

EVANSTON ILLINOIS

Community Budget Workshop

September 13, 2017

AGENDA

Overview

- Facts About Our City
- The City's Budget Process
- City Revenues and Expenditures and Other Funds
- Capital Projects Update
- Current Budget Challenges
- Questions and Discussion

CITY FACTS

Organizational Structure & Facts

- The City of Evanston, Illinois incorporated as a 'Town' in 1863 and incorporated as a 'City' in 1892.
- It is a 'home rule' community with a Council-Manager form of government.
- 7.8 square miles; 74,486 residents; 9 Aldermanic Wards.
- Home of Northwestern University, NorthShore University Health System & Rotary International

CITY FACTS

Population

- 74,785 (2011 Census Estimate)
- 74,985 (2014 Census Estimate)

Size

- 7.80 Square Miles
- 33,000 Housing Units
- 147 Miles of Street
- 76 Miles of Alleys
- 208 miles of Sewers
- 5,641 Street Lights

CITY FACTS

Departments and Services	Facts
<p align="center">Police / Fire</p>	<ul style="list-style-type: none"> ▪ 165 Sworn Police Officers and 62 civilian personnel ▪ 107 Sworn Firefighters ▪ 5 Fire Stations ▪ 1,385 Fire Hydrants
<p align="center">Municipal Parking & Transportation</p>	<ul style="list-style-type: none"> ▪ 1,660 Parking Meters ▪ 35 Parking Lots & 3 Parking Garages ▪ 11 Divvy Stations
<p align="center">Library Services</p>	<ul style="list-style-type: none"> ▪ 1 Main & 2 Branch libraries ▪ 530,400 Books and Materials ▪ 63,405 Registered Borrowers

CITY FACTS

Departments and Services	Facts
Parks, Recreation, and Community Services	265 Acres of Park Area 75 Parks and Playgrounds 5 Beaches 7 Recreation Centers: <ul style="list-style-type: none">• Chandler-Newberger Community• Ecology• Noyes Cultural Arts• Levy Senior• Fleetwood-Jourdain Community• Robert Crown• Gibbs - Morrison
Municipal Water Utility	<ul style="list-style-type: none">▪ Filtration Capacity - 108 million gallons per day▪ Pumping Capacity - 147 million gallons per day▪ Average Pumpage – 40.3 million gallons per day▪ 157.5 Miles of Water Mains

BUDGET OVERVIEW

A Budget is...

- A legal document that serves as a government's financial operating plan
- A financial and policy document for how the City provides services to residents.
- A tool for communicating how tax and other revenues are spent which includes operating and capital costs and is categorized by fund.
- Allows citizens an opportunity to be heard by their elected officials.

BUDGET OVERVIEW

Fund Based Budgets:

- **General Fund:** Supports general City operations (i.e. Police, Fire, Public Works, General Administration, Community and Economic Development, Health, Parks, Recreation and Community Services)
- **Enterprise Fund:** Used for services which charge a fee - handled like a business (i.e. Water, Sewer, Solid Waste and Parking Funds)
- **Capital Improvement Fund:** Separates major infrastructure and facilities expenses from operating expenses

BUDGET OVERVIEW

Fund Based Budgets (Cont'd):

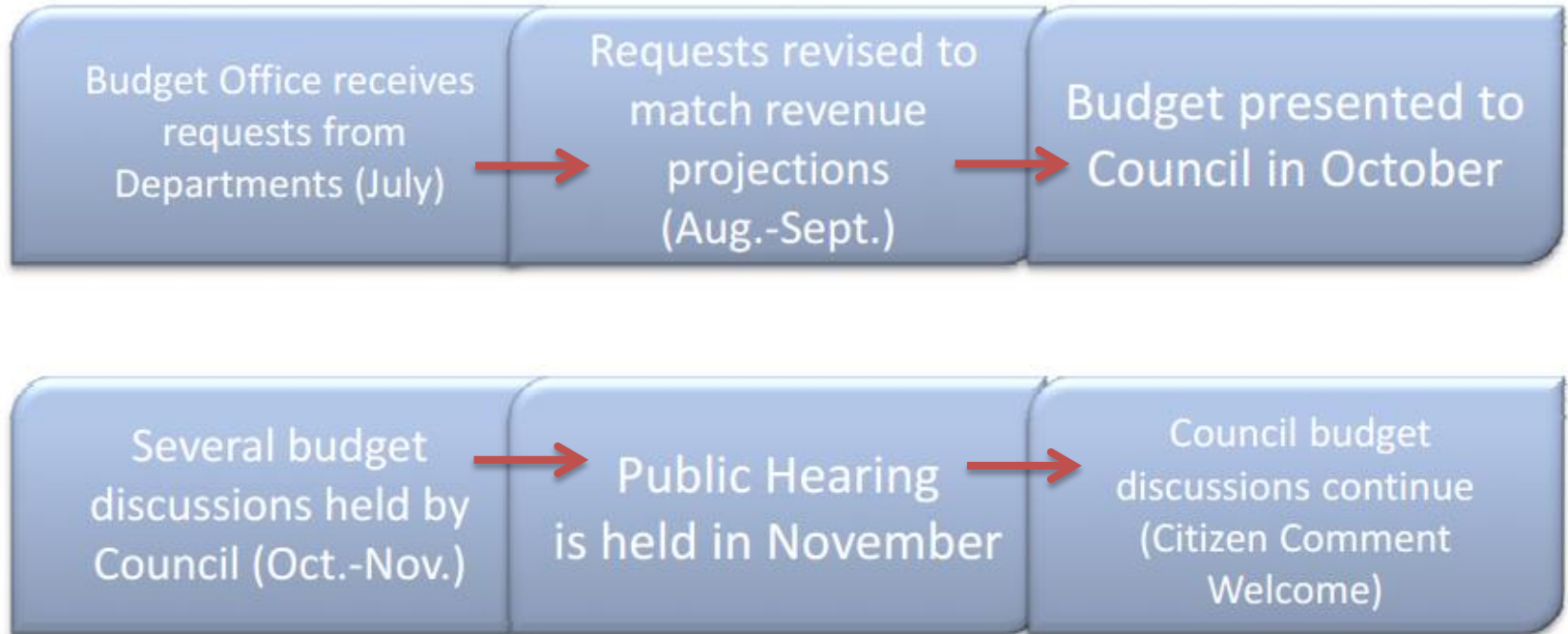
- **Special Revenue Fund:** Created to monitor a specific activity (i.e. E911)
- **Debt Service Fund:** Monitors all G.O. Debt supported by property taxes
- **Internal Service Funds:** Created to centralize city operations (i.e. Insurance and Fleet Funds)
- **Trust Funds:** (i.e. Police and Fire Pension Funds)

BUDGET OVERVIEW – POLICIES



- The current budget policy requires a fund reserve of 16.6% for the General Fund and Enterprise Funds.
- One-time revenue should only be spent on one-time expenditures.

Budget Time Line



**Budget Adopted
(Anticipated November 27)**

Questions?

Up next, City Departments

2017 CITY COUNCIL GOALS

The adopted 2017 City Council Goals are as follows:

- City Facilities
- City Streets
- Economic Development
- Financial Policies and City Debt
- Services for At-risk Families
- Water and Sewer
- Violent Crime Reduction

CITY MANAGER'S OFFICE

1. **Total FTE Count – 32.00**
2. **Total Business Units – 10**
3. **2017 Adopted Budget**
 - a. Revenues – \$74,279,846
 - b. Expenses – \$9,878,454

2017 Initiatives

- Facilitate greater collaboration between Evanston's business and arts communities.
- Develop entrepreneurship support program for Sunshine graduates and other early-stage Evanston entrepreneurs
- Install a video production studio at the Morton Civic Center to be used by community members and City of Evanston staff.

