



Budget Overview

Community Roundtable Discussions

Kimberly Richardson, Deputy City Manager

September 17, 2019

Kate Lewis-Lakin, Budget Coordinator

AGENDA

- **Part One: (6:00 to 7:00 p.m.)**
 - Introductions and Intentions
 - City's Mission and Vision
 - Breaking Down the Budget
- **Break (7:00 - 7:05 p.m.)**
- **Part Two (7:05 to 8:00 p.m.)**
 - Understanding Revenue Sources
 - Balancing the Budget

Intention of tonight's meeting

The City acknowledges the budget sends a strong message about the City's priorities. Year after year we face tough budget decisions, which are among the most important decisions the City makes. It is essential that the community is engaged in the process and have a better understanding of how the budget is created and funding is allocated.

CITY OF EVANSTON

Mission Statement

The City of Evanston is committed to promoting the highest quality of life for all residents by providing fiscally sound, responsive municipal services and delivering those services equitably, professionally, and with the highest degree of integrity.

Vision Statement

Creating the Most Livable City in America.

2019–2020

City Council Goals



Invest in City Infrastructure and Facilities



Enhance Community Development and Job Creation Citywide



Expand Affordable Housing Options



Ensure Equity in All City Operations

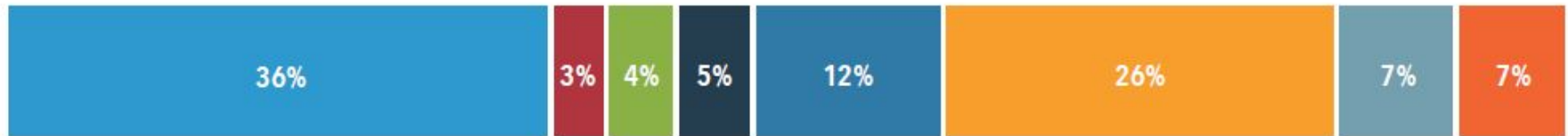


Stabilize Long-term City Finances



BREAKING DOWN THE BUDGET

2019 Total City Budget = \$319,165,448



● General Fund
● Capital Funds

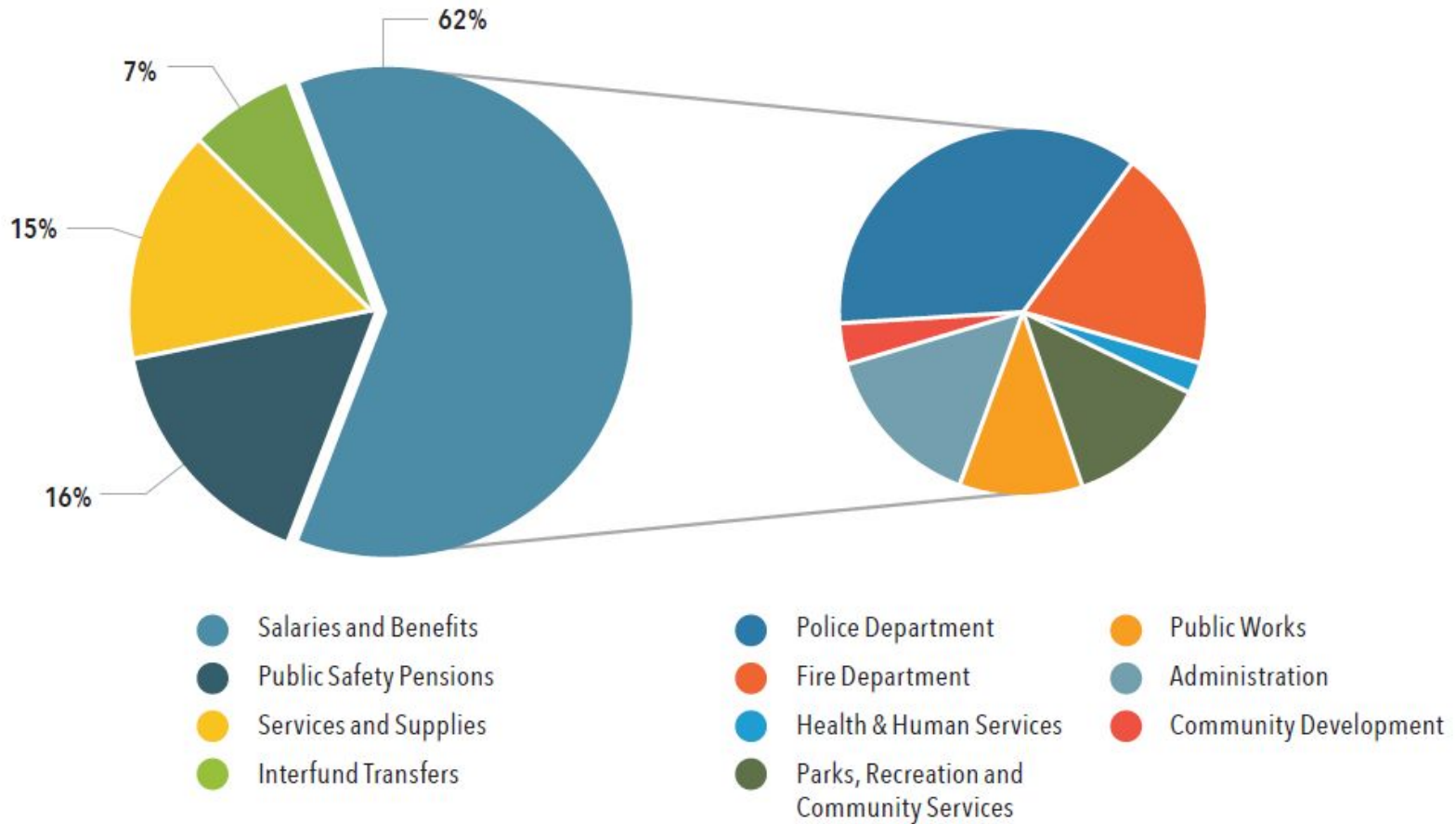
● Library Funds
● Enterprise Funds

● Special Revenue and TIF Funds
● Internal Service Funds

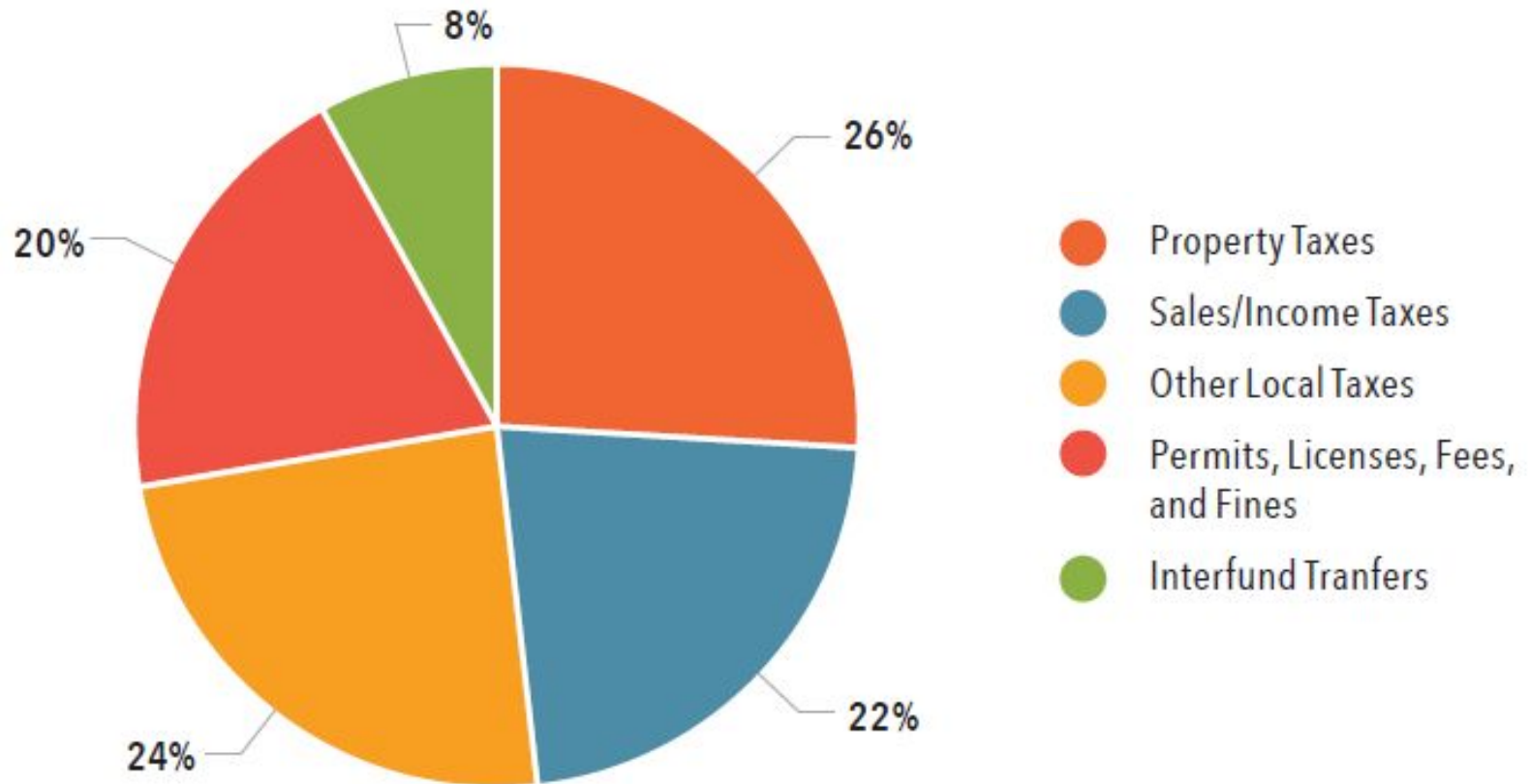
● Debt Service Fund
● Police and Fire Pension Funds

