

CITY OF EVANSTON

FY 2020-21 Budget

Responses to 2020-21 Budget Questions
Through November 21, 2019

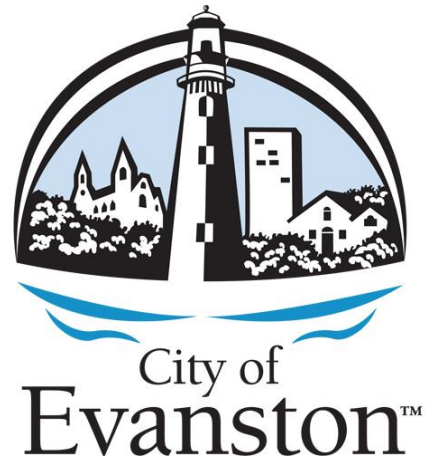


TABLE OF CONTENTS

2020-21 Budget Memos

<u>Provided on October 4, 2019</u>	<u>Page</u>
Property Tax Reassessment Analysis.....	3
Police and Fire Pension Funding.....	6
Solid Waste Fund Tax Levy.....	8
Motor Fuel Tax Fund Increase.....	9
Police Department Overtime Budget Increase.....	10
Police Department Payout Budget Increase.....	13
<u>Provided on October 10, 2019</u>	<u>Page</u>
Minimum Wage Increase - PRCS Seasonal Staffing.....	15
Administrative Tow Fee.....	17
Debt Service Levy.....	18
Emergency Incident Cost Recovery.....	20
Increase in Equipment Replacement Fund.....	23
<u>Provided on October 17, 2019</u>	<u>Page</u>
All Funds Budget.....	25
Licenses, Permits, and Fees.....	27
Property Tax Projections - 10 sample properties.....	29
General Assistance Fund Budget.....	32
Employee Auto Allowances.....	Updated below
Increase to 2020 Robert Crown Budget.....	34
Amusement Tax Remitters.....	37
Reparations Funding.....	39
<u>Provided on October 25, 2019</u>	<u>Page</u>
\$2 Parking Rate Analysis.....	Updated below
Other Parking Fine Increases.....	41
Taxation of Vacant Property.....	Updated below
CARP Implementation.....	45
Storage Unit Tax.....	47
<u>Provided on November 1, 2019</u>	<u>Page</u>
\$2 Parking Rate Analysis - Updated.....	48
Taxation of Vacant Property - Updated.....	51
Employee Auto Allowance - Updated.....	56
Property Tax Impact Summary.....	59
ROI on North Shore Convention and Visitors Bureau (NSCVB) Contribution.....	61
Summary of City Debt - 2007 to 2020.....	64
Natural Gas Tax.....	67
Expansion of Amusement Tax to Health Club Memberships.....	68
Increase in Hotel Tax.....	69
Sunday Parking Meter Revenue.....	70
Cradle to Career Funding.....	71
FAAM at Fleetwood-Jourdain Center.....	73
Public Works costs for Northwestern football games.....	74
Police Department reimbursement for special details.....	75
<u>Provided on November 15, 2019</u>	<u>Page</u>
Central Street Parking Analysis.....	76
Video Gaming Revenue Analysis.....	77
Amusement Tax on Tax-Exempt Entities.....	80
Welsh-Ryan Arena Events Tax Revenue.....	82
Adult-Use Cannabis Tax Revenue.....	83



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Budget Team

Subject: 2020 Proposed Budget – Property Tax levy and Equalized Assessed Values (EAV's)

Date: October 3, 2019

The City along with other taxing bodies like schools, county etc. levy taxes every year to fund their operating as well as capital needs. For tax year 2018 (payable in 2019), the overall rate is 9.412% of equalized assessed value (EAV) of the property. The City of Evanston share along with Library and General Assistance portion is 1.858% of EAV of the property.

2018 Property Taxes (payable in 2019)	Schools	City	County/Others	Total
Tax rate (% of EAV)	6.599	1.858	0.955	9.4129
% share of tax bill	70.12%	19.74%	10.15%	100%

The school districts receive majority of the property tax as reflected in the table above. The City share including library and General Assistance is approximately 20%.

Cook county properties are reassessed every three years as part of the triennial assessment. As a part of this process, homeowners and businesses received notice of their revised assessments in March 2019. These assessments will be reflected in 2019 second installment bills payable in August 2020. The Evanston community noticed a significant increase in their assessed values from the previous year. Initial estimates show a 2019 total EAV for Evanston properties of \$4.5 billion, increased from the 2018 EAV of \$2.7 billion.

Residents and commercial property owners are concerned about substantial increases in their assessed values and ultimately a spike in their property taxes. The City posted estimates earlier this year of the likely change in taxes based on the revised assessment, available at:

<https://www.cityofevanston.org/government/transparency/property-tax-bill-explanation>

The 2020 Proposed Budget includes an increase of \$5.4 million or 10.9% to the City and Library combined levy. The table below reflects the impact of this change with the assumption of a 2019 EAV of \$4.5 billion and an average increase of 25% in residential assessments. As the table shows, with the EAV increasing by 67% from \$2.7 billion to

\$4.5 billion, the overall rate is estimated to go down to 5.782%, and City rate to 1.219%. Because of rate reductions, property taxes could go down in spite of higher assessed values.

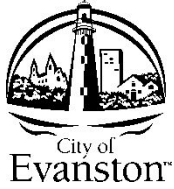
Market Value of Property	2018 LEVY (2019 Budget)		2019 ESTIMATED LEVY (2020 Budget)		
	Equalized Value of Property	Estimated City Tax	Equalized Value of Property*	Estimated City Tax***	Amount of Increase
\$100,000	\$29,109	\$540.85	\$36,386	\$443.64	-\$97.20
\$200,000	\$58,218	\$1,081.69	\$72,773	\$887.29	-\$194.40
\$300,000	\$87,327	\$1,622.54	\$109,159	\$1,330.93	-\$291.60
\$500,000	\$145,545	\$2,704.23	\$181,931	\$2,218.22	-\$486.00
\$700,000	\$203,763	\$3,785.92	\$254,704	\$3,105.51	-\$680.40
Levy Year	Net Levy**	Levy % Increase	Total Rate	City Rate	
2018	49,712,625	-	9.41%	1.86%	
2019	55,140,240	10.9%	5.782%	1.219%	
* Assumes average 25% increase in Assessments for 2019					
*** Estimated Tax before Home Owner and Senior's exemption					
** Includes Library and General Asst Levy in calculating 2018 Rate of 1.858% of EAV for the City					

As the county is going through hundreds of appeals challenging the revised assessment for residential and commercial properties, the City developed another projection based on a 2019 EAV of \$3.6 billion. This assumes only half of the initially estimated increase to EAV is actually received. The City will not receive final EAV numbers from Cook County until July 2020.

Market Value of Property	2018 LEVY (2019 Budget)		2019 ESTIMATED LEVY (2020 Budget)		
	Equalized Value of Property	Estimated City Tax	Equalized Value of Property*	Estimated City Tax***	Amount of Increase
\$100,000	\$29,109	\$540.85	\$36,386	\$557.32	\$16.47
\$200,000	\$58,218	\$1,081.69	\$72,773	\$1,114.64	\$32.95
\$300,000	\$87,327	\$1,622.54	\$109,159	\$1,671.96	\$49.42
\$500,000	\$145,545	\$2,704.23	\$181,931	\$2,786.59	\$82.37
\$700,000	\$203,763	\$3,785.92	\$254,704	\$3,901.23	\$115.31
Levy Year	Net Levy**	Levy % Increase	Total Rate	City Rate	
2018	49,712,625	-	9.41%	1.86%	
2019	55,140,240	10.9%	7.264%	1.532%	
* Assumes average 25% increase in Assessments for 2019					
*** Estimated Tax before Home Owner and Senior's exemption					
** Includes Library and General Asst Levy in calculating 2018 Rate of 1.858% of EAV for the City					

Even with the lower estimate of \$3.6 billion EAV, most residential properties will only see a small increase to their tax bills. The City expects a shift of burden from residential properties to commercial properties based on the County's preliminary assessment numbers.

Please note that these are estimates based on numbers available as of October 4, 2019. Those numbers like equalizer and estimated EAV are expected to change. The City will continue to follow any new developments regarding assessment appeals and their impact on EAV.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Budget Team

Subject: 2020 Proposed Budget – Police and Fire Pension tax levy

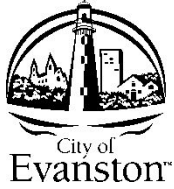
Date: October 3, 2019

The City has Police and Firefighters' Pension plans which are contributory, defined benefit public employees retirement plans administered by the City and a Board of Trustees. All sworn City police officers and firefighters are participants in the plan. The City of Evanston accounts for the Police Pension and Firefighters' pension plans as pension trust funds.

These pension funds are funded through a property tax levy (levied by city), investment income and participant's contributions. The State of Illinois amended the pension funding rules in 2011 by mandating that the pension funds achieve 90% funding by 2040 using actuarial cost method of projected unit credit. The City Council, recognizing the need to improve funding levels for both pension funds, decided to adopt Entry Age Normal cost amortization method with "level dollar" amortization instead of level percentage of pay as required under state statute. The City works with both pension funds to select an independent firm for their actuarial services.