COMMUNITY DEVELOPMENT DEPARTMENT

1. Total Full-Time Equivalent Positions – 21.50

2. Total Business Units - 3

3. 2017 Adopted Budget

a. Revenues - \$11,422,965

b. Expenses - \$2,804,668

4. 2017 Initiatives

- Promoting neighborhood revitalization, ensuring a safe built environment and affordable housing will continue to be major priorities of the Community Development Department.
- Manage first/last mile programs, including the Transit Planning 4 All grant project and the Divvy Bike Sharing program.

MANAGING TO LIVABILITY PROCESS



Review, Evaluate and Filter:

- Outstanding opportunities
- Community values & priorities



Community Outcomes

Activity Measures

Collaborative Projects

ADMINISTRATIVE SERVICES DEPARTMENT

1. **Total Full-Time Equivalent Positions – 57.70**
2. **Total Business Units - 3**
3. **Total Business Units - 6**
4. **2017 Adopted Budget**
 - a. Revenues - \$2,847,000
 - b. Expenses - \$9,700,879
5. **2017 Initiatives**
 - Successfully completed the citywide implementation and rollout of Google Gmail to all city staff.
 - Continue emergency planning and operations with Police & Fire. Staff will be trained on standard operating guidelines in the event of city and facility emergencies.

LAW DEPARTMENT

1. Total Full-Time Equivalent Positions – 8.0

2. Total Business Units - 1

3. 2017 Adopted Budget

- a. Revenues - \$512,000
- b. Expenses - \$854,050

4. 2017 Initiatives

- Continue to prevail in litigation at the pre-trial motion stage and at verdict.
- Continue to work with City Council, Manager and staff to negotiate favorable agreements with current and prospective wholesale water customers.
- Continue to move the City Council goal of Economic Development forward by assisting with several complex lease agreements and repurposing of City facilities into commercial uses.

HEALTH AND HUMAN SERVICES DEPARTMENT

1. **Total Full-Time Equivalent Positions – 21.10**
2. **Total Business Units - 4**

3. **2017 Adopted Budget**
 - a. Revenues – \$1,220,850
 - b. Expenses – \$3,582,312

4. **2017 Initiatives**
 - Healthy eating and active living initiatives; Establish a comprehensive approach to address all forms of violence; Implement new software aimed at improving service delivery including inspections.

FIRE DEPARTMENT

1. Total Full-Time Equivalent Positions – 110.00

2. 2017 Adopted Budget

- a. Revenues - \$10,606,309
- b. Expenses - \$22,601,742

3. 2017 Initiatives

- Continued Emergency Management including notification system and emergency operations center; Upgrade Computer Aided Dispatch System and Fire Incident Reporting System; Public school Fire and Life Safety outreach and education; increase Advanced Cardiac Life Support Certification; and Strategic Plan implementation.

- Retrofit retired Ambulance 317 and transform it into a Fire Department Dive Vehicle.

PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT

1. Total Full-Time Equivalent Positions – 78.83

2. Total Business Units - 21

3. 2017 Adopted Budget

a. Revenues - \$6,074,512

b. Expenses - \$12,361,460

4. 2017 Initiatives

- Youth and Young Adult; Commission for Accreditation of Park and Recreation Agencies (CAPRA); National Recreation and Parks Association Gold Medal Finalist; Analysis of program expenses and service delivery.

POLICE DEPARTMENT

1. Total Full-Time Equivalent Positions – 225.50

2. Total Business Units - 19

3. 2017 Adopted Budget

a. Revenues - \$10,883,250

b. Expenses - \$38,223,842

4. 2017 Initiatives

- Upgrading the existing Computer Aided Dispatch System (CADS) from Naviline CAD400 to the ONESolution product.
- Develop an in-car camera program in conjunction with Northwestern University as a preamble to the implementation of body cameras for Evanston police officers.

PUBLIC WORKS AGENCY

1. Total Full-Time Equivalent Positions – 84.25 General Fund

2. Total Business Units - 21

3. 2017 Adopted Budget

a. Revenues - \$923,600

b. Expenses - \$16,212,418

4. 2017 Initiatives

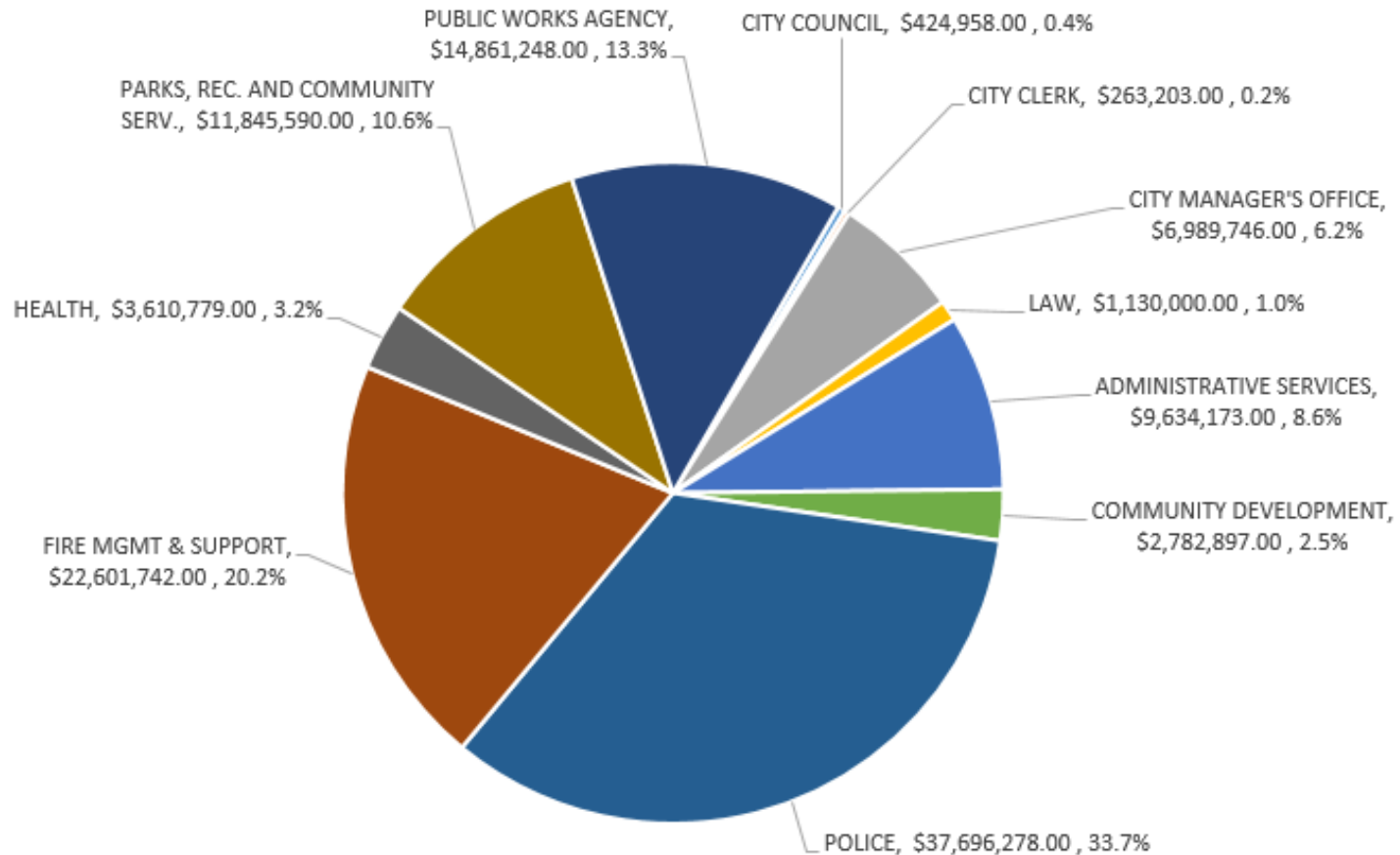
Rehabilitate and upgrade City infrastructure to meet the needs of the residents of Evanston. Major projects include the Chicago Ave / Sheridan Road project, Fountain Square project, Water Treatment Plant reliability project, and installation of Safe Routes to School speed radar signs.