BREAKING DOWN THE BUDGET

2019 General Fund Expenses = \$114,153,372

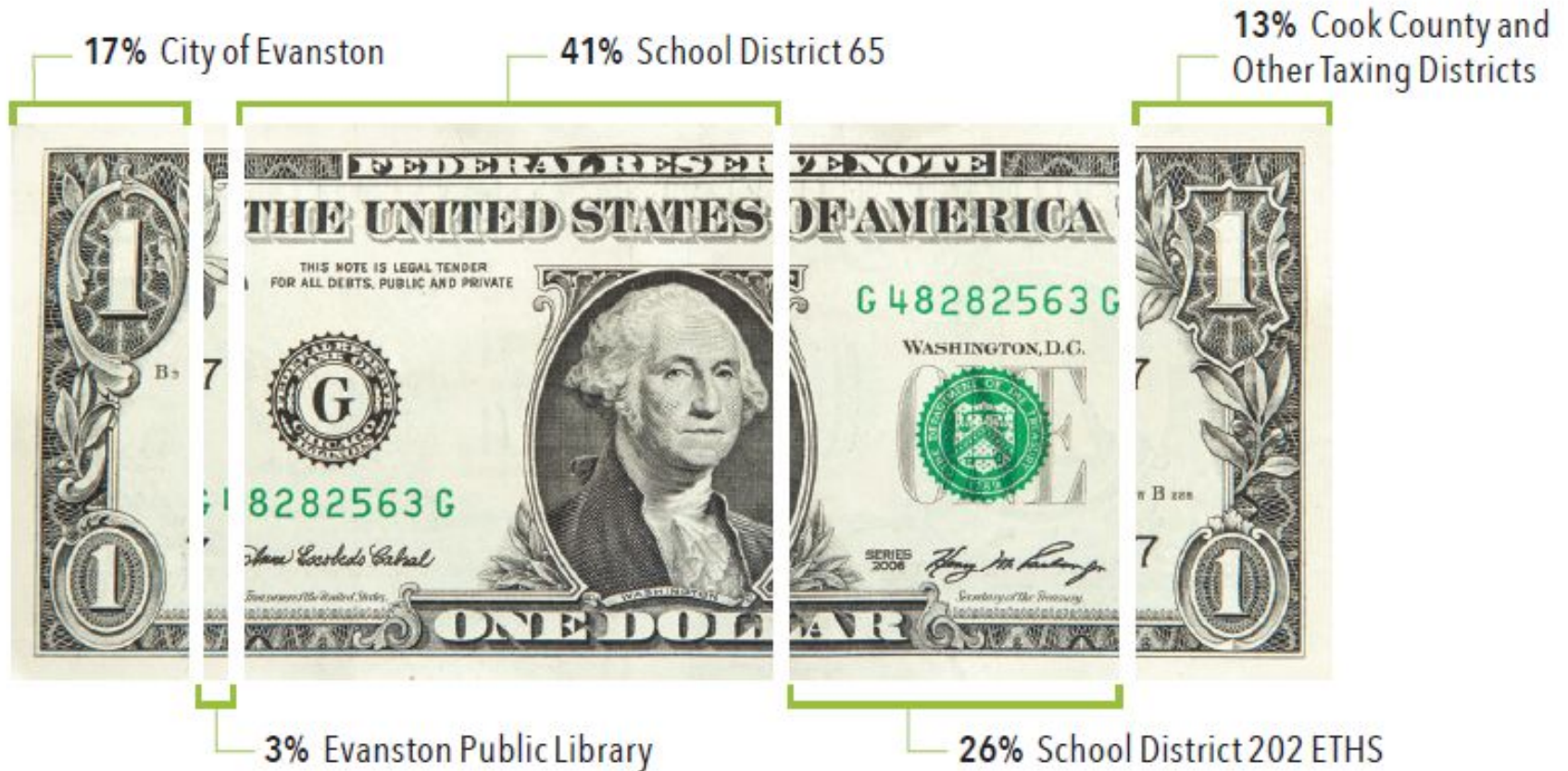


GENERAL FUND REVENUE



PROPERTY TAXES