The City's current and proposed contributions through the tax levy are higher than the state mandated. This is because the contributions recommended through the actuarial calculation method are higher than those through the state's calculation method. The table below shows the difference between the City proposed levy based on the state's calculation versus the City's actuarial recommended contribution. This is from the City's most recent actuarial report for the pension funds.

			Required under State statute	City Levy per Actuarial Report	Excess
Police					
Proposed City Tax levy 2019			9,329,203	10,900,650	1,571,447
Fire			7,508,088	8,967,042	1,458,954
Proposed City Tax levy 2019					
			16,837,291	19,867,692	3,030,401
Note: These numbers are net of PPRT contributions.					



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Dave Stoneback, Director of Public Works Agency

Subject: 2020 Proposed Budget – Solid Waste Fund

Date: October 2, 2019

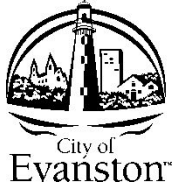
During several meetings in 2017, staff discussed the need to increase revenues in the Solid Waste Fund (SWF) in order to have a positive fund balance. At the October 9, 2017 City Council Meeting, it was decided to raise property taxes rather than increase sanitation service charges. The City Council agreed to increase property taxes by 1.0% in 2018 & 2019 and by 1.25% in 2020 to address the SWF deficit and reduce the transfer from the General Fund.

On November 12, 2018, City Council approved sanitation charge increases in addition to the property tax increases. The sanitation charge increases were needed because the transfer from the General Fund to the SWF was further reduced and the salaries of several employees that had been paid from the General fund were transferred to the SWF.

In order to continue to reduce the deficit and obtain a positive fund balance in the SWF it is necessary to implement the proposed 1.25% property tax increase in 2020 as originally approved on October 9, 2017 and reaffirmed on November 12, 2018. This change will yield \$512,500 in additional revenue for the fund.

If the revenue were to be raised through the solid waste charges instead of the property tax, this would be a 14% increase to the residential and condo refuse pickup charges. The table below shows how this 14% increase would translate to monthly and annual solid waste collection charges.

	<u>2019 Monthly</u>	<u>2019 Annual</u>	<u>2020 Monthly</u>	<u>2020 Annual</u>	<u>Additional Annual Cost</u>
Residential - 65 gal roll-out cart	\$9.14	\$109.68	\$10.42	\$125.04	\$15.36
Residential - 95 gal roll-out cart	\$20.64	\$247.68	\$23.53	\$282.36	\$34.68
Condo (per unit)	\$8.85	\$106.20	\$10.09	\$121.07	\$14.87



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Budget Team

Subject: 2020 Proposed Budget – Motor Fuel Tax (MFT)

Date: August 23, 2019

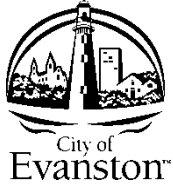
The Illinois General Assembly has passed the *Rebuild Illinois* legislation that doubled the current MFT. The MFT increased revenue will go into the Transportation Renewal Fund (TRF) and a portion of these funds will be distributed to Evanston. The Northwest Municipal Conference has estimated that Evanston could receive up to \$1,200,000 in additional funds in future years.

Staff is proposing to use these increased revenues to offset current General Fund expenses and increase the amount of MFT funds transferred to the General Fund.

The proposed budget will show the cost for the following items charged to the MFT fund rather than the General Fund:

- Crack sealing of asphalt pavement
- Leaf hauling
- Purchase of electricity for street lights and traffic signals
- Purchase of salt and deicing agents
- Purchase of asphalt and concrete

Use of TRF and MFT funds transferred to the General Fund will be justified by the labor costs of Evanston employees associated with street sweeping, street maintenance and street light / traffic signal maintenance.



Memorandum

To: Hitesh Desai, Chief Financial Officer
Kate Lewis-Lakin, Budget Coordinator

From: Demitrous Cook, Chief of Police
Joseph Dugan, Deputy Chief of Police
Louis Gergits, Manager of Budget and Finance

Subject: Requested Budget Modification – Police Department Overtime

Date: August 13, 2019

G/L Account: 100.22.2210.61110 (Overtime)
Increase: \$150,000
Current Budget: \$154,552
Requested Budget: \$304,552

G/L Account: 100.22.2210.61111 (Hireback)
Increase: \$300,000
Current Budget: \$573,700
Requested Budget: \$873,700

G/L Account: 100.22.2210.61112 (Special Details)
Increase: \$50,000
Current Budget: \$230,854
Requested Budget: \$280,854

G/L Account: 100.22.2205.52541 (Police Detail Revenue)
Decrease: \$100,000
Current Budget: \$400,000
Requested Budget: \$300,000

G/L Account: 100.22.2205.53625 (Police Overtime Reimbursement)
Increase: \$500,000
Current Budget: \$0
Requested Budget: \$500,000

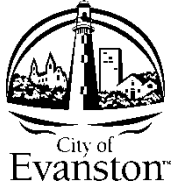
Reason for Request: The 2019 Police Department budget for total overtime (civilian overtime, police hireback, and special details) is \$959,106. From 2014 to 2018, total overtime has ranged from a low of \$1,464,628 in 2017 to a high of \$1,697,453 in 2016, averaging \$1,577,663. Increasingly, community organizations are requesting a police presence at public events and reimbursing the City for overtime incurred. Accordingly, police overtime expenditures and reimbursements will increase in 2020.

In 2018, the City was reimbursed revenue of \$744,594 on the overtime (\$344,594 over the budgeted revenue amount of \$400,000). For 2019, the Department projects that the City will receive revenue of \$826,000 to offset the anticipated overtime expense of \$1,541,888. For the 2020 Budget to reflect the actual overtime expenses incurred and reimbursement received, budgeted overtime cost should be increased by \$500,000 and budgeted reimbursement by \$400,000.

Attachment:
Comparison of Police Department Overtime – 2014 through 2019

**Evanston Police Department
Comparison of Overtime Expenditures
2014 through 2019**

<u>Account</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>	<u>Variance Percentage</u>
2014 Overtime - 61110	\$ 145,900	\$ 238,397	\$ 92,497	63.40%
2014 Hireback - 61111	\$ 179,200	\$ 978,777	\$ 799,577	446.19%
2014 Special Detail & Event	\$ 295,530	\$ 428,930	\$ 133,400	45.14%
2014 Total Overtime	\$ 620,630	\$ 1,646,104	\$ 1,025,474	165.23%
2015 Overtime - 61110	\$ 145,900	\$ 218,472	\$ 72,572	49.74%
2015 Hireback - 61111	\$ 179,200	\$ 901,504	\$ 722,304	403.07%
2015 Special Detail & Event	\$ 308,576	\$ 353,920	\$ 45,344	14.69%
2015 Total Overtime	\$ 633,676	\$ 1,473,896	\$ 840,220	132.59%
2016 Overtime - 61110	\$ 145,900	\$ 296,407	\$ 150,507	103.16%
2016 Hireback - 61111	\$ 179,200	\$ 1,073,810	\$ 894,610	499.22%
2016 Special Detail & Special Event	\$ 308,576	\$ 327,235	\$ 18,659	6.05%
2016 Total Overtime	\$ 633,676	\$ 1,697,453	\$ 1,063,777	167.87%
2017 Overtime - 61110	\$ 146,400	\$ 326,877	\$ 180,477	123.28%
2017 Hireback - 61111	\$ 366,646	\$ 791,498	\$ 424,852	115.88%
2017 Special Detail	\$ 124,130	\$ 346,253	\$ 222,123	178.94%
2017 Total Overtime	\$ 637,176	\$ 1,464,628	\$ 827,452	129.86%
2018 Overtime - 61110	\$ 238,400	\$ 313,856	\$ 75,456	131.65%
2018 Hireback - 61111	\$ 466,646	\$ 951,147	\$ 484,501	203.83%
2018 Special Detail - 61112	\$ 224,130	\$ 341,233	\$ 117,103	152.25%
2018 Total Overtime	\$ 929,176	\$ 1,606,236	\$ 677,060	172.87%
2019 Overtime - 61110 (Through 6/30)	\$ 154,552	\$ 150,740	\$ (3,812)	97.53%
2019 Hireback - 61111	\$ 573,700	\$ 402,888	\$ (170,812)	70.23%
2019 Special Detail - 61112	\$ 230,854	\$ 168,090	\$ (62,764)	72.81%
2019 Overtime (through 6/30/2019)	\$ 959,106	\$ 721,718	\$ (237,388)	75.25%
2019 Overtime - 61110 (Projection)	\$ 154,552	\$ 320,000	\$ 165,448	207.05%
2019 Hireback - 61111	\$ 573,700	\$ 900,000	\$ 326,300	156.88%
2019 Special Detail - 61112	\$ 230,854	\$ 345,000	\$ 114,146	149.45%
2019 Total Overtime (Projected)	\$ 959,106	\$ 1,565,000	\$ 605,894	163.17%



Memorandum

To: Hitesh Desai, Chief Financial Officer
Kate Lewis-Lakin, Budget Coordinator

From: Demitrous Cook, Chief of Police
Joseph Dugan, Deputy Chief of Police
Louis Gergits, Manager of Budget and Finance

Subject: Requested Budget Modification – Accrual Payouts

Date: August 13, 2019

G/L Account:	100.22.2210.61415 (Termination Payouts)
Increase:	\$400,000
Current Budget:	\$283,250
Requested Budget:	\$683,250

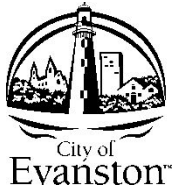
Reason for Request: The Police Department's total budget for payouts is \$689,070. With the inclusion of the Post-employment Health Plan (PHEP) payout to the FOP contract in 2017, this amount is only sufficient to cover the payouts provided by the FOP Contracts. These are the annual sick time payout, the annual comp time payout, the annual PEHP payout, and requested comp time payouts. The department also incurs terminating payout costs of approximately \$50,000 per retirement. In 2017, total payouts were \$1,140,744 (\$471,743 more than the budgeted amount). In 2018, total payouts were \$1,112,339 (\$443,339 more than the budgeted amount). Police Staff estimates that total 2019 payouts will be \$1,048,633 (\$359,565 more than the budgeted amount).