Questions?

**Up next, STAR, City Revenues and
Other Funds**

2016 EXPENSE TOTAL – BY DEPT.

General Fund - \$111,840,614



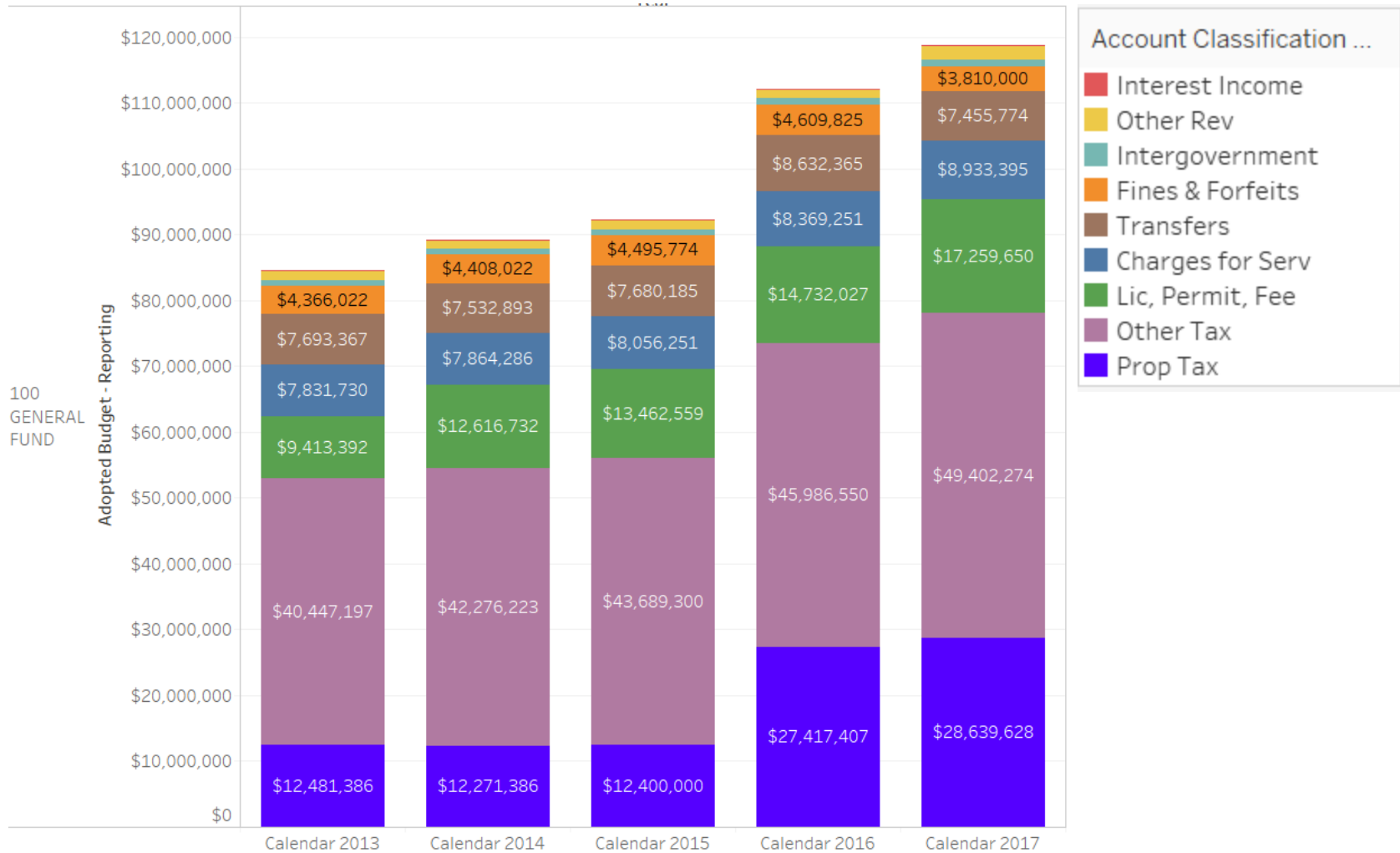
MUNICIPAL REVENUE

Revenues by Type

- Property Taxes
- Other Taxes
- Licenses, Permits, and Fees
- Fines and Forfeitures
- Charges for Services
- Revenues from State and Federal Government
- Transfers from Other Funds

2017 BUDGET OVERVIEW – GENERAL FUND

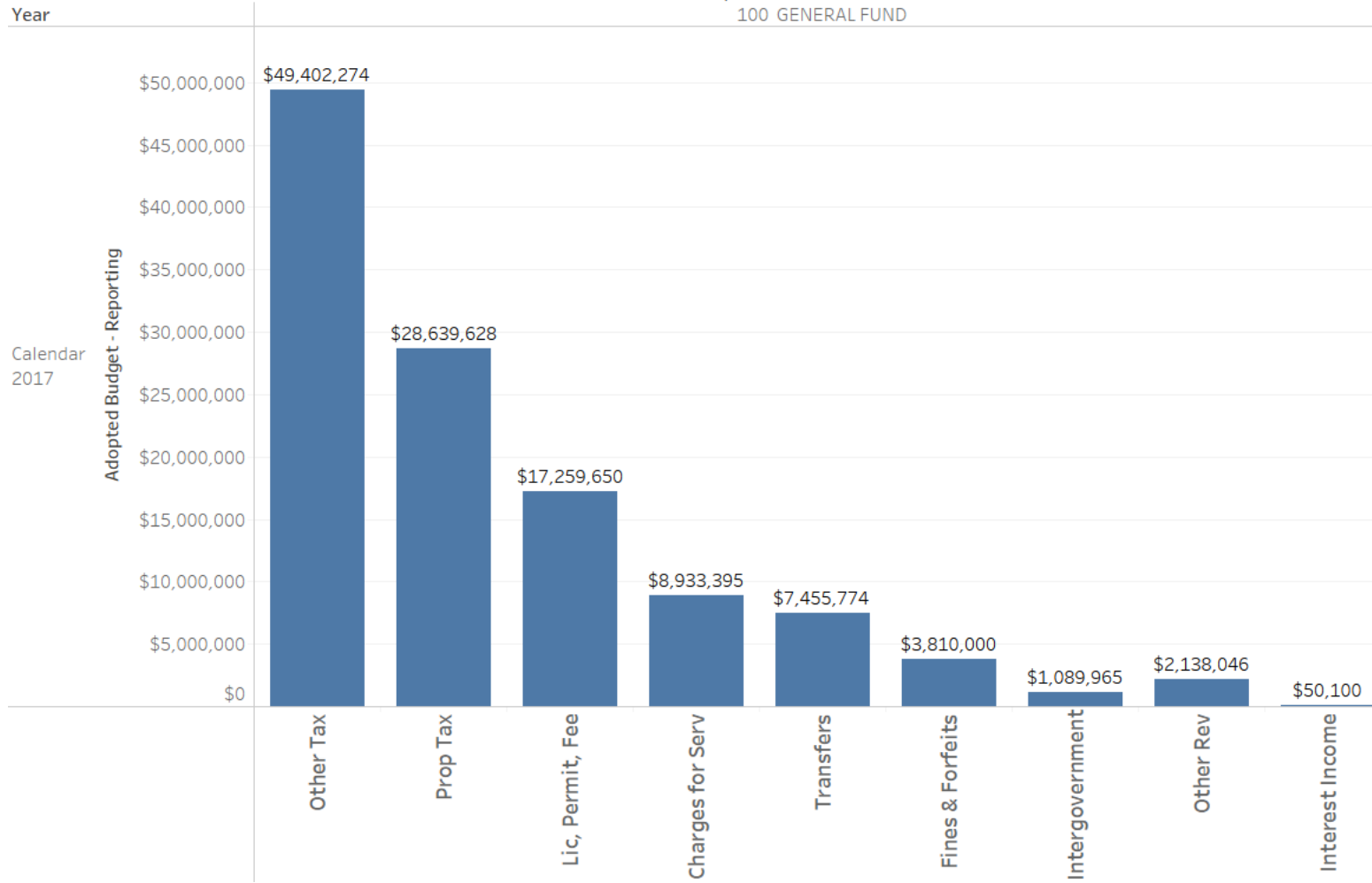
Historical comparison of Revenue by Classification