For every dollar you pay in property tax, the City receives 17 cents.



PROPERTY TAXES

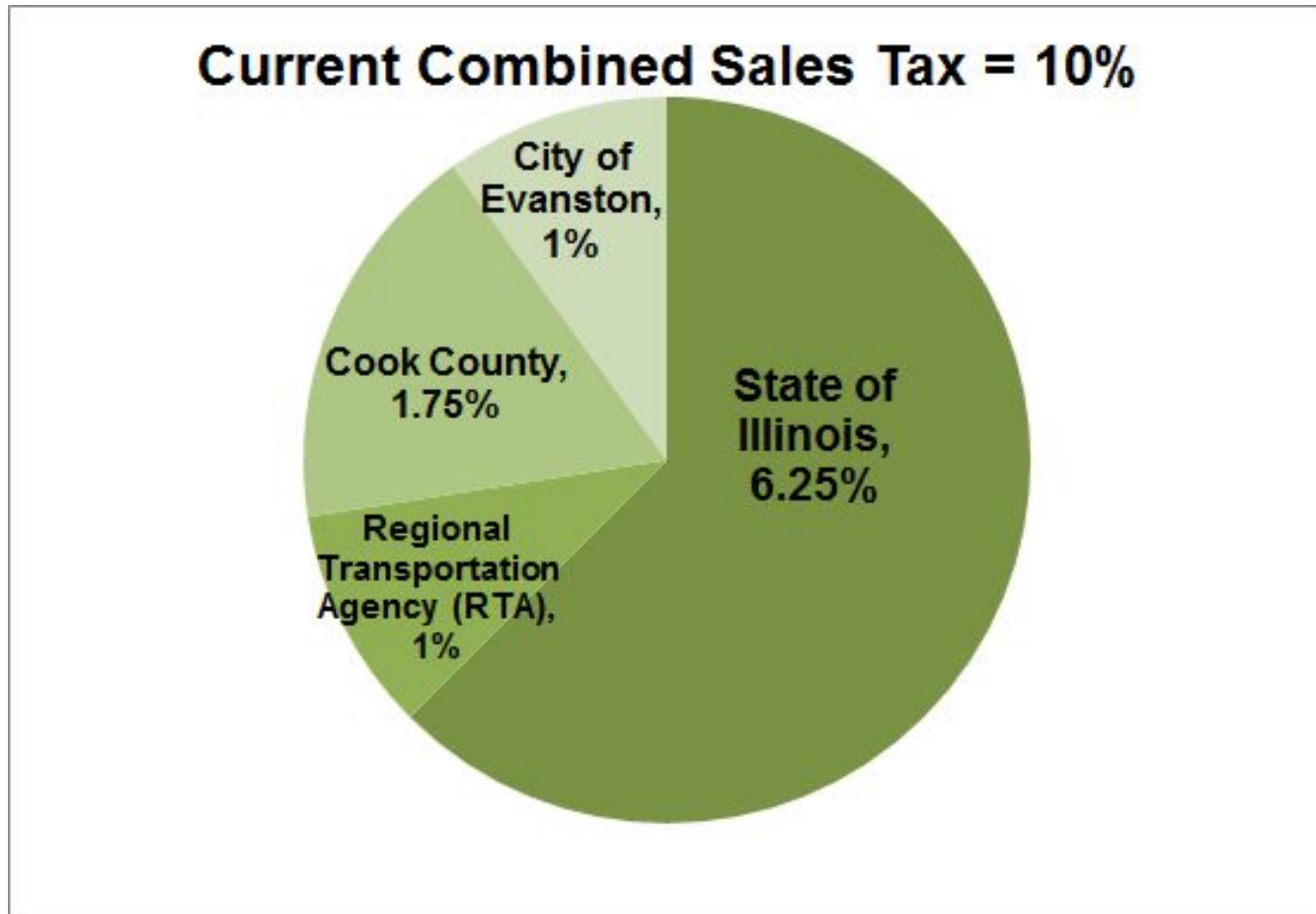
The property tax rate and tax levy are **not** the same.