In 2020, if there are no changes to FOP benefits, Police staff anticipates 8 retirements with approximately \$400,000 in payouts.

Attachment:
Comparison of Police Department Payouts – 2014 through 2019

**Evanston Police Department
Comparison of Payout Expenditures
2014 through 2019**

<u>Account</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>	<u>Variance Percentage</u>
2014 TERMINATION PAYOUTS - 61415	\$ 275,000	\$ 300,632	\$ 25,632	9.32%
2014 ANNUAL SICK LEAVE PAYOUT - 61420	\$ 190,000	\$ 118,402	\$ (71,598)	-37.68%
2014 ANNUAL HOLIDAY PAYOUT - 61425	\$ 204,000	\$ -	\$ (204,000)	-100.00%
2014 VACATION PAYOUTS - 61430	\$ -	\$ 168,926	\$ 168,926	100.00%
2014 Total Payouts	\$ 669,000	\$ 587,960	\$ (81,040)	-12.11%
2015 TERMINATION PAYOUTS - 61415	\$ 275,000	\$ 539,704	\$ 264,704	96.26%
2015 ANNUAL SICK LEAVE PAYOUT - 61420	\$ 190,000	\$ 116,288	\$ (73,712)	-38.80%
2015 ANNUAL HOLIDAY PAYOUT - 61425	\$ 204,000	\$ -	\$ (204,000)	-100.00%
2015 VACATION PAYOUTS - 61430	\$ -	\$ 94,964	\$ 94,964	100.00%
2015 Total Payouts	\$ 669,000	\$ 750,956	\$ 81,956	12.25%
2016 TERMINATION PAYOUTS - 61415	\$ 275,000	\$ 217,870	\$ (57,130)	-20.77%
2016 ANNUAL SICK LEAVE PAYOUT - 61420	\$ 190,000	\$ 139,338	\$ (50,662)	-26.66%
2016 ANNUAL HOLIDAY PAYOUT - 61425	\$ 204,000	\$ 311,403	\$ 107,403	52.65%
2016 VACATION PAYOUTS - 61430	\$ -	\$ 17,743	\$ 17,743	100.00%
2016 Total Payouts	\$ 669,000	\$ 686,354	\$ 17,354	2.59%
2017 TERMINATION PAYOUTS - 61415	\$ 275,000	\$ 467,984	\$ 192,984	70.18%
2017 ANNUAL SICK LEAVE PAYOUT - 61420	\$ 190,000	\$ 259,811	\$ 69,811	36.74%
2017 ANNUAL HOLIDAY PAYOUT - 61425	\$ 204,000	\$ 371,131	\$ 167,131	81.93%
2017 VACATION PAYOUTS - 61430	\$ -	\$ 41,818	\$ 41,818	100.00%
2017 Total Payouts	\$ 669,000	\$ 1,140,743	\$ 471,743	70.51%
2018 TERMINATION PAYOUTS - 61415	\$ 275,000	\$ 429,660	\$ 154,660	56.24%
2018 ANNUAL SICK LEAVE PAYOUT - 61420	\$ 190,000	\$ 225,645	\$ 35,645	18.76%
2018 ANNUAL HOLIDAY PAYOUT - 61425	\$ 204,000	\$ 447,568	\$ 243,568	119.40%
2018 VACATION PAYOUTS - 61430	\$ -	\$ 9,466	\$ 9,466	100.00%
2018 Total Payouts	\$ 669,000	\$ 1,112,339	\$ 443,339	66.27%
2019 TERMINATION PAYOUTS - 61415	\$ 283,250	\$ 46,074	\$ (237,176)	-83.73%
2019 ANNUAL SICK LEAVE PAYOUT - 61420	\$ 195,700	\$ 50,084	\$ (145,616)	-74.41%
2019 ANNUAL HOLIDAY PAYOUT - 61425	\$ 210,120	\$ 327,447	\$ 117,327	55.84%
2019 VACATION PAYOUTS - 61430	\$ -	\$ 25,028	\$ 25,028	100.00%
2019 Payouts (through June 30, 2019)	\$ 689,070	\$ 448,633	\$ (240,437)	-34.89%
2019 TERMINATION PAYOUTS - 61415	\$ 283,250	\$ 246,074	\$ (37,176)	-13.12%
2019 ANNUAL SICK LEAVE PAYOUT - 61420	\$ 195,700	\$ 250,084	\$ 54,384	27.79%
2019 ANNUAL HOLIDAY PAYOUT - 61425	\$ 210,120	\$ 527,447	\$ 317,327	151.02%
2019 VACATION PAYOUTS - 61430	\$ -	\$ 25,028	\$ 25,028	100.00%
2019 Total Payouts (Projected)	\$ 689,070	\$ 1,048,633	\$ 359,563	52.18%



Memorandum

To: Erika Storlie, Interim City Manager
Hitesh Desai, CFO/Treasurer
Kate Lewis-Lakin, Budget Coordinator

From: Lawrence C. Hemingway, Director Parks, Recreation & Community Services
Karen Hawk, Assistant Director Parks, Recreation & Community Services

Subject: Increased funding for seasonal staff for FY 2020

Date: October 3, 2019

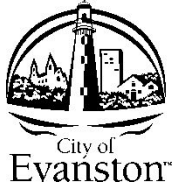
On February 15, 2019, Governor J.B. Pritzker signed a bill that will raise the Illinois minimum wage for employees age 18 and older to \$15 per hour by 2025. The minimum wage scale will include \$1 per hour increases each year with the exception of 2020. In 2020, the minimum wage will raise to \$9.25 per hour on January 1, 2020 and then to \$10 per hour on July 1, 2020. The \$1 increases will then follow each January 1st until the minimum wage reaches \$15 in 2025 for employees ages 18 and older.

Employees under the age of 18 (who do not work more than 650 hours per calendar year) have a minimum wage scale that varies slightly from the scale for employees age 18 and older. Employees working no more than 650 hours per year include most of our seasonal employees. The minimum wage will increase at a lower rate and will max out at \$13 per hour in 2025. In 2020, the minimum will be \$8 per hour, increasing to \$8.50 per hour in 2021. In 2022 the minimum wage will increase to \$10 per hour and then increase \$1 per hour each January 1st until 2025 reaching \$13 per hour.

The minimum wage increase will have an impact on the Parks, Recreation and Community Services department budget. This increase will primarily impact the seasonal employee line item which is where all camp staff, lakefront staff, summer inclusion aides, recreation maintenance staff and summer youth employment program (SYEP) staff are budgeted.

SYEP employees under age 18 are currently paid at \$8.50 per hour, which is more than the minimum wage required in 2020 and what is required in 2021. The youth and young adult division will see only a small increase for their SYEP employees to account for those employees hired that are over the age of 18.

Most business units where camp staff, inclusion aides, recreation maintenance and lakefront staff reside, (other than those hired through SYEP) will see a considerable increase in the seasonal employee line item. Staff is anticipating an overall increase in the department seasonal line items budget of \$125,000. This increase was calculated based on actual hours worked and number of staff hired for 2019 seasonal operations, taking into account the number of seasons the staff have been employed.



Memorandum

To: Budget Team

From: Kimberly Richardson, Deputy City Manager

CC: Demitrous Cook, Police Chief

Subject: Administrative Tow Fee

Date: October 4, 2019

Summary

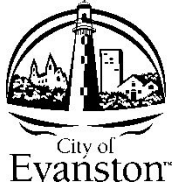
The Police Department is proposing the ability to charge an administrative fee for when a vehicle has been towed due to the arrest or detention of the owner/driver for violation of a criminal offense. For example, impoundment of a vehicle in a DUI arrest or when the vehicle has been used in the commission of a felony. The proposed fee would be \$250. This fee is in addition to the actual towing and storage costs, which are paid directly to the tow company.

In 2018, there were 173 DWLS/DWLR arrests and 83 DUI arrests within the City. 60% of those arrests were not Evanston residents. The number of arrests for these violations represents a driving hazard not only to our residents, but also other motorists and pedestrians who travel within the City.

It is estimated the \$250 fee would generate \$50,000 annually for the City, assuming a 70 percent collection rate. As proposed, such a fee would be imposed when police seize a vehicle after it has been used in the commission of certain traffic and criminal offenses.