2017 BUDGET OVERVIEW – GENERAL FUND

Revenue by Classification FY 2017 Budget

Level 1 / Account Classification Code 1
100 GENERAL FUND



2017 BUDGET OVERVIEW – PROPERTY TAXES

Taxing District	2016 Percentage	2016 Tax Rate	% Change in Rate	2015 Percentage	2015 Tax Rate
SCHOOL DISTRICT C C 65	40.72%	3.68	(0.134)	37.92%	3.81
EVANSTON TOWNSHIP HIGH SCHOOL 202	25.83%	2.33	(0.460)	27.79%	2.79
CITY OF EVANSTON	16.63%	1.50	(0.261)	17.54%	1.76
COUNTY OF COOK	5.90%	0.53	(0.019)	5.49%	0.55
METRO WATER RECLAMATION DIST OF GR CHGO	4.50%	0.41	(0.020)	4.24%	0.43
CITY OF EVANSTON LIBRARY FUND	2.67%	0.24	(0.041)	2.81%	0.28
OAKTON COMMUNITY COLLEGE DISTRICT 535	2.56%	0.23	(0.040)	2.70%	0.27
FOREST PRESERVE DISTRICT OF COOK COUNTY	0.70%	0.06	(0.006)	0.69%	0.07
CITY OF EVANSTON GENERAL ASSISTANCE	0.39%	0.04	(0.003)	0.38%	0.04
NORTH SHORE MOSQUITO ABATEMENT DISTRICT	0.11%	0.01	(0.002)	0.12%	0.01
CONSOLIDATED ELECTIONS	0.00%	-	(0.034)	0.34%	0.03
TOTALS	100.00%	9.03	(1.020)	100.00%	10.05

*Average composite rate per PIN

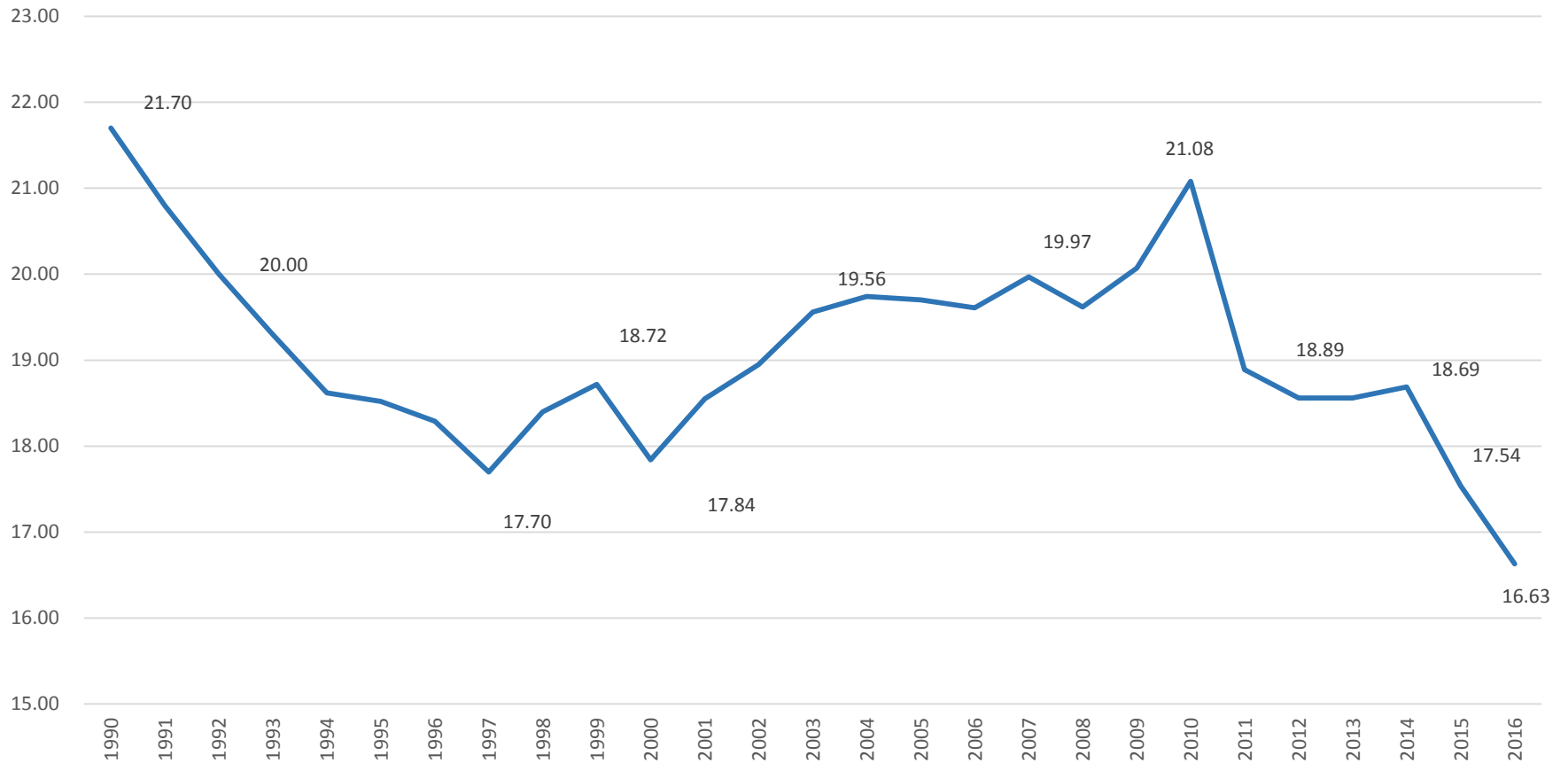
2017 BUDGET OVERVIEW – PROPERTY TAXES

Tax Levies for Government Units Serving Evanston 2016 Taxes Paid in 2017 (Excluding TIFs and Special Service Areas)

<i>Unit of Government</i>	<i>2015 Total Levy (Paid in 2016)</i>	<i>2016 Total Levy (Paid in 2017)</i>	<i>Revenue Change</i>	<i>% of Total Tax Bill for '16</i>
Cook County	\$12,122,039	\$14,233,295	17.4%	5.9%
Forest Preserve District	\$1,515,255	\$1,682,359	11.0%	0.7%
Water Reclamation District	\$9,355,052	\$10,841,872	15.9%	4.5%
North Shore Mosquito Abatement	\$263,523	\$267,041	1.3%	0.1%
General Assistance	\$834,488	\$934,644	12.0%	0.4%
Consolidated Elections	\$746,647	\$0	-100.0%	0.0%
City of Evanston	\$38,693,899	\$40,082,881	3.6%	16.6%
School District #65	\$83,668,420	\$98,164,337	17.3%	40.7%
Evanston Township High School	\$61,312,921	\$62,274,002	1.6%	25.8%
Community College District 535	\$5,951,218	\$6,168,651	3.7%	2.6%
Evanston Public Library	\$6,192,781	\$6,435,692	3.9%	2.7%
Total Levies	\$220,656,243	\$241,084,775	9.3%	100.0%