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.

SALES TAX



SALES TAX

The current City home rule sales tax is 1%.

This home rule tax generated \$6.3 million in revenue for the City in 2018.

The City also receives back a portion of the 6.25% collected by the state, but this is subject to decisions of the state legislature.

CHALLENGES OF THE 2018 & 2019 BUDGETS

2018 Budget Deficit

Revenues: \$112.4M

-

Expenses: \$118.5M

=

\$6.1M deficit

2019 Budget Deficit

Revenues: \$117.766.4M

-

Expenses: \$118.5M

=

\$7.5M deficit

2018 & 2019 ADOPTED BUDGETS

Between 2018 and 2019 budgets, the City adopted the following reductions and revenues to balance the budget.

- Eliminated 35 Full-time Equivalent Positions.
- Reduced department budgets by 7%
- New revenue sources adopted:
 - Transportation network tax (Uber and Lyft)
 - Expand hotel tax to vacation rentals (Airbnb)
 - Increase real estate transfer tax on sales over \$1.5M

BUDGETING FOR 2020-2021

In the City's budget process, we start with what we need in expenses, then look at revenue to cover the needs.

In 2020 and 2021, we know the City's expenses will increase, including:

- Personnel costs in the General Fund will increase by \$2.4 million from 2019 to 2020
 - Police and Fire Personnel Overtime
 - Health Insurance and Pension Costs
 - Cost of Living Increases (Per Unions contract)
- City-owned facility maintenance

MAINTAINING CITY SERVICES

This year, the City is considering increasing home rule sales tax from 1% to 1.25%.

- Increase expected to bring in \$1.5 million in new revenue annually.
- To become effective January 1, 2020, increase would need to be approved by October 1.

Other revenue ideas under consideration:

- Recreational cannabis tax
- Increase to amusement tax
- Storage unit business tax

MORE INFORMATION

- **Budget Website:** cityofevanston.org/budget
 - Feedback from these meeting will be posted
 - Page will also include answers to questions raised throughout the budget process – look for the Budget Memos section
 - Page includes spot to submit additional questions and feedback, or email budgetinquiries@cityofevanston.org
- **Friday, October 4:** Proposed Budget available on City website
- **Saturday, October 26:** Budget Public Hearing – 9 a.m.–12 p.m., Lorraine H. Morton Civic Center, Council Chambers
- **October and November:** Budget Discussions at City Council Meetings