The Police Department has the authority to adopt an ordinance imposing impound fees through the Illinois Vehicle Code, statute 625 ILCS 5/11-208.7.

The statute also establishes procedures for the impoundment and release of vehicles. These provisions include a requirement that notice be sent to the owner/lessee of the vehicle at the time the vehicle is towed. The municipality must also provide notice of an administrative hearing to the owner, lessee, and any lienholder of record within 10 days after the vehicle is impounded. That hearing must be conducted no later than 45 days after the notice is mailed.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Budget Team

Subject: 2020 Proposed Budget – Debt Service Levy

Date: October 3, 2019

The City issues General Obligation (GO) Bonds to fund capital projects, major equipment purchases, and infrastructure improvements, as well as to refinance previous debt to generate debt service cost savings.

This year, the city issued Series 2019A bonds (for Robert Crown project) and Series 2019B (for capital improvements). These GO bonds are generally for a 20 year term and the city pays debt service twice a year. Interest is paid every June 1 and principal plus interest is paid every December 1. These debt service payments are funded through a property tax levy.

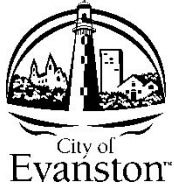
The city is estimating an increase of \$1,641,938 in the net levy for debt service. The gross levy for debt service would increase by \$2,300,987, which includes a loss factor of 5% as allowed by Cook County.

	2018 BUDGET 2017 ADOPTED LEVY	2019 BUDGET 2018 ADOPTED LEVY	2020 BUDGET 2019 PROPOSED LEVY	2019-2020 PROPOSED CHANGE (\$)	2019-2020 PROPOSED CHANGE (%)
DEBT SERVICE FUND					
Gross Levy	10,879,993	10,879,993	13,180,980	2,300,987	
Loss Factor*	-	-	659,049	659,049	
Net Levy	\$ 10,879,993	\$ 10,879,993	\$ 12,521,931	\$ 1,641,938	15.1%

The increase in the debt service levy is due to the following:

1. The city issued Series 2018C (to refinance Series 2008 C bonds) generating savings of \$962,925. The entire savings was used to pay for 2018C debt service in budget year 2019, thereby keeping the debt service levy flat from the 2018 budget to the 2019 budget. Now, debt service principal payment in the amount of \$1,070,000 is due as of December 1, 2020. This results in a higher tax levy in budget year 2020.

2. The City issued Series 2019A and Series 2019B bonds. Series 2019A were issued to fund Crown center with additional debt service of \$637,500 in 2020 whereas series 2019B bonds which were issued to fund several capital projects has additional debt service of \$720,606 in 2020.
3. The City has added a loss factor as allowed by Cook County. The County allows the loss factor to make up for a shortfall resulting from less than 100% collections for tax levies.



Memorandum

To: Hitesh Desai, Chief Financial Officer/Treasurer
Kate Lewis-Lakin, Budget Coordinator

From: Brian Scott, Fire Chief

Subject: Emergency Incident Cost Recovery Recommendation

Date: October 2, 2019

I have reviewed our current fee structures for various emergency and nonemergency services provided to the public. As you are aware, the fiscal demands to sustain these services continue to escalate and the City has limited opportunities for recovering costs associated with Fire Department services.

Currently, fees are assessed for fire alarm permits, excessive false fire alarms, hazardous materials mitigation, standby use of fire equipment and personnel as well as emergency ambulance transport in accordance with the Evanston City Code (9-10-8-1, 9-12-2 and 9-2-3 respectively).

State of Illinois Billing Regulations permits fire agencies to recoup expenses for additional emergency services provided by fire departments, which allows municipalities the ability to recover some financial resources to help support service levels. These additional services would include motor vehicle accidents, vehicle and structure fires and special rescues.

Based upon this regulatory allowance, approximately 50 Chicago metro area fire agencies have expanded their emergency incident recovery fee structure to gain additional revenue to maintain services to their community.

Given the tremendous resources necessary to ensure the Fire Department is prepared to manage a vast array of emergency services, I believe some consideration should be given to an expanded implementation of emergency incident cost recovery for the Evanston Fire Department. As with EMS billing practices, all fees will be invoiced directly to the parties' insurance carrier. Residents and business owners would **not** receive any bill relative to these expanded recovery fees.

The Department has explored options for implementing emergency incident cost recovery, and a third party vendor has been identified that will take full responsibility for working with the insurance company to recover appropriate expenses. Their recovery forecast is attached. The annual forecasted revenue is \$158,000. Year 1 (2020) may be as much as 50% lower than the annual expected as the program takes time to ramp up. Accordingly, the Department recommends budgeting \$75,000 in additional revenue from this source in 2020.

The table below provides a recommended fee structure for these particular Evanston Fire Department emergency services:

Fire Department Service	Emergency Incident Recovery Fee
Motor Vehicle Accident	\$520
Vehicle Fire	\$605
Structure Fire	\$500
Specialized Rescue	\$400

Attachment

Fire Recovery USA - Emergency Incident Recovery Forecast



Emergency Incident Recovery Forecast

While we cannot make guarantees for cost recovery,
the following is an estimated forecast.

Evanston Fire

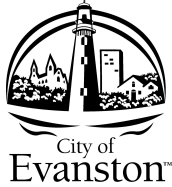
<i>Items</i>	<i>Incidents per Year</i>	<i>Percent Collected</i>	<i>Amt. Billed</i>	<i>Totals</i>
MVA (with fluids on ground)	156	90%	@ \$520 =	\$73,008
MVA (no fluids on ground)	156	30%	@ \$520 =	\$24,336
Vehicle Fires	14	20%	@ \$605 =	\$1,694
False Alarms	0	10%	@ \$100 =	\$0
Landing Zones	0	60%	@ \$2,100 =	\$0
Fires	89	60%	@ \$500 =	\$26,700
Hazardous Conditions	114	60%	@ \$700 =	\$47,880
Special Rescue	104	60%	@ \$400 =	\$24,960
SUBTOTAL COLLECTED				\$198,578

TOTAL RETURNED TO THE FIRE DEPARTMENT (per year)	\$158,862
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** Emergency Incident Billing typically takes up to two years for a full "At Plan" ramp up, therefore be advised Year 1 revenue may be as much as 50% lower than the ongoing revenues.*

** This forecast is highly dependent on the client providing adequate billing data to enable us to meet our normal collection rates. This will be reinforced during training.*

** Landing Zones only applies to temporary Landing Zone creation.*



Memorandum

To: Honorable Mayor and Members of the City Council
Budget Team

From: Luke Stowe, Interim Director of Administrative Services
Sean Ciolek, Facilities and Fleet Division Manager

Subject: Equipment Replacement Fund Increase

Date: September 11, 2019

The Facilities & Fleet Management Division of the Administrative Services Department is requesting a permanent increase of \$200,000 to the Equipment Replacement Fund budget, starting FY2020. This will increase annual general spending in the fund from to \$2 million in 2020 and 2021, from a baseline budget of \$1.8 million. The Facilities & Fleet Management Division provides and manages the high-functioning equipment necessary for City operations, and maintains the assets to achieve the maximum useful life for lowest cost of ownership.

The City has approximately 580 total pieces of equipment including but not limited to cars, trucks, boats, trailers, motorcycles, fire engines, ambulances, fire apparatus, dump trucks, bucket trucks and various attachments such as snow plows and salt spreaders. Some of the standard vehicles such as cars and trucks, which are not subject to extremely harsh work conditions, are able to be leased at a lower price. Leasing of certain vehicles expedites the replacement schedule. The leasing of a vehicle will include maintenance from the vendor which helps reduce Fleet in-house repairs. We are currently exploring potential leasing opportunities for the specialized equipment that is subject to more wear and tear, but right now our strategy is to purchase these. The specialized equipment takes up a large portion of the fund; an ambulance can cost \$300,000 and a dump truck \$200,000.

Fleet equipment is spread out among the departments, with the highest percentages used by Police, Streets, Greenways, and Water. The Facilities & Fleet Division's plan utilizes more standard vehicles for critical/heavy use at the beginning while under warranty and then rotates these to a less strenuous operation later. During our analysis of equipment inventory, staff found that many departments had equipment that was well over 10 years old: Fire from 1990, Streets from 1995, Police from 1995, Water from 1996, and Forestry from 1998.

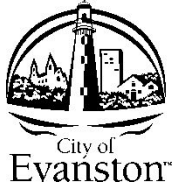
Staff has assembled the following estimates required to update each department's equipment that is past its useful life:

- \$3.5M for PWA
- \$800,000 for Fire
- \$800,000 for Police
- \$300,000 for Facilities
- \$300,000 for PRCS
- \$400,000 Other Misc. Equipment

While it seems advantageous to keep equipment as long as possible, Fleet staff ends up spending more time fixing old equipment rather than working on preventative maintenance. Three vehicles were taken out of service completely in the past year due to dangerous conditions, causing a delay in City services or further expenses to find a rental.

The request for an additional \$200,000 will help with inflation that has occurred over the years and will give the Facilities & Fleet Management Division extra necessary funding. This extra funding will be used to replace outdated equipment. Spending on new equipment will also alleviate the need to purchase as many parts for repairs of existing vehicles.

