Deficit = \$4.9M

Revenue Decreases:

- Building permit revenue - \$1.7M
- Sales Taxes (state and home rule) - \$400,000
- Natural Gas and Electric Utility Taxes - \$375,000
- Telecomm Tax/Cable Franchise Fee - \$400,000
- Recreation program fees - \$315,000

2019 BASELINE BUDGET

General Fund Operating Deficit = \$4.9M

Expense Changes:

- Increases to salaries and benefits – \$2.6M
- Increase in transfer to Insurance Fund - \$300,000
- Decrease transfers to Solid Waste Fund - \$556,000
- Decrease transfer to Debt Service Fund - \$750,000

2019 PROPOSED BUDGET

Property Tax Levy:

- No increase to City portion of rate
- Increase of \$1M to recapture properties previously part of the Washington-National TIF -- \$628,759 to General Fund, \$410,000 to Solid Waste Fund
- Closure of TIF will add estimated \$64M to City equalized assessed value (EAV)

2019 PROPOSED BUDGET

	Equalized Assessed Value (EAV)	Tax Levy	Rate
2017 Levy (2018 Budget) - with Washington-National TIF	2,740,060,120	40,826,896	1.49%
2018 Levy (2019 Budget) - Incremental TIF EAV	64,413,209		
Levy increase to recapture TIF EAV		1,000,000	
Total 2018 Levy	2,804,473,329	41,826,896	1.49%

BUDGET BALANCING WORKSHEET

TOTAL BASELINE PROPOSED REVENUES (General Fund)	\$ 110,921,062
TOTAL BASELINE PROPOSED EXPENDITURES (General Fund)	\$ 115,775,575
TOTAL BASELINE SURPLUS/Deficit (General Fund - baseline)	\$ (4,854,513)
Crown Debt Service	\$ 1,000,000
Contribution to General Fund Reserve	\$ 1,500,000
Total Deficit	\$ (7,354,513)
BBWS PROPOSED REVENUE ADJUSTMENTS	\$ 3,294,989
BBWS PROPOSED EXPENSE ADJUSTMENTS	\$ (4,283,924)
TOTAL REVISED PROPOSED REVENUES	\$ 114,216,051
TOTAL REVISED PROPOSED EXPENSES	\$ 113,991,651
PROPOSED 2019 BUDGET SURPLUS (DEFICIT)	\$ 224,400

BUDGET BALANCING WORKSHEET

Revenue Changes – General Fund

- Transportation Network Tax – Increase from \$0.20 to \$0.45 per ride
- Wheel Tax – Increase from \$75 to \$85
- Vacation Rental Permits – improve process
- New fees for expedited Comm. Devt. permits
- Increase transfers from Water, Sewer, Special Assessment Funds

Revenue Changes – Parking Fund

- Increase in meter fees from \$1 to \$2

BUDGET BALANCING WORKSHEET

General Fund Parking Revenue

- Residential Parking Permit Rate - \$15 to \$30
- Expired meter ticket increase - \$5 increase (\$20 to \$25) 90,000

Parking Fund Revenue (50% to General Fund)

- Increase hourly parking deck fees; Sherman Ave. Garage monthly permit fee
- Increase surface lot monthly fee - \$60 to \$70
- Elimination of free Sunday parking in meters
- Increased commuter lot meters \$0.25 to \$0.50/hr

BUDGET BALANCING WORKSHEET

Proposed Position Reductions

- 38.5 Full-time equivalent (FTE) reductions
 - 21 Vacant, 17.5 Filled
- 7.0 FTE Additions
- 31.5 Net reduction in positions

BUDGET BALANCING WORKSHEET

Program Changes:

- Eliminate Cultural Arts Administration
- Closure of Fire Station 4
- Eliminate Fire Community Engagement Programs
- Closure of Gibbs-Morrison Cultural Center
- Eliminate World Arts and Music Festival
- Eliminate Vital Records Service
- Changes to Victim Services program delivery
- Eliminate Storefront Modernization Program
- Reduce Mental Health Board Funding \$250,000

BUDGET BALANCING WORKSHEET

Other Expense Changes:

- No general wage increase for non-union employees
- Addition of CSR and Planner in Comm Devt., reduction in contracted plan review services
- Reductions to Community Health staff
- Increased costs for body-worn camera program
- Elimination of unreimbursed Police overtime during Northwestern home football games
- Eliminate all vacant Police positions
- Staff reductions in other divisions: CMO, Finance, Law, Fleet, Payroll, Street Maintenance

2019 PROPOSED BUDGET

Parking Fund

- \$3.5 million in capital improvement expenses

Water Fund

- Water rate increase of 11%, sewer rate decrease of 7.5%. No impact to Evanston residents
- Replacement of clearwell (treated water storage) using State Revolving Fund loan of about \$25 million
- Lincolnwood water sales begin in November 2019

2019 PROPOSED BUDGET

Solid Waste Fund

- 15% increase to monthly charge per cart (for 95 and 65 gallon cart)
- Increase to special pickup charge - \$60 to \$100 (first 3 cubic yards)
- Condo monthly charge per unit – 2.3% increase from \$8.65 to \$8.85
- Introduction of apartment recycling services

2019 PROPOSED BUDGET

Further Information

- [Budget Website](#)
 - Budget memos published here on Fridays
- [Budget Overview](#) (summary document)
- [2019 Proposed Budget](#)
- [Link to Balancing Act](#)

2019 BUDGET CALENDAR

- **Saturday, October 27, 9am**
 - Public hearing – FY2019 Proposed Budget
 - Public Hearing - Truth in Taxation
 - Preliminary Tax Levy Estimate
- Monday, October 29 – City Council
- Monday, November 12 – City Council
- Monday, November 19 – City Council, Budget and Tax Levy adoption