2017 BUDGET OVERVIEW – PROPERTY TAXES

City % Share of the Property Tax - Historical Trend



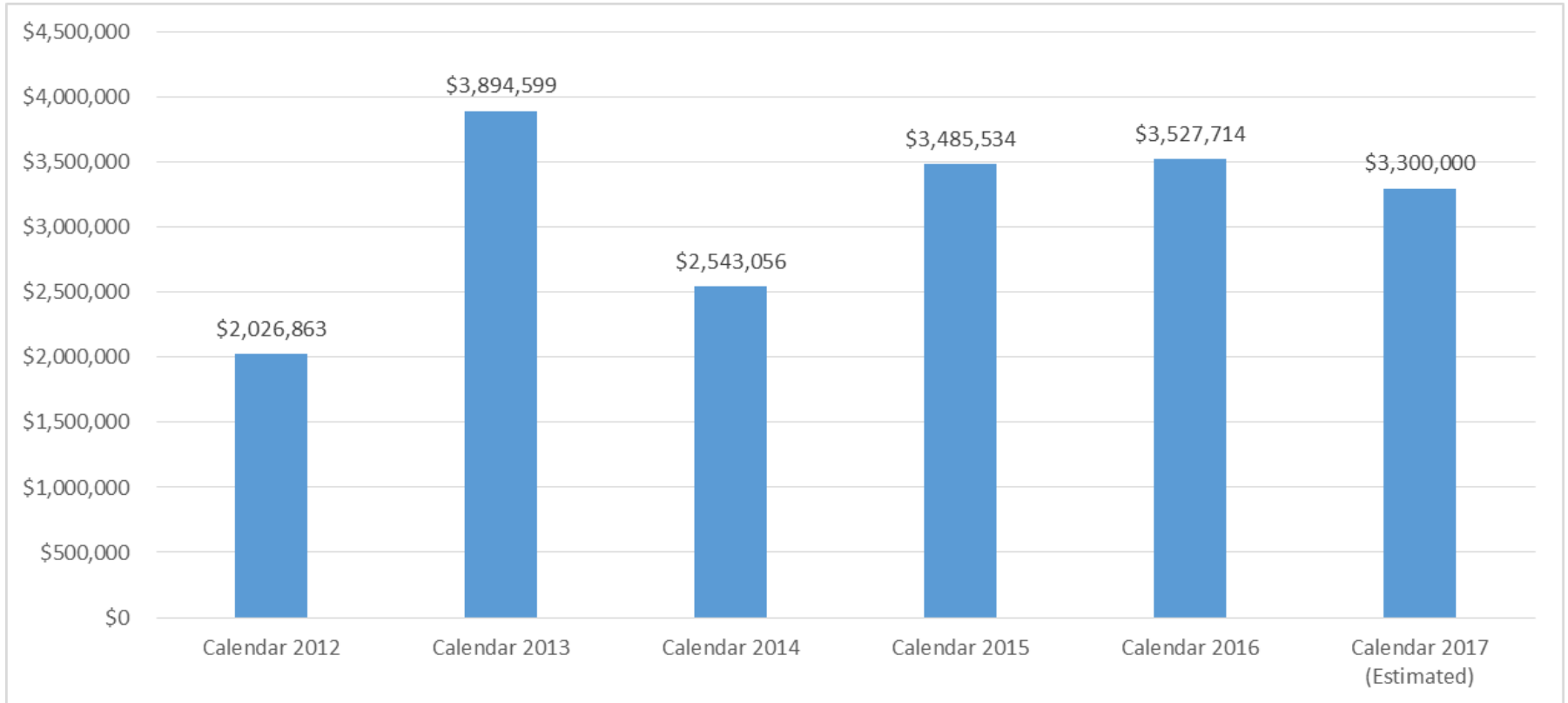
2017 BUDGETED REVENUE - OTHER TAXES

IL State budget reduced Income tax – \$780,000 annually

Level 1	Account Classification Code 1	Account Code And Description	Year Calendar 2017
100	Other Tax	51525 - SALES TAX - BASIC	10,942,386.00
GENERAL		51545 - STATE INCOME TAX	7,800,000.00
FUND		51530 - SALES TAX - HOME RULE	6,613,588.00
		51620 - REAL ESTATE TRANSFER TAX	3,100,000.00
		51595 - LIQUOR TAX	3,100,000.00
		51565 - ELECTRIC UTILITY TAX	3,000,000.00
		51600 - PARKING TAX	3,170,000.00
		51550 - MUNICIPAL HOTEL TAX	2,100,000.00
		51625 - TELECOMMUNICATIONS TAX	1,900,000.00
		51515 - STATE USE TAX	1,750,000.00
		51570 - NATURAL GAS UTILITY TAX	1,300,000.00
		51590 - EVANSTON MOTOR FUEL TAX	750,000.00
		51575 - NAT GAS USE TAX HOME RULE	900,000.00
		51605 - PERSONAL PROPERTY REPLACE..	800,000.00
		51630 - AMUSEMENT TAX	265,000.00
		51585 - CIGARETTE TAX	200,000.00
		51535 - AUTO RENTAL TAX	50,000.00

2017 REVENUE - OTHER TAXES

Real Estate Transfer Tax (actuals)



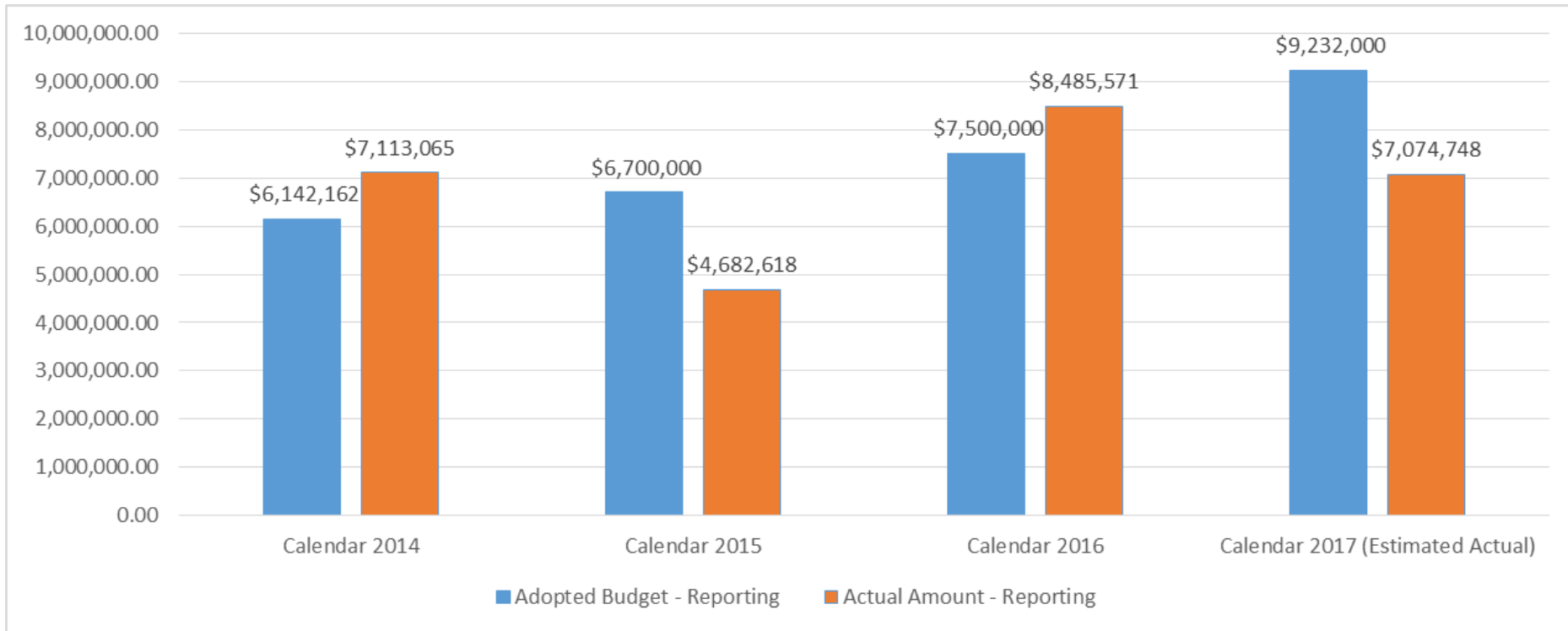
2017 REVENUE – LICENSE, PERMITS AND FEES

