



# 2020-21 PROPOSED BUDGET

## Budget Summary

### All Funds Budget

- Total 2020 Proposed Budget: **\$317,296,978.**
- Total 2021 Projected Budget: **\$299,358,123.**
- Council will adopt budget ordinance and tax levies for 2020 only. 2021 Projected budget will serve as a policy guide for coming year, and will be amended and formally adopted during fall of 2020.

### 2020 General Fund Baseline

Baseline revenue: **\$118,076,525**

- Includes increase of \$1.5 million to home rule sales tax, due to rate increase of 0.25% adopted by City Council on September 23.
- Increases in state use tax, income tax, Evanston motor fuel tax, ambulance service fees
- Decreases in parking tax, real estate transfer tax, telecommunications tax, cable franchise fees
- Increase of \$924,000 in recreation fee revenue from new Crown Community Center

Baseline expense: **\$117,970,285**

- Increase of \$1.8 million for general wage increases as determined by union contracts
- Increases in health insurance expenses and IMRF pension contribution requirements
- Increase of \$900,000 for expenses at new Crown Community Center. Includes adding 4.5 FTE and \$175,000 transfer to new Crown Maintenance Fund, plus other operating expenses.
- Social services consolidated in Health & Human Services Department as recommended by report presented to City Council on August 5, 2019.

### Human Services Fund

- To affirm the City's commitment to its most vulnerable residents, all Social Services are being moved out of the General Fund to the Human Services Fund. This allow corporate tax levy to decrease by \$2.55 million. New Human Services levy would be \$3.3 million. This also includes addition of 3 FTE positions to Human Services as recommended in Social Services review. Organizing the fund in this manner will create a dedicated revenue source for Social Services provided by the City and separate these services from general operations.

<u>Human Services Fund</u>	
	<u>Expenses</u>
Mental Health Board Distribution	736,373
Presence Health Contract	143,333
Other Program Costs	8,000
<b>Baseline Human Services Fund Expenses</b>	<b>\$887,706</b>
Youth & Young Adult Division	1,502,154
Human Services & Community Health Divisions	783,814
New Positions for Social Services Reorganization (3 FTE)	300,000
<b>Proposed Human Services Fund Expenses</b>	<b>\$3,473,674</b>
	<u>Revenues</u>
Human Services Grant Revenue	\$93,000
Transfer from Library Fund	\$70,000
New Human Services Tax Levy	\$3,310,674
<b>Proposed Human Services Fund Revenue</b>	<b>\$3,473,674</b>



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### 2020 Budget Balancing Worksheet (included on page 4)

- No employee layoffs
- \$1.5 million in contribution to General Fund Balance
- New revenues proposed: Recreational Cannabis tax, self-storage user fees, increase in amusement tax rate from 4% to 5%, administrative towing fee, improved Fire Department cost recovery
- Increases to Police and Fire overtime expenses, offset with other expense reductions or revenue
- General Fund savings of \$858,600 by moving qualified expenses to Motor Fuel Tax Fund, which is receiving new revenue through the state Transportation Renewal Fund.
- More detail on items proposed can be found in Budget Memos at [cityofevanston.org/budget](http://cityofevanston.org/budget)

### Property Taxes

- Proposed increase to City and Library combined levy of 10.9%. Summary of component parts below.
- Net increase between General Fund and Human Services Fund levies would be 1.6% of City and Library total levy.
- Solid Waste Fund increase of \$512,500 is last of three annual increases agreed to by City Council in 2017 in lieu of service charge increases at that time.
- Debt service increase includes \$637,500 for new Robert Crown bonds.
- Pension increases recommended based on actuarial valuation reports as of January 2019. Increases are recommended due to change in mortality rate assumption and lower than assumed investment returns in 2018.
- Library Fund requested increase would support current operations as well as the new library branch opening in the Crown Community Center. This proposal is still being under review by the Library Board.

	2019 Adopted Budget 2018 Tax Levy	2020 Proposed Budget 2019 Proposed Tax Levy	Proposed Increase	Increase as % of total levy
General Fund Tax Levy	11,845,303	9,295,303	(2,550,000)	-5.1%
Human Services Fund	-	3,310,674	3,310,674	6.7%
Solid Waste Fund	820,000	1,332,500	512,500	1.0%
Debt Service Fund	10,879,993	12,521,931	1,641,938	3.3%
Fire Pension Fund	7,986,584	8,967,037	980,453	2.0%
Police Pension Fund	10,177,308	10,900,650	723,342	1.5%
<b>City Total</b>	<b>41,709,188</b>	<b>46,328,095</b>	<b>4,618,907</b>	<b>9.3%</b>
<b>General Assistance Total</b>	<b>900,000</b>	<b>1,080,000</b>	<b>180,000</b>	<b>0.4%</b>
Library Fund	6,750,000	7,252,000	502,000	1.0%
Library Debt Service	353,437	480,145	126,708	0.3%
<b>Library Total</b>	<b>7,103,437</b>	<b>7,732,145</b>	<b>628,708</b>	<b>1.3%</b>
<b>City and Library Total Net Levy</b>	<b>49,712,625</b>	<b>55,140,240</b>	<b>5,427,615</b>	<b>10.9%</b>