CAPITAL IMPROVEMENT BUDGET DISCUSSION

October 22, 2018

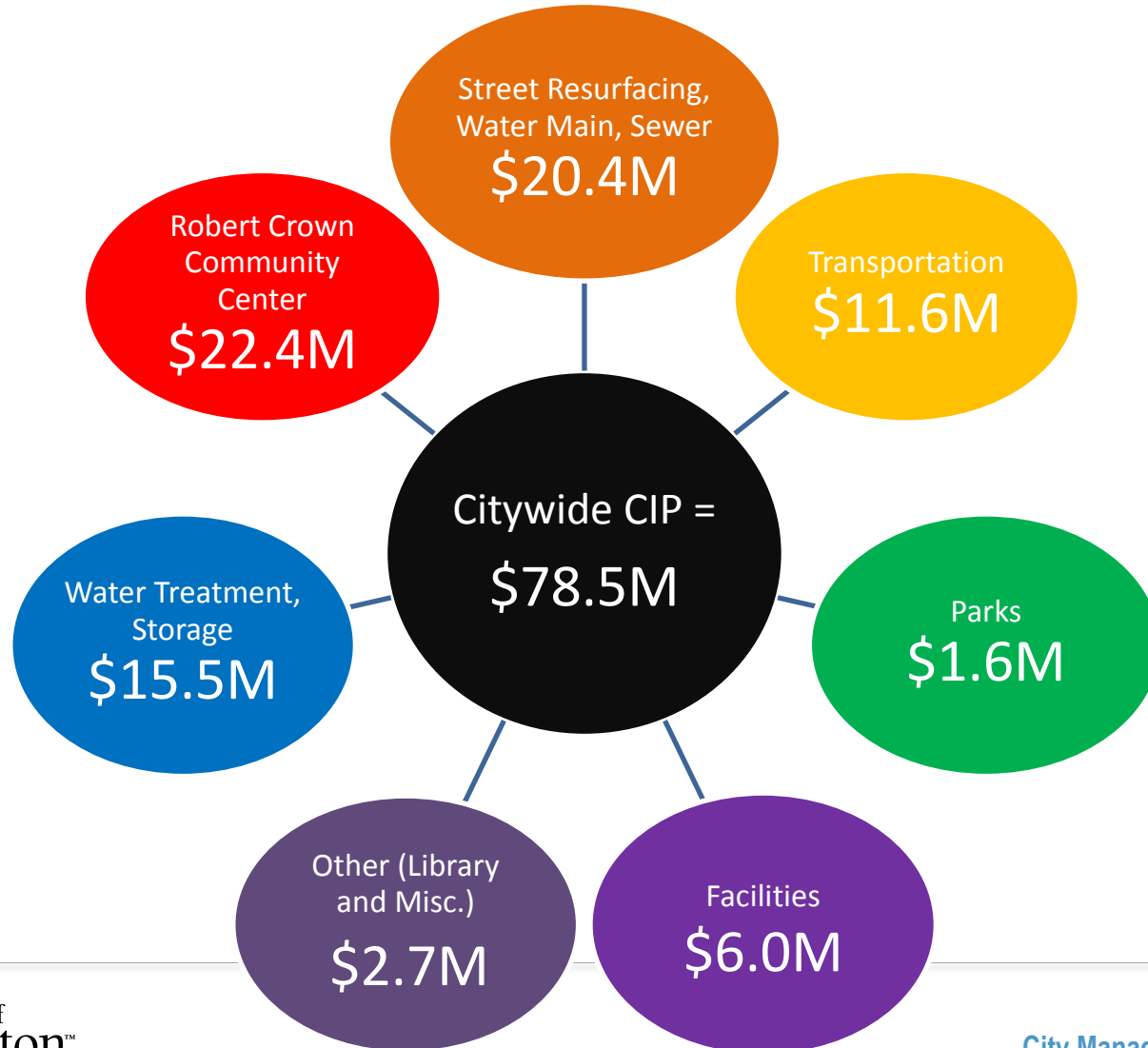


AGENDA

1. Summary of 2018 Capital Improvement Program
2. Process of determining projects
3. CIP project discussion



CAPITAL IMPROVEMENT PROGRAM (CIP) OVERVIEW





CIP – FUNDING SOURCES

Funding Source	2017 - 2018 Avg Budget	2019 Budget	2019 RCCC
General Obligation Bonds	\$14.8M	\$9.4M	\$16.1M
Water Fund	\$ 8.3M	\$ 7.5M	
Sewer Fund	\$ 2.3M	\$ 2.4M	\$1.0M
Parking Fund	\$ 3.2M	\$ 3.2M	
Illinois Environmental Protection Agency Loan	\$ 15.1M	\$22.3M	
Motor Fuel Tax Funds	\$ 1.4M	\$ 1.2M	
Federal Grants (incl. CDBG)	\$ 1.9M	\$ 7.2M	
TIF Funds	\$ 6.2M	\$ 0.0M	
Other Funds (incl. Special Assessment, Fundraising)	\$ 4.5M	\$ 1.0M	\$0.5M



HOW ARE PROJECTS DETERMINED?

Consultant Evaluations

Pavement Condition Survey (2013)

Citywide Roof Assessment (2016)

Parks Scorecard (2016)

In-House Data/Staff Review

Alderman/Resident Complaints

Street Inspections

Water Main Maintenance Records

Facility Assessments (Ongoing)





HOW ARE PROJECTS DETERMINED?

Priority by “Worst First” – not geography

Safety issues

Likelihood of failure / impact of failure

Example – HVAC systems

Changing regulations

Example – Complete and green streets policies



STREETS WATER MAIN SEWER OTHER TRANSPORTATION

Fiscal Year	GO Bonds	Other Funds	Total Annual Funding	Other Fund Sources
2017	\$6.3 M	\$23.2 M	\$29.5 M	Federal grants Water Fund Sewer Fund IEPA Loans MFT CDBG TIF Parking Fund
2018	\$6.8 M	\$27.3 M	\$34.1 M	
2019	\$4.9 M	\$28.0 M	\$32.0 M	
Annual Estimate of Need 2018 - 2022			\$31.2 M	



STREETS/WATER MAIN/SEWER—MAJOR PROJECTS

Project	2019	2020	2021	Funding
Main Street, Maple to Hinman	ongoing	\$ 300,000	\$ 5,000,000	GO Bond, Water, TIF
Main Street, McDaniel to Hartrey	\$ 1,000,000			GO Bond, Sewer
Howard Street, Hartrey to Callan	ongoing	\$ 5,185,000		GO Bond, Federal, County grant

- Main Street, Maple to Hinman –Includes streetscape and other roadway improvements along this corridor. In 2019, work will include Phase I Engineering, including investigation into vaulted sidewalks along Main Street. Construction is anticipated in 2021
- Main Street Commons, McDaniel to Hartrey – Includes traffic signal improvements, sidewalk, lighting and resurfacing to improve and access in and out of shopping center and to address ADA and pedestrian safety issues in this section of Main Street
- Howard Street, Target Access Drive to Callan – Upgrade of Howard Street including resurfacing, bike and pedestrian infrastructure improvements and traffic signal upgrades. This work is 70% funded by federal grant, requiring a 30% match by the City. Coordinated with the City of Chicago, construction is scheduled for 2020.