Example of License, Permits and Fees – Total 2017 Budget \$17.2M

Level 1	Account Classification Code 1	Account Code And Description	Year Calendar 2017*
100	Lic, Permit, Fee	52080 - BUILDING PERMITS	9,232,000.00
GENERAL		52010 - VEHICLE LICENSES	2,850,000.00
FUND		52180 - CABLE FRANCHISE FEE	1,200,000.00
		52120 - HEATING VENT. A/C PERMITS	700,000.00
		52040 - LIQUOR LICENSES	500,000.00
		52110 - OTHER/MISC PERMITS	475,000.00
		52126 - RIGHT-OF-WAY PERMIT	450,000.00
		52095 - ELECTRICAL PERMITS	300,000.00
		52035 - ROOMING HOUSE LICENSES	215,000.00
		52090 - PLUMBING PERMITS	200,000.00
		52030 - CONTRACTORS' LICENSES	150,000.00
		52181 - PEG FEES - CABLE COMPANIES	145,000.00
		52130 - RESIDENTS ANNUAL PARKING P..	128,000.00
		52055 - LONG TERM CARE LICENSES	120,000.00
		52135 - FIRE PLAN REVIEW	110,000.00
		52046 - RENTAL BUILDING REGISTRATIO..	75,000.00
		52185 - NICOR FRANCHISE FEE	75,000.00
		52015 - BUSINESS LICENSES	50,000.00
		52045 - FARMERS' MARKET LICENSES	50,000.00
		52146 - MOVING VAN PERMIT FEES	50,000.00
		52115 - ELEVATOR PERMITS	30,000.00

2017 BUDGETED REVENUE – LICENSE, PERMITS AND FEES

Building permit variance (Blue is budget, Orange is actual)



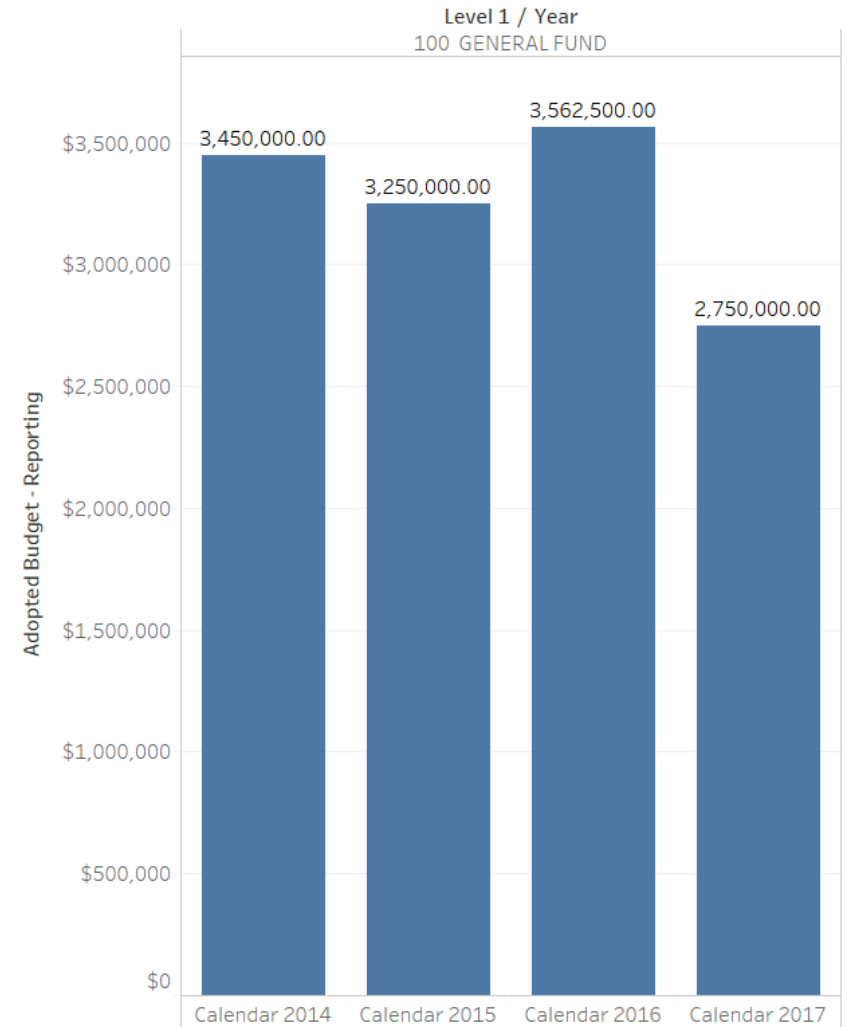
2017 REVENUE – FINES AND FORFEITURES

Level 1	Account Classification Code 1	Account Code And Description	Year Calendar 2017*
100	Fines & Forfeits	52505 - TICKET FINES-PARKING	2,750,000.00
GENERAL		52541 - POLICE CTA DETAIL & BARNES D..	400,000.00
FUND		52570 - NON PARKING ORDINANCE VIOL..	250,000.00
		52510 - REGULAR FINES	115,000.00
		52540 - POLICE & FIRE FALSE ALARM FEES	115,000.00
		52555 - HOUSING CODE VIOL FINES	65,000.00
		52530 - BOOT RELEASE FEE	45,000.00
		56030 - DAMAGE TO TRAFFIC SIGNALS	20,000.00
		52525 - ANIMAL ORDINANCE PENALTIES	15,000.00
		52542 - POLICE DUI REIMBURSEMENT	15,000.00
		56031 - DAMAGE TO STREET LIGHTS	10,000.00
		52560 - PERMIT PENALTY FEES	8,000.00
		56025 - DAMAGE TO SIGNAGE	2,000.00
Grand Total			3,810,000.00

2017 REVENUE – FINES AND FORFEITURES

Parking Ticket Enforcement

- Reduced ticket revenue result of greater compliance
- Greater compliance in downtown and business area result in more positive parking experience, increased sales tax dollars