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### Impact of Property Reassessment

- Initial projections from Cook County show total City Equalized Assessed Value (EAV) increasing by 60% (\$2.7 billion to \$4.5 billion). Final numbers will not be known until June/July 2020.
- The City expects this to cause a shift of the property tax burden from residential properties to commercial properties based on the County's preliminary numbers.
- With increase in EAV from \$2.7 billion to \$4.5 billion, the combined City and Library property tax rate would decrease from 1.8% to 1.2% after the proposed increase to the levy.

	Actual Budget Year 2019 (Levy Year 2018)	Estimated Budget Year 2020 (Levy Year 2019)
Evanston Total EAV	\$2,720,580,914	\$4,522,418,264
City and Library Net Levy	\$49,712,625	\$55,140,240
City and Library Tax Rate	<b>1.8%</b>	<b>1.2%</b>

### Other Funds

- Parking Fund – budget includes increase in parking meter rates to \$2 per hour, as passed by City Council during 2019 budget process.
- Water and Sewer Funds – proposed increase to water rates of 5.4% and decrease to sewer rates of 4.46%. This change would be net neutral to Evanston residents, with combined water and sewer rate remaining at \$6.13 per 100 cubic feet.



## 2020-21 PROPOSED BUDGET

Proposed 2020 Budget Balancing Worksheet			
General Fund Summary	Revenues	Expenses	Net
<b>Baseline General Fund (includes sales tax increase)</b>	\$118,076,525	\$117,970,285	<b>\$106,240</b>
Proposed General Fund Changes (detail below)	-\$906,000	-\$853,539	<b>-\$52,461</b>
<b>Proposed General Fund Budget</b>	<b>\$117,170,525</b>	<b>\$117,116,746</b>	<b>\$53,779</b>
Proposed General Fund Changes	Revenues	Expenses	
<b>Health &amp; Human Services</b>			
Move consolidated Social Services to Human Services Fund	(93,000)	(2,285,968)	
Remove transfer to Human Services Fund		(828,471)	
Decrease to General Fund Tax Levy	(2,550,000)		
<b>Community Development</b>			
Amusement tax increase (4% to 5%)	75,000		
Self Storage user fee (5%)	50,000		
Electronic plan review and self-service permitting software		150,000	
<b>Administrative Services</b>			
Disaster recovery software		50,000	
New administrative adjudication software		10,000	
Long-term financial forecasting software		40,000	
Increase transfers to Equipment Replacement Fund		200,000	
Parking fine standardization and realignment	75,000		
<b>Police Department</b>			
Increase Police Department overtime budget		500,000	
Increase revenue for overtime reimbursements	400,000		
Administrative Towing Fee	50,000		
Increase expenses for Police Payouts (per union contracts)		400,000	
Hold 3 Police Officer positions vacant		(240,000)	
Elimination of Records Manager position (vacant)		(118,000)	
Reclass Assistant Records Manager to Records Coordinator		10,000	
Hold 1 Commander position vacant (retirement Nov. 2019)		(166,000)	
Increase reimbursement for telecommunicators from E911 Fund	200,000		
<b>Fire Department</b>			
Hold 2 Firefighter positions vacant		(156,500)	
Increase Fire Department overtime budget		100,000	
Emergency incident cost recovery (insurance billing only)	75,000		
<b>Parks, Recreation and Community Services</b>			
Increase seasonal employee budgets for state minimum wage		125,000	
<b>Public Works Agency</b>			
Triannual elm tree innoculation		550,000	
Use of elm tree innoculation reserve funds	500,000		
Move expenses to Motor Fuel Tax Fund		(858,600)	
Increase transfer from Motor Fuel Tax Fund	62,000		
<b>City-Wide Changes</b>			
Contribution to general fund balance		1,500,000	
Exempt employee merit increases and compression adjustments		165,000	
Recreational Cannabis Tax	250,000		
<b>Total General Fund Proposed Changes</b>	<b>-\$906,000</b>	<b>-\$853,539</b>	