STREETS/WATER MAIN/SEWER—OTHER PROJECTS

Project	2019	2020	2021	Funding
Street Resurfacing - MFT	\$ 1,206,000	\$ 1,100,000	\$ 1,100,000	MFT
Water Main & Street Resurfacing	\$ 4,409,000	\$ 5,307,000	\$ 5,407,000	Water Fund, GO Bond
WM - 30" Downtown Feeder Rehab	\$ 5,000,000	\$ 3,260,000		IEPA Loan
Lincolnwood Connection	\$ 1,840,000			Water Fund

- Street Resurfacing – MFT – Funding from the Motor Fuel Tax Fund used to pay for the annual resurfacing on City streets
- Water Main/Street Resurfacing – Funding from the Water Fund to rehabilitate 1.5 miles/year of water main (1% of system). Water main replacement is coordinated with street resurfacing needs
- 30-inch Downtown Feeder Main Rehabilitation – Replace the 30” transmission main providing water to the downtown area. Scheduled for 2019 construction but dependent on IEPA loan funding
- Lincolnwood Connection – Installation of a meter vault and connecting pipeline at the South Standpipe (near Hartrey/Oakton) to allow the Village of Lincolnwood to purchase wholesale water from Evanston



OTHER TRANSPORTATION – PROJECTS

Project	2019	2020	2021	Funding
Central Street Bridge	\$ 6,200,000			GO Bond, Grant
Traffic Signals - Emerson @Maple/Elgin/Benson/Dodge	\$ 1,390,000			GO Bond, PUD Public Benefit
Ridge Avenue Signal Study	\$ 175,000			GO Bond
Talmadge Park - Parking Lot	\$ 380,000			Parking Fund

- Central Street Bridge – Replacement of the bridge on Central Street over the North Shore Channel. Project will be awarded in 2019 for construction in 2020 and 2021. This project is 80% funded by federal grant.
- Traffic Signals – Emerson @Maple/Elgin/Benson/Dodge – In 2019, construction of traffic signal replacements.
- Ridge Avenue Signal Study – *This study will evaluate problem Ridge Avenue intersections for potential improvements and adjust the timing of traffic signals in the Ridge Avenue corridor*
- Talmadge Park Parking Lot – Rehabilitation of metered/permitted parking lot adjacent to Talmadge Park, Noyes Street Business District and Noyes Cultural Arts Center



PARKS

Fiscal Year	GO Bonds	Other Funds	Total Annual Funding	Other Fund Sources
2017	\$1.4 M	\$5.3 M	\$6.7 M	CDBG - Foster Field Perimeter Fence Replacement - Clyde-Brummel Fence Replacement
2018	\$1.6 M	\$3.9 M	\$5.5 M	
2019	\$1.0 M	\$0.4 M	\$1.4 M	
Annual Estimate of Need 2019 - 2023			\$4.9 M	2018 Good Neighbor Funds - Harbert Park Basketball Court Neighborhood Impr Fund - Harbert Park Shelter



PARKS—PROJECTS

Project	2019	2020	2021	Funding
Foster Field - Perimeter Fence	\$ 187,813			CDBG
Garden Park	\$ 500,000			GO Bond
Lovelace Park - Tennis Court Rehab	\$ 250,000			GO Bond
McCulloch Park	\$ 100,000	\$ 825,000		GO Bond

- Foster Field – Perimeter Fence – Replacement of perimeter fence for Foster Field. This project is funded by reallocated CDBG funds
- Garden Park – Rehabilitation of Garden Park, which was rated “F” in the Parks Scorecard. Currently in design, construction is scheduled for 2019
- McCulloch Park - Rehabilitation of McCulloch Park, which was rated “D-” in the Parks Scorecard. Planning and design is proposed for 2019
- Lovelace Park Tennis Courts – Rehabilitation of tennis court surface at Lovelace Park