Note: The current 2020 Proposed Budget for automotive equipment shown in the budget document is \$2,460,000. This is due to budgeting for a \$660,000 fire engine to be purchased in 2019. Currently, it is planned that this purchase would be funded through general obligation bond proceeds, which are shown as Other Revenue in the fund.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Hitesh Desai, Chief Financial Officer
Kate Lewis-Lakin, Budget Coordinator

Subject: 2020 Proposed Budget – All Funds Budgets

Date: October 17, 2020

Question: Please provide a consolidated table showing the total 2020 Proposed budget for all funds.

Response: The 2020 Proposed Budget for all funds is \$317,296,978. This does not include changes proposed in the Budget Balancing Worksheet. The attached chart shows budgeted expenses by fund to add up to this total amount. Additional charts on the all funds budget can be found beginning on page 31 of the 2020-21 Proposed Budget Document, available here:

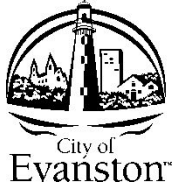
<https://www.cityofevanston.org/home/showdocument?id=51090>

The additional changes in the Budget Balancing Worksheet can be found on page 12 of the 2020-21 Proposed Budget Document.

**Total Budgeted Expenditures By Fund
FY2019 Adopted vs. FY2020 Proposed**

All budget totals are gross figures prior to eliminating interfund transfers.

Fund	Fund #	2018 Actual Amount	2019 Adopted Budget	2019 Estimated Amount	2020 Proposed Budget	Net Change (2019 to 2020)	Percent Change (2019 to 2020)	2021 Projected Budget
General	100	115,416,584	114,153,372	116,345,568	117,970,285	3,816,913	3.3%	119,593,367
General Assistance	175	981,531	1,273,776	1,265,401	1,315,848	42,072	3.3%	1,333,984
Health and Human Services	176	826,851	817,471	887,706	887,706	70,235	8.6%	887,706
Good Neighbor Fund	180	1,000,000	1,000,000	1,000,000	1,000,000	-	0.0%	-
Library Fund	185	7,191,513	7,771,945	7,456,886	8,472,778	700,833	9.0%	8,631,456
Library - Debt Service	186	333,404	353,437	353,437	480,144	126,707	35.8%	482,243
Library - Capital	187	1,497,577	1,835,000	1,777,500	543,000	(1,292,000)	-70.4%	449,000
Neighborhood Stabilization	195	33,844	-	-	-	-	N/A	-
Motor Fuel	200	2,457,990	2,188,897	2,188,897	2,432,987	244,090	11.2%	2,282,987
Emergency Telephone	205	912,905	1,021,489	1,011,089	1,621,374	599,885	58.7%	1,404,522
Special Service Area # 4	210	370,000	525,000	490,000	592,665	67,665	12.9%	592,665
CDBG	215	1,526,206	2,631,080	2,189,395	1,963,875	(667,205)	-25.4%	2,030,400
CDBG Loan	220	199,035	250,000	150,000	175,000	(75,000)	-30.0%	175,000
Neighborhood Improvement	235	163	100,000	100,000	-	(100,000)	-100.0%	-
HOME	240	335,304	741,269	255,334	659,678	(81,591)	-11.0%	604,799
Affordable Housing Fund	250	318,955	1,027,697	505,397	1,713,366	685,669	66.7%	1,297,740
Washington National TIF	300	10,967,279	-	-	-	-	N/A	-
Debt Service	320	21,833,969	14,767,219	14,647,219	15,840,981	1,073,762	7.3%	15,836,877
Howard-Ridge TIF	330	2,183,243	746,225	677,551	541,113	(205,112)	-27.5%	507,813
West Evanston TIF	335	54,049	643,000	646,000	740,000	97,000	15.1%	740,000
Dempster-Dodge TIF	340	76,085	70,870	72,870	167,870	97,000	136.9%	165,923
Chicago-Main TIF	345	109,542	100,610	102,610	753,820	653,210	649.2%	4,626,053
Special Service Area #6	350	222,086	221,500	221,500	221,500	-	0.0%	221,500
Special Service Area #7	355	-	-	-	154,600	154,600	N/A	154,600
Special Service Area #8	360	-	-	-	60,200	60,200	N/A	60,200
Capital Improvement	415	13,860,636	14,260,549	11,676,642	17,051,881	2,791,332	19.6%	13,741,809
Crown Construction	416	10,077,377	23,670,000	34,191,265	8,330,000	(15,340,000)	-64.8%	-
Crown Center Maintenance	417	-	-	-	-	-	N/A	-
Special Assessment	420	892,454	936,955	936,955	957,930	20,975	2.2%	989,314
Parking	505	10,590,510	13,249,881	10,130,822	13,362,194	112,313	0.8%	11,689,371
Water	510	16,564,798	48,657,257	32,076,269	50,147,012	1,489,755	3.1%	42,723,921
Sewer	515	7,537,442	14,755,238	11,412,180	14,717,225	(38,013)	-0.3%	12,833,885
Solid Waste	520	4,851,568	5,416,542	5,504,656	5,837,705	421,163	7.8%	5,861,769
Fleet	600	3,108,799	3,183,322	3,223,690	3,161,051	(22,271)	-0.7%	3,190,072
Equipment Replacement	601	1,777,856	1,622,977	1,617,977	2,460,000	837,023	51.6%	1,800,000
Insurance	605	22,786,573	18,962,870	20,669,694	19,437,285	474,415	2.5%	19,748,949
Fire Pension	700	9,348,322	9,333,500	9,378,500	10,076,897	743,397	8.0%	10,580,762
Police Pension	705	12,288,703	12,876,500	12,791,500	13,449,007	572,507	4.4%	14,119,436
Total All Funds		\$ 282,533,153	\$ 319,165,448	\$ 305,954,510	\$ 317,296,978	\$ (1,868,471)	-0.6%	0.0%



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Hitesh Desai, Chief Financial Officer
Kate Lewis-Lakin, Budget Coordinator

Subject: 2020 Proposed Budget – Licenses, Permits, and Fees

Date: October 17, 2020

Question: Please provide details on License, Permit, and Fees revenue in the 2020 Proposed Budget, specifically those related to liquor sales.

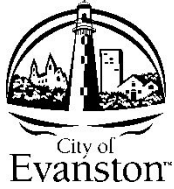
Response: The attached sheet shows budgeted revenue in the General Fund for Licenses, Permits, and Fees. This level of detail is available for all General Fund Revenues beginning on page 61 of the 2020-21 Proposed Budget Document, available here: <https://www.cityofevanston.org/home/showdocument?id=51090>

Detail on revenue related to liquor sales was specifically requested. The City receives revenue from liquor sales in licensing and through the Liquor Tax. Revenue for Liquor Licenses and One-Day Liquor Licenses are shown in the attached sheet and in the table below.

The City also receives revenue through a Liquor Tax of 6% of the purchase price. This applies to the sale of beverages sold for consumption on or off the premises.

	2018 Actual Amount	2019 Adopted Budget	2019 Estimated Amount	2020 Proposed Budget
Liquor Tax	\$3,211,772	\$3,150,000	\$3,150,000	\$3,150,000
Liquor Licenses	\$543,111	\$525,000	\$525,000	\$525,000
One-day Liquor Licenses	\$15,546	\$12,000	\$12,000	\$12,000