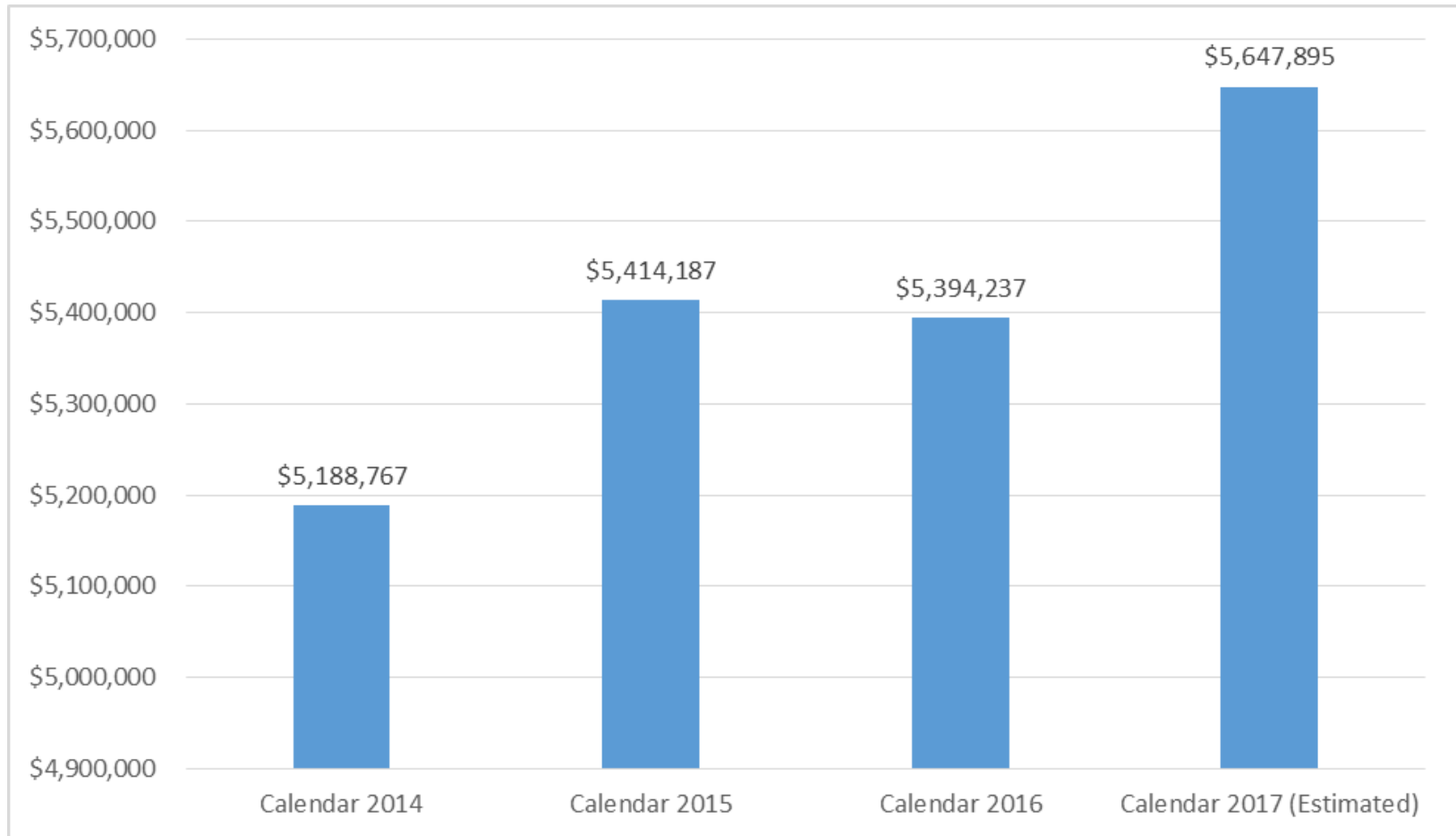
2017 REVENUE – CHARGES FOR SERVICES

Example of Charges for Services – Total Budget \$8.9M

Level 1	Account Classification Code 1	Account Code And Description	Year Calendar 2017
100	Charges for Serv	53565 - RECREATION PROGRAM FEES	5,647,895.00
GENERAL		53675 - AMBULANCE SERVICE	1,750,000.00
FUND		53105 - HEALTH FOOD ESTABLISHME..	190,000.00
		53715 - ALARM REGISTRATION FEE	125,000.00
		53640 - SENIOR TAXI COUPON SALES	100,000.00
		53215 - BIRTH CERTIFICATE	95,000.00
		53650 - STATE HIGHWAY MAINTENA..	68,000.00
		53695 - ZONING FEES	60,000.00
		53690 - WOOD RECYCLING	40,000.00
		53220 - DEATH CERTIFICATE	36,000.00
		53200 - BEV SNACK VENDING MACHI..	30,000.00
		53569 - SPECIAL EVENT REVENUE	25,500.00
		53685 - POLICE REPORT FEES	20,000.00
		53210 - TOBACCO LICENSE	17,000.00
		53737 - I HEART EVANSTON TREES P..	10,000.00
		53736 - NEW PAVEMENT DEGRADATI..	10,000.00