FACILITIES – NOT INCLUDING CROWN

Fiscal Year	GO Bonds	Other Funds	Total Annual Funding	Other Fund Sources
2017	\$3.9 M	\$4.5 M	\$8.4 M	2018 Good Neighbor Fund - Fleetwood Interior Improvements Parking Fund - Parking Garages Tenant Fund - Noyes Center
2018	\$8.2 M	\$8.4 M	\$17.9M	
2018	\$2.7 M	\$3.3 M	\$6.0 M	
Annual Estimate of Need 2018 - 2022			\$6.9 M	

Note: Funding does not include the Robert Crown Community Center





FACILITIES – PROJECTS

Project	2019	2020	2021	Funding
Chandler - HVAC	\$ 538,000			GO Bond
Civic Center - HVAC/Electrical	\$ 250,000	\$ 2,500,000	\$ 1,500,000	GO Bond
Levy Center - HVAC & BAS Upgrade	\$ 400,000			GO Bond
Police/Fire HQ - HVAC	\$ 270,000			GO Bond

- Chandler – HVAC Improvement – Replacement of HVAC equipment which is failing or at the end of it’s useful life
- Civic Center – HVAC/Electrical – In 2019, finalize ongoing HVAC study and determine best way to proceed with HVAC upgrade. Begin design for construction in 2020.
- Levy Center – HVAC & BAS Upgrade – Design and construct replacement rooftop HVAC units and upgrade Building Automation System
- Police/Fire HQ – HVAC & BAS Upgrade – Design and construct replacement rooftop HVAC units



FACILITIES – PROJECTS

Project	2019	2020	2021	Funding
Noyes - HVAC	\$ 100,000	\$ 1,200,000	\$ 1,600,000	GO Bond
Church/Maple/Sherman Garages - Silane Sealer Replacement	\$ 900,000			Parking Fund
Sherman Garage - Lighting Upgrade	\$ 650,000			Parking Fund

- Noyes HVAC – Complete study to determine best option to proceed with HVAC upgrades
- Church/Maple/Sherman Garages – Silane Sealer Replacement – Replace protective traffic coating on concrete decks at the parking garage
- Sherman Garage – Lighting Upgrade – Upgrade of existing obsolete light fixtures to new LED fixtures



WATER BILLING, TREATMENT, STORAGE

Fiscal Year	GO Bonds	Other Funds	Total Annual Funding	Other Fund Sources
2017	\$0.0 M	\$7.8 M	\$7.8 M	Water Fund IEPA Loan
2018	\$0.0 M	\$14.6 M	\$14.6 M	
2019	\$0.0 M	\$15.5 M	\$15.5 M	
Annual Estimate of Need 2018 - 2022			\$11.5 M	



WATER TREATMENT, STORAGE AND BILLING – PROJECTS

Project	2019	2020	2021+	Funding
36/42 Intake Replacement	\$ 300,000		\$ 25,000,000	Water Fund
Filtration Headhouse Improvements	\$ 80,000	\$ 800,000		Water Fund
WTP - Laboratory Expansion	\$ 900,000			Water Fund
Treated Water Storage Replacement	\$ 13,700,000	\$ 10,200,000		IEPA Loan

- *36/42 Intake Replacement*– Complete study to determine how to replace 36”/42” Intake at the Water Treatment Plant. Construction estimated in 2021-2023
- *Filtration Headhouse Improvements* – Repair/rehabilitation of historic Headhouse Building located at the Water Treatment Plant, including roof, masonry and other misc. work
- *Water Treatment Plant – Laboratory Expansion* – Upgrades to existing laboratory to remediate HVAC and temperature deficiencies and to provide appropriate workspace for microbiological testing
- *Treated Water Storage Replacement* – Replacement of 5.0 million gallon clearwell located adjacent to the water treatment plant



MISCELLANEOUS – PROJECTS

Project	2019	2020	2021	Funding
Emergency Siren System Replacement	\$ 175,000			GO Bond

- *Emergency Siren System Replacement* – Replacement of the emergency siren system for Evanston, which is at the end of its useful life with several components already not working and not repairable

QUESTIONS?