Account Number - Description	FY 2018 Actual Amount	FY 2019 Adopted Budget	FY 2019 Estimated Amount	FY 2020 Proposed Budget	FY 2021 Projected Budget
Licenses, Permits and Fees	9,165,957	7,651,400	7,577,400	7,663,550	7,663,550
52015 - BUSINESS LICENSES	101,678	65,000	99,000	97,800	97,800
52016 - BED & BREAKFAST LICENSE	115	150	150	150	150
52017 - COLLECTION BOX LICENSE	3,000	2,500	2,500	2,500	2,500
52018 - VACATION RENTAL LICENSES	-	-	-	80,000	80,000
52020 - PET LICENSES	13,424	28,000	10,000	10,000	10,000
52030 - CONTRACTORS' LICENSES	184,482	170,000	170,000	170,000	170,000
52035 - ROOMING HOUSE LICENSES	136,337	195,000	195,000	195,000	195,000
52040 - LIQUOR LICENSES	543,111	525,000	525,000	525,000	525,000
52041 - ONE DAY LIQUOR LICENSE	15,546	12,000	12,000	12,000	12,000
52045 - FARMERS' MARKET LICENSES	53,735	51,250	51,250	51,250	51,250
52046 - RENTAL BUILDING REGISTRATIONS	113,951	85,000	85,000	85,000	85,000
52050 - OTHER LICENSES	13,588	20,000	20,000	20,000	20,000
52055 - LONG TERM CARE LICENSES	83,040	120,000	120,000	120,000	120,000
52061 - SEASONAL FOOD ESTABLISHMENT LICENSE	12,373	15,000	15,000	15,000	15,000
52062 - MOBILE FOOD VEHICLE VENDOR LICENSE	1,402	1,000	1,000	1,450	1,450
52063 - HEN COOP LICENSE	1,050	800	800	800	800
52070 - RESIDENT CARE HOME LICENSE	1,160	1,200	1,200	1,200	1,200
52080 - BUILDING PERMITS	4,557,147	3,875,100	4,175,100	4,225,100	4,225,100
52090 - PLUMBING PERMITS	191,394	-	-	-	-
52095 - ELECTRICAL PERMITS	136,895	-	-	-	-
52105 - SIGNS AND AWNING PERMITS	7,655	32,800	-	-	-
52110 - OTHER/MISC PERMITS	488,285	350,000	50,000	-	-
52115 - ELEVATOR PERMITS	44,162	42,000	42,000	42,000	42,000
52120 - HEATING VENT. A/C PERMITS	312,740	-	-	-	-
52126 - RIGHT-OF-WAY PERMIT	478,177	358,000	358,000	358,000	358,000
52127 - PROPERTY CLEAN UP REVENUE	230	10,000	10,000	10,000	10,000
52130 - RESIDENTS ANNUAL PARKING PERMITS	79,596	228,000	171,000	228,000	228,000
52131 - VISITOR PARKING PERMITS	12,094	13,000	13,000	13,000	13,000
52135 - FIRE PLAN REVIEW	61,817	100,000	100,000	100,000	100,000
52140 - OVERSIZE TRUCK PERMIT	36,625	20,000	20,000	20,000	20,000
52145 - ANNUAL SIGN FEES	30,693	-	-	-	-
52146 - MOVING VAN PERMIT FEES	36,745	57,000	57,000	57,000	57,000
52155 - PLAT PR.&SIGN APP HRG FEE	59,794	2,100	2,100	2,100	2,100
52165 - IL BELL FRANCHISE FEE	178,073	-	-	-	-
52170 - ALARM PANEL FRANCHISE FEE	225	4,000	4,000	4,000	4,000
52175 - NU EASEMENT	47,000	47,000	47,000	47,000	47,000
52180 - CABLE FRANCHISE FEE	987,559	1,000,000	1,000,000	950,000	950,000
52181 - PEG FEES - CABLE COMPANIES	101,298	145,000	145,000	145,000	145,000
52185 - NICOR FRANCHISE FEE	39,762	75,000	75,000	75,000	75,000
55075 - SUMMER FOOD INSPECTIONS	-	200	-	-	-
55150 - TANNING PARLOUR INSPECTION	-	300	300	200	200



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Budget Team

Subject: 2020 Proposed Budget – Proposed Property Tax examples

Date: October 16, 2019

The City levy taxes every year to fund their operating as well as capital needs, along with other taxing bodies including school districts, Cook County, and others. For tax year 2018 (payable in 2019), the overall tax rate for Evanston property owners is 9.412% of equalized assessed value (EAV) of the property. The City of Evanston share along with Library and General Assistance portion is 1.858% of EAV of the property.

2018 Property Taxes (payable in 2019)	City, Library, General Assistance	Schools (District 65 and 202)	County/ Other	Total
Rate (% of EAV)	1.858	6.599	0.955	9.4129
% share of Tax Bill	19.74%	70.12%	10.15%	100%

The school districts receive a majority of the property tax, as reflected in the table above. The City share including Library and General Assistance is approximately 20%.

Cook County properties are reassessed every three years as part of triennial assessment. As a part of this process, homeowners and business received notice of their revised assessments in March 2019. These assessments will be reflected in 2019 second installment bill payable in August 2020. The Evanston community noticed significant increase in assessed values from the previous year. Initial estimates show a 2019 total EAV for Evanston properties of \$4.5 billion, increased from the 2018 EAV of \$2.7 billion.

The 2020 Proposed Budget includes an increase to the City and Library combined levy of \$5.4 million or 10.9%. This memo projects the impact of the proposed property tax levy increase in the 2020 budget with the triennial reassessment on 10 sample

properties. The properties range in estimated market value between \$100,000 and \$1,000,000.

Please note that estimated change in taxes reflect change in the City's portion of property taxes only (including Library and General Assistance).

2018 Numbers									
Property Address	Market Value	Assessed value	Multiplier or Equalizer	Equalized Assessed value (EAV)	City portion-Tax rate	Taxes			
Payne Street	70,550	7,055	2.9109	20,536	1.858%	382			
Central Street	248,360	24,836	2.9109	72,295	1.858%	1,343			
Hastings Avenue	246,970	24,697	2.9109	71,890	1.858%	1,336			
Princeton Ave.	373,260	37,326	2.9109	108,652	1.858%	2,019			
Thayer Street	445,350	44,535	2.9109	129,637	1.858%	2,409			
Thayer Street	266,880	26,688	2.9109	77,686	1.858%	1,443			
Lincolnwood Drive	448,540	44,854	2.9109	130,566	1.858%	2,426			
Sheridan Road	592,200	59,220	2.9109	172,383	1.858%	3,203			
Hartzell Street	651,860	65,186	2.9109	189,750	1.858%	3,526			
Park Place	604,020	60,402	2.9109	175,824	1.858%	3,267			
2019 ESTIMATED numbers									
Property Address	Proposed Market Value	Proposed Assessed value	Increase in Assessment	Multiplier or Equalizer	Proposed Equalized Assessed value (EAV)	City portion-Tax rate	Estimated Taxes	Estimated change	Estimated change (%)
Payne Street	108,170	10,817	53%	2.9109	31,487	1.219%	384	2	1%
Central Street	209,960	20,996	-15%	2.9109	61,117	1.219%	745	(598)	-45%
Hastings Avenue	307,530	30,753	25%	2.9109	89,519	1.219%	1,091	(244)	-18%
Princeton Ave.	400,540	40,054	7%	2.9109	116,593	1.219%	1,421	(597)	-41%
Thayer Street	493,650	49,365	11%	2.9109	143,697	1.219%	1,752	(657)	-33%
Thayer Street	500,450	50,045	88%	2.9109	145,676	1.219%	1,776	332	14%
Lincolnwood Drive	618,040	61,804	38%	2.9109	179,905	1.219%	2,193	(233)	-10%
Sheridan Road	750,000	75,000	27%	2.9109	218,318	1.219%	2,661	(542)	-17%
Hartzell Street	798,350	79,835	22%	2.9109	232,392	1.219%	2,833	(693)	-21%
Park Place	1,094,810	109,481	81%	2.9109	318,688	1.219%	3,885	618	18%

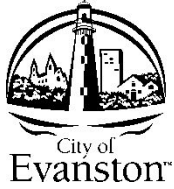
The above table reflects numbers based on the assumption of getting estimated EAV of \$4.5 billion in 2019 as well as no tax levy increase from other taxing agencies. With EAV going up by 67% from \$2.7 Billion to \$4.5 Billion, city rate is estimated to go down to 1.219%. Because of rate reductions, Property taxes could go down in most of the properties in spite of higher assessed values.

As the county is going through hundreds of appeals challenging the revised assessment for residential and commercial properties, the City developed another projection based on a 2019 EAV of \$3.6 billion. This assumes only half of the initially estimated increase to EAV. The City will not receive final EAV number from Cook County until July 2020

2018 Numbers									
Property Address	Market Value	Assessed value	Multiplier or Equalizer	Equalized Assessed value (EAV)	City portion-Tax rate	Taxes			
Payne Street	70,550	7,055	2.9109	20,536	1.858%	382			
Central Street	248,360	24,836	2.9109	72,295	1.858%	1,348			
Hastings Avenue	246,970	24,697	2.9109	71,890	1.858%	1,336			
Princeton Ave.	373,260	37,326	2.9109	108,652	1.858%	2,019			
Thayer Street	445,350	44,535	2.9109	129,637	1.858%	2,409			
Thayer Street	266,880	26,688	2.9109	77,686	1.858%	1,448			
Lincolnwood Drive	448,540	44,854	2.9109	130,566	1.858%	2,426			
Sheridan Road	592,200	59,220	2.9109	172,383	1.858%	3,203			
Hartzell Street	651,860	65,186	2.9109	189,750	1.858%	3,526			
Park Place	604,020	60,402	2.9109	175,824	1.858%	3,267			
2019 ESTIMATED numbers									
Property Address	Proposed Market Value	Proposed Assessed value	Increase in Assessment	Multiplier or Equalizer	Proposed Equalized Assessed value (EAV)	City portion-Tax rate	Estimated Taxes	Estimated change	Estimated change (%)
Payne Street	108,170	10,817	53%	2.9109	31,487	1.532%	482	101	26%
Central Street	209,960	20,996	-15%	2.9109	61,117	1.532%	936	(407)	-30%
Hastings Avenue	307,530	30,753	25%	2.9109	89,519	1.532%	1,371	36	3%
Princeton Ave.	400,540	40,054	7%	2.9109	116,593	1.532%	1,786	(233)	-12%
Thayer Street	493,650	49,365	11%	2.9109	143,697	1.532%	2,201	(207)	-9%
Thayer Street	500,450	50,045	88%	2.9109	145,676	1.532%	2,232	788	55%
Lincolnwood Drive	618,040	61,804	38%	2.9109	179,905	1.532%	2,756	330	14%
Sheridan Road	750,000	75,000	27%	2.9109	218,318	1.532%	3,345	142	4%
Hartzell Street	798,350	79,835	22%	2.9109	232,392	1.532%	3,560	35	1%
Park Place	1,094,810	109,481	81%	2.9109	318,688	1.532%	4,882	1,615	49%

The above table reflects numbers based on the assumption of getting estimated EAV of \$3.6 Billion. With EAV going up from \$2.7 Billion to \$3.5 Billion, the City portion of the tax rate is estimated to go down to 1.532%. Because of rate reductions, property taxes still seem to be going down in some of the properties in the above table. The City expects a shift of the property tax burden from residential properties to commercial properties based on the County's preliminary assessment numbers.