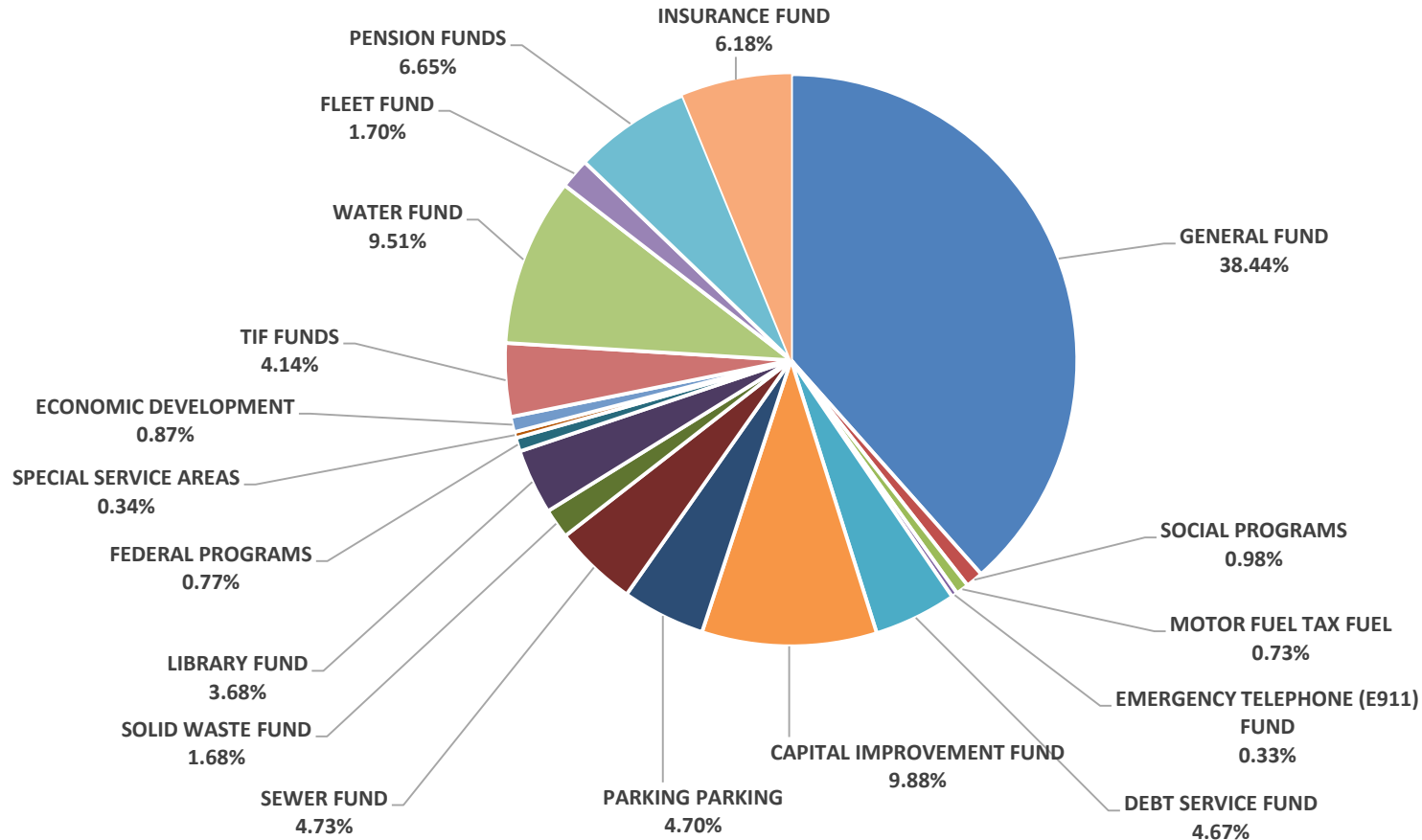
2017 REVENUE – CHARGES FOR SERVICES

Parks revenues peak at summer season

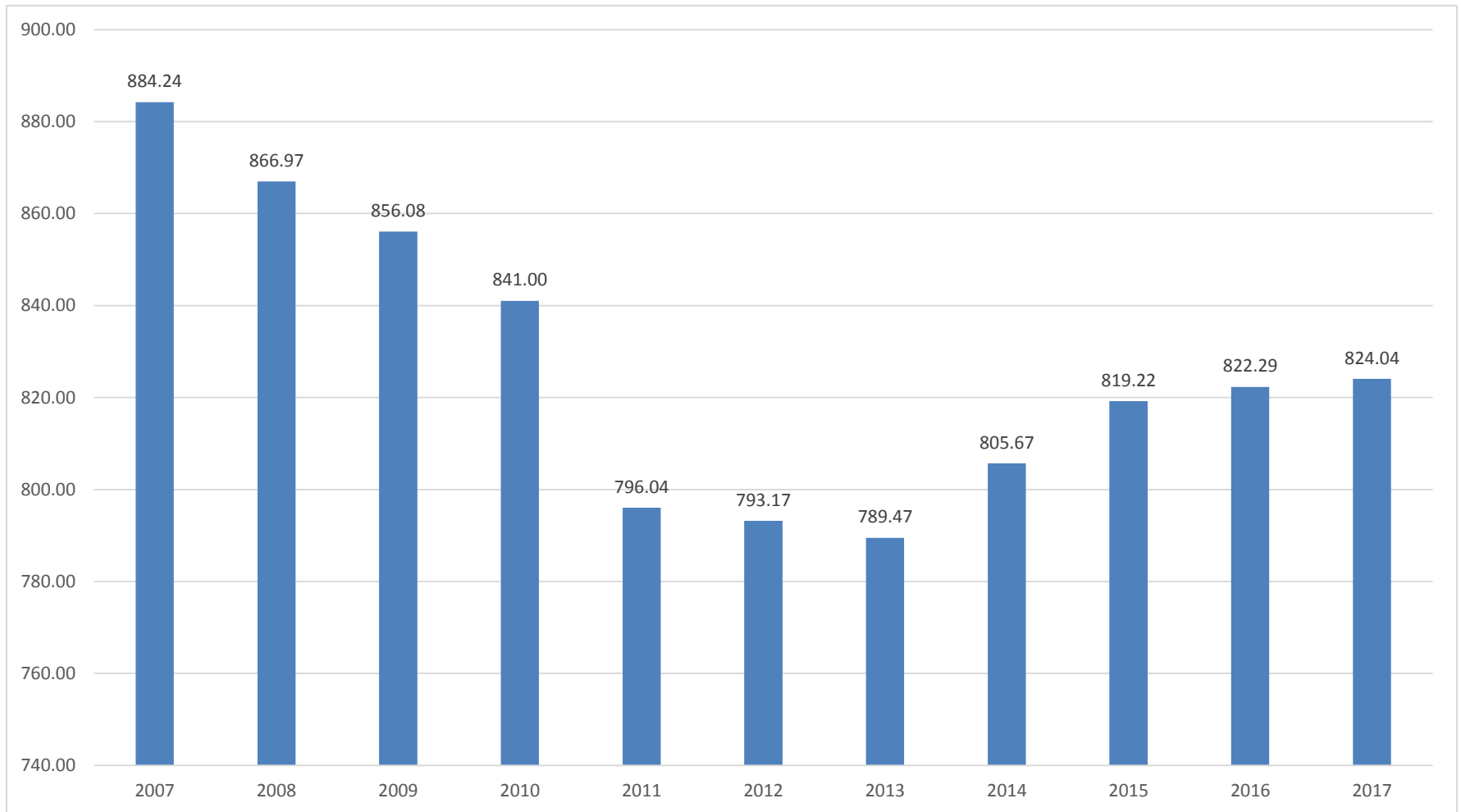


2017 EXPENSE TOTAL – ALL FUNDS

FY2017 Total Adopted Budget = \$308,767,454



HISTORICAL FTE COUNT – ALL FUNDS



OTHER FUNDS – ENTERPRISE

Water / Sewer / Parking Fund

- Water funds account for all revenue and expenses related to pumping, filtration, distribution, meters, and other water distribution expenses, including capital equipment
- Sewer funds account for all expenses related to the removal but not the “cleaning” of used water. Evanston residents are separately charged by the Water Reclamation District
- The City sells its water to Evanston residents as well as Skokie and the Northwest Water Commission
- Only Evanston residents pay the Sewer Fee
- Water / Sewer capital projects are often funded by low interest IEPA Loans
- The Parking Fund includes revenues and expenses for all City pay parking lots, as well as the Church, Maple, and Sherman Avenue Garages

OTHER FUNDS – DESIGNATED

Motor Fuel Tax Fund

Operating budget varies each year based on State of IL estimated per capita distributions.

Emergency Telephone

Funded through wireless and landline E911 surcharges paid by users.

OTHER FUNDS – INTERNAL SERVICE

Insurance Fund

- City is self-insured with stop loss coverage beginning at \$1.25M.
- City has adequate insurance reserves to pay out future liability and workers' compensation claims and to stabilize the health insurance fund – IPBC and allocations to departmental budgets.
- The following Funds contribute funding for Insurance: General, Parking, Water, Sewer, Library, E911, CDBG, NSP2, Solid Waste, Fleet.
- Insurance Fund's primary purpose is to set aside funding for all types of claims against City.

OTHER FUNDS – INTERNAL SERVICE

Fleet Services Fund

- Fund is used to account for major maintenance on vehicles & equipment.
- City has been keeping many vehicles and equipment longer than recommended useful life, causing increased maintenance needs.
- Funded by other City Funds that require vehicles/equipment such as General, Parking, Water, Sewer.

Equipment Replacement Fund

- Fund is used to account for purchases of new vehicles and equipment.
 - Funded by other City Funds that require vehicles/equipment such as General, Parking, Water, Sewer.
-

OTHER FUNDS – FIDUCIARY

Police & Firefighters’ Pension Fund

- Illinois law mandates Police and Firefighters’ pension and disability benefits.
- Under current law, both Police and Firefighters’ pension funds must be fully funded no later than 2040. Currently, Police and Firefighters’ pension are funded at 48.6% and 43.3% per most recent CAFR.
- Both the City and active sworn officers and firefighters contribute to the pensions. Officer/firefighter contribution rates are per State statute and are 9.91% for Police and 9.455% for Fire.
- City’s contribution to the Police / Firefighter’s Pension is \$16.8M in 2017.

OTHER FUNDS – LIBRARY

- 1. Total Full-Time Equivalent Positions – 66.87**
- 2. Total Business Units – 7**

- 3. 2017 Adopted Budget**
 - a. Revenues - \$7,250,345
 - b. Expenses - \$7,250,345

2017 Initiatives

While remaining open for public service, begin renovation of the main library. Support improved digital literacy in Evanston by: piloting classes for District 65 parents; launching a "book the trainer" series for one-on-one hands on help; build awareness of computer basics classes and seek better understanding of community digital literacy needs through community conversations with interested residents.

CAPITAL PROJECTS UPDATE

Total 2017 CIP Budget – \$58.3M

1. **Streets / water / sewer** – \$19.5M budget, \$19.3M year-end estimate

- Street projects include: Sheridan Road/Chicago Avenue, ERGB, water main replacement, CIPP sewer lining, MFT street resurfacing

2. **Transportation** – \$5.7M budget, \$3.9M estimate

- Central Street Bridge, parking lot rehab, streetlight master plan, 50/50 sidewalk, traffic signal design – Emerson at Maple, Elgin, Benson, Dodge

CAPITAL PROJECTS UPDATE

3. **Parks:** \$6.7M budget , \$7.3M estimate

- Fountain Square, James Park

4. **Facilities:** \$8.4M budget, \$6.1M estimate

- Chandler Center, Fleetwood-Jourdain Center, Robert Crown Center, Fog houses, Dempster Beach House Renovation

5. **Water Plant:** \$7.8M budget, \$4.8M estimate

- Treated water storage replacement, water treatment plant reliability improvements water meter replacement , South Standpipe MCC and Storage Building repairs

2018 BUDGET CALENDAR

DATE	TIME	ACTIVITY
Friday October 6, 2017	5PM	Proposed 2018 Budget to City Council
Monday, October 16, 2017	7PM	2018 Budget Discussion
Monday, October 23, 2017	7PM*	2018 Budget Discussion
Saturday, October 28, 2017	9AM - 1PM	Special City Council meeting Public Hearing-- Truth in Taxation Public Hearing-- FY 2018 Proposed Budget Preliminary Tax Levy Estimate
Monday, November 6, 2017	7PM	2018 Budget Discussion (if needed)
Monday, November 27, 2017	7PM*	2018 Budget & 2017 Tax Levy Adoption

*meeting times are approximate