Please note that these are estimates based on numbers available as of October 4, 2019. Those numbers including the equalizer and estimated EAV are expected to change. The City will continue to follow any new developments regarding assessment appeals and their impact on EAV.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Ike C. Ogbo, Interim Director of Health & Human Services
Kate Lewis-Lakin, Budget Coordinator

Subject: 2020 Proposed Budget – General Assistance Fund

Date: October 16, 2020

Question: Please detail the proposed increase to the General Assistance Fund tax levy for 2020.

Response: The General Assistance (GA) tax levy is proposed to increase by \$180,000 in 2020, from \$900,000 in the 2019 budget (2018 tax levy) to \$1,080,000 in the 2020 budget (2019 tax levy). The GA levy has been flat at \$900,000 since 2017, as shown in the table below.

General Assistance Tax Levy

Budget Year	2016	2017	2018	2019	2020 Proposed
Levy Year	2015	2016	2017	2018	2019
General Assistance Net Levy	\$800,000	\$900,000	\$900,000	\$900,000	\$1,080,000

In 2016, the City conducted a GA marketing analysis. Staff performed assessments of the benefits offered to GA clients in each of the adjacent or similar Northern Illinois Township GA programs such as Niles, Wheeling, Naperville, Rockford, Oak Park, etc. Based on this comparison to other regional township GA program designs and cost of living analysis in Evanston, it was recommended to increase the benefits received by GA clients.

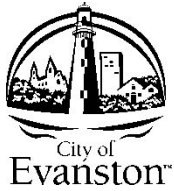
It was not until 2017 that this change went into effect. The maximum amount for GA benefits was increased from a monthly benefit of \$500 to \$875 in 2017. The maximum has continued to increase slightly since then to \$935, but it is rare that any client qualifies for the maximum amount.

When this change was made in 2017, the fund was carrying a balance of over \$500,000. It was determined that the levy would not be increased at that time, but that the fund would run a deficit budget to spend down balances. Deficit budgets were adopted in 2017, 2018, and 2019 in an effort to spend down balances. In this time, the levy remained flat at \$900,000.

General Assistance Fund Analysis

Budget Year	2016 Actual	2017 Actual	2018 Actual	2019 Adopted	2020 Proposed
Revenues	\$878,006	\$967,586	\$938,725	\$953,500	\$1,108,500
Expenses	804,857	909,475	981,531	1,273,776	1,315,848
Net	73,149	58,111	(42,806)	(320,776)	(207,348)
Fund Balance	586,388	644,499	601,694	281,418	71,445

Expenses in the fund having steadily increased since 2016, due to the increases in client benefit expenses and personnel expenses, which both typically increase with cost of living. Now, an increase to the levy is required in order to keep the fund at a healthy balance. Without the proposed levy increase of \$180,000, the fund would fall into a negative balance. The 2020 Proposed Budget still anticipates spending down existing fund balances.



Memorandum

To: Erika Storlie, Interim City Manager
Hitesh Desai, CFO/Treasurer

From: Lawrence C. Hemingway, Director Parks, Recreation & Community Services
Karen Hawk, Assistant Director Parks, Recreation & Community Services

Subject: Increase to 2020 Robert Crown Budget

Date: October 1, 2019

The newly constructed Robert Crown Community Center is set to open in January 2020. The new 130,000 sq. ft. facility is roughly twice the size of the existing facility. The new facility will operate Monday-Sunday from 5:45am-12am. Due to the increase in size of the facility, additional funding is required to properly operate, program, staff and maintain the facility which is reflected in the 2020 budget.

Based on projected revenues and expenses for 2020 staff is anticipating a decrease in the overall subsidy provided by the City of approximately \$60,000 from the 2019 Adopted Budget.

Anticipated revenues and expenses are outlined below.

Revenues

Business Units 100.30.3030 and 100.30.3095 will be combined into a single business unit to more easily manage building operations.

Staff designed a program plan to implement at the new facility to include new programming, expanding on current programs and adding a new class to the preschool program. Additionally, revenue projections were made based on current user agreements, anticipated user agreements, facility rentals and the increase of rental fees for ice time.

Revenues are projected to come in at \$2,573,500 in 2020. This is an increase of \$922,250 over 2019 Adopted Budget of \$1,651,250.

Expenses

Crown has been significantly underfunded for existing operations for many years. The 2020 budget makes adjustments for underfunded line items and all additional expenses necessary to operate a facility that is double the size of the existing facility. In addition, a Crown Center Maintenance fund has been established with \$175,000 budgeted each year to properly maintain the new facility.

Expenses are projected to be \$3,109,712 in 2020. This is an increase of \$842,353 over 2019 adopted budget of \$2,267,359.

An overview of expense increases is outlined as follows:

Personnel

Staffing adjustments include the elimination of one (1) vacant permanent part-time custodian position and one (1) vacant permanent part-time office assistant position. Also included is the reassignment of three (3) permanent part-time custodian positions and two (2) permanent part-time facility supervisors position to other recreation facilities. These positions will be replaced with two (2) full-time Crown Facility Maintenance Workers and one (1) full-time Crown Facility Coordinator. One (1) permanent part-time clerk II position will be reclassified to full-time and one (1) additional full-time Clerk II position will be added. In addition to these positions, the facility will add a full-time Crown Operations Supervisor to oversee the ice plant and supervise all maintenance staff and a full-time Program Coordinator to oversee a variety of new programs, facility rentals and gym schedules. Preschool instructors will be reclassified from their current FTEs to a .75 to properly cover all scheduled classes and the preschool Program Supervisor will be reclassified from a .5 FTE to full-time. These personnel changes are necessary to properly operate the facility.

Preschool

The new facility was designed to increase the number of preschool offerings for the community. A new Creative Play full day section for 3-5 year olds will be offered. Additionally, all preschool programs are required to offer a lunch or snack depending on the length of the class. This will result in an increase in the food line item as well.

Contracted Maintenance Services

Due to the complexity and specialized operation of the refrigeration system for the ice plant, preventative and emergency maintenance contract will be required.

Janitorial Supplies

The new facility has significantly more restrooms, multi-purpose rooms and offices than the existing facility. Additional cleaning supplies and restroom stock supplies are required.

Seasonal employees/Program Assistants

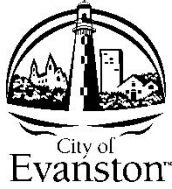
Historically, seasonal employees and program assistants have been significantly underfunded. Also, preschool and camp numbers saw a significant increase in 2017 due to a restructuring of the program and new program leadership. Additionally, enrollment in summer camp also saw an increase during this same period. These programs are required to maintain a specific staff to child ratio as required by DCFS, resulting in an increase to seasonal employees and program assistants.

Minimum Wage Increase

FY 2020 will see an increase in minimum wage due to the new state minimum wage law. This will have an impact on both the summer camp seasonal staff line item and recreation aides for the preschool line item.

Crown Maintenance Fund

A restricted maintenance fund has been established to offset maintenance costs and capital investments in the new facility. For FY 2020 \$175,000 will be budgeted as a transfer to this fund.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Alex Thorpe, Revenue Manager
Kate Lewis-Lakin, Budget Coordinator

Subject: 2020 Proposed Budget – Amusement Tax Revenue

Date: October 17, 2020

Question: What businesses pay the City's amusement tax?

Response: The City Code (Section 3-2-17) states the following regarding the amusement tax:

A tax of four percent (4%) on the admission fee or charge is imposed upon every amusement patron for the privilege of admission to any amusement in the City provided, however, that the amusement tax shall not apply to the following.

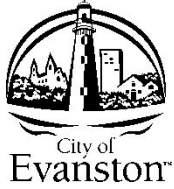
- (A) Governmental agencies;
- (B) Religious societies or organizations;
- (C) Live performances conducted or sponsored by not-for-profit institutions, organizations, groups or societies where no part of the net earnings inure to the benefit of any private shareholder or person.

The largest remitter of the City's amusement tax is the Century 12 Evanston movie theater. SPACE is another regular remitter for concert tickets. Hotels in the City occasionally remit if they host a performance event that charges admission. The Halim Time & Glass Museum also remits taxes on wedding rentals and on admission into the building.

The amusement tax does not apply to any performance through a governmental agency, religious organization, or non-profit organizations. This means that performances at the school districts or non-profit theaters in the City are not subject to the amusement tax.

Athletic events at Northwestern University are not subject to the amusement tax. These events are covered through a different tax called the Athletic Contest tax. Other

performances at Northwestern would be exempt from the tax due to the University's status as a non-profit organization.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Hitesh Desai, Chief Financial Officer
Kate Lewis-Lakin, Budget Coordinator

Subject: 2020 Proposed Budget – Reparatons Funding

Date: October 16, 2020

Question: Detail of possible funding sources for Reparatons Fund.

Response: Since the release of the Proposed Budget document on October 4, 2019, the City has created Fund 177 - Reparatons Fund that will be added to the Adopted Budget.

At the Monday, October 14 City Council meeting, Council members requested additional information on two potential sources of revenue for the fund: recreational cannabis tax revenue, and a reduction in the contribution to General Fund balance.

Recreational Cannabis Tax

Currently, projected revenue of \$250,000 is included in the 2020 budget balancing worksheet from a tax on recreational cannabis. This is a conservative estimate based on 2.5% of \$10 million in sales. The City Council has yet to adopt a tax rate for the recreational cannabis tax. Based on projections from other states that were shared by the current dispensary owners, it is possible that the revenue from this source could be much higher. However, given that this is a new source of revenue a conservative estimate is prudent.

It is possible this revenue projection could decrease due to a drafting error in the State Statute which prevents municipalities from collecting this tax until September 1, 2020, when sales could begin on January 1, 2020. The City is working with legislators and the Illinois Municipal League to support a change to make this tax collectable as soon as recreational sales begin on January 1. This may happen in the fall veto session.

Because the General Fund as proposed is currently balanced including this \$250,000 in revenue, moving this revenue out of the General Fund to the Reparatons Fund would require a corresponding decrease in expenses or increase in other revenue.

Fund Balance Contribution

City Council has adopted fund balance requirements as a part of its budget policies. The fund balance requirement for the General Fund is 16.66% of operating expenses. During the 2019 budget process, City Council agreed to annual contributions of \$1.5 million to the fund balance for three years beginning in 2019 to achieve the targeted fund balance amount by the end of 2021. The 2020 Proposed Budget shows a 2018 ending fund balance of 11.8% of all General Fund expenses. This increases to 12.66% when interfund transfers are excluded, as is shown in the 2018 audit report (CAFR).

If the City Council desired to direct some of the fund balance allocation to reparations, the 3 year plan for funding could be extended to 4 years. To achieve the required \$4.5M, Council could allocate \$1M per year for the next 3 years instead of \$1.5 for the next two years, or some combination thereof

For the last few years, rating agencies such as Fitch and Moody's have raised concerns about the General Fund balance during the bond issue process. The City's bond ratings could be adversely affected by changing the contributions to fund balance. It is critical for the City to make every effort possible to contribute to the General Fund balance to meet the adopted goal of 16.66% over the next few years.

City Owned Property

The sale of City assets has also been brought up as a possible funding source for reparations. The City has issued its RFP for real estate asset evaluation but has not yet awarded a contract for these services.

We currently have one pending sale of City property which is tentatively slated to close in the spring of 2020. The former recycling center at 2222 Oakton St was approved to be sold and is currently in its due-diligence period. If it closes in 2020, the City would receive \$1.1M. This is currently not budgeted nor allocated.

If the Council desires to fund reparations with a portion of the future sale of any city asset, Council could recommend a contribution based on a percentage or flat dollar amount up to a certain portion of a sale.



Memorandum

To: Honorable Mayor and Members of the City Council

From: Luke Stowe, Interim Administrative Services Director
Michael Rivera, Interim Parking Manager

Subject: Proposed Parking Citation Increases

Date: October 15, 2019

The Administrative Services Department is recommending indexed adjustments to a variety of parking citations for 2020 through 2022. The proposed realignment affects many of the lesser issued citations and is recommended to ensure consistency and uniformity among the various citation types. A phased approach will limit increases to \$5 per year over 1 to 3 years. Although parking meter/pay station violation fines (for no payment or over max time limit) were increased last year, there are many other parking violation related fines that have not been reviewed or adjusted in many years. In addition, staff has found that many fines that do not align with others that are similar in nature. For example, a car that is parked under a fire escape only pays \$35, but a car parked within 15 feet of a fire hydrant pays \$60. A car parked within an intersection pays \$35, but parking within 8 feet of a driveway pays \$60.

The realignment of the fines is not intended to be a major revenue driver. It will increase revenues, however it will not increase them by a significant margin, currently estimated at \$75,000 per year.

A list of the proposed increases are attached. Examples of additional revenue received from some of these increases would be:

- No Parking Zone from \$40 to \$45 in 2020 and \$45 to \$50 in 2021 - estimated to generate an additional \$24,150 per year;
- Parked Over Posted Max Time (unpaid space) from \$40 to \$45 in 2020 and \$45 to \$50 in 2021 - estimated to generate an additional \$31,840 per year; and
- Residential Parking Only Certain Hours/Permit District \$40 to \$45 in 2020 and \$45 to \$50 in 2021 - estimated to generate an additional \$29,950.

The remaining citations are issued infrequently and as such will have a negligible impact on revenues; however, as a best practice they should be aligned with all others.

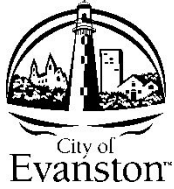
Staff has reviewed neighboring cities parking fine rates. The Village of Skokie’s parking fines were \$50 or higher except for one fine at \$35 for obstructing traffic. Some of the \$50 fines were for stopping/standing in prohibited areas, unloading a vehicle, and parking in a residential permit area without a permit. The City of Chicago charges \$75 for parking in a residential permit area without a permit, \$150 for parking within 15 feet of a fire hydrant, and \$150 for blocking access/alley/driveway/firelane, to name a few. The City of Evanston’s fees can be increased as proposed while staying in-line with our neighboring communities.

Attachment:
Parking Violation Amendments

Ordinance	Violation	Fine	2020 Proposed	2021 Proposed
10-4-16-1(B)	Permit Lots – Reserved Parking Space within Reserved Lot	30	35	50
10-4-1(A)12	Parked on a Parkway	35	40	50
10-4-1(A)13	Parked under Fire Escape	35	40	50
10-4-1(A)2	Parked On or Obstructing Sidewalk	35	40	50
10-4-1(A)3	Parked Within the Intersection	35	40	50
10-4-1(A)4	Parked On or Within a Crosswalk	35	40	50
10-4-1(A)7	Parked on a Bridge or Under a Viaduct	30	40	50

10-4-1(B)3	Parked Within 20 ft of Pedestrian Crossing or Crosswalk	35	40	50
10-4-1B(4)	Parked Within 30 ft of Traffic Control Device Signal or Sign	35	40	50
10-4-1(B)5	Parked Within 20 ft of Fire Station or 75 ft Opposite Side of Street	35	40	50
10-4-1(C)1	Parked Within 50 ft of Railroad Crossing	35	40	50
10-4-1(C)2	No Parking Zone	40	45	50
10-4-14-3	Parked in Loading Zone Over 30 minutes/over 3 minutes pass. Zone	30	40	50
10-4-14-5	Improper Use of Stands/Stops by Bus/Taxi	30	40	50
10-4-14-6	Parked in Cab/Bus Loading Zone	30	40	50
10-4-15-5	Parked Over Posted Max Time (unpaid space)	40	40	50
10-4-3 C	Non-motorized Vehicle Parked Over 4 hours	30	40	50
10-4-3(D)	Non-motorized Vehicle Parked 9PM - 6AM	35	40	50
10-4-5-2(B)	Residential Parking Only Certain Hours - Permit for District Required	40	45	50
10-4-6	Parked on Private Property Without Permit or Permission	30	40	60
10-4-7	No Parking 8AM - 4PM School Days	30	40	50

10-4-20	No RV Parking Permit	105		ADD 30 late fee
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Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Kimberly Richardson, Deputy City Manager
Kumar Jensen, Chief Sustainability and Resilience Officer

Subject: 2020 Proposed Budget – CARP Implementation

Date: October 23, 2020

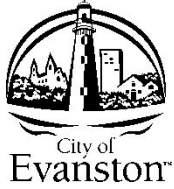
Question: Please detail how implementation of the Climate Action and Resilience Plan (CARP) is included in the 2020 Proposed Budget.

Response:

Implementation of CARP launched in early 2019 and will accelerate into 2020 and 2021. In order to meet the ambitious community-wide goals in CARP including: Zero Waste by 2050, 100% Renewable Electricity by 2030 and achieving a 50% reduction in greenhouse gas emissions by 2025 the City will need to develop a robust strategic approach to financing and funding CARP initiatives for the future. This strategy must evaluate the cost of continuing down our current path vs. making many of the interventions called for in CARP that will improve community climate resilience and reduce Evanston’s greenhouse gas emissions.

In 2019, funding for the implementation of CARP primarily came from \$85,000 from the Good Neighbor Fund. These funds were focused on activating community organizations through mini-grants, launching the Sustainable Business Recognition Program and increasing engagement around waste reduction initiatives. The FY2020 budget steps up funding specifically allocated to achieving CARP goals and actions by including 11 projects totaling \$725,000. These are shown in the table on the next page. Those funds will address a variety of projects including energy efficiency, streetlight conversions to LEDs, green infrastructure and the development of a zero emissions strategy for municipal operations.

Fund	Amount	Project
Sewer	\$ 200,000.00	Hydraulic analysis of sewer system
Solid Waste	\$ 20,000.00	AmeriCorps Fellow
CIP	\$ 150,000.00	CARP Project Support
CIP	\$ 50,000.00	Energy Efficiency Improvements
CIP	\$ 30,000.00	Renewable Energy Project Support
CIP	\$ 50,000.00	Zero Emission Study
CIP	\$ 50,000.00	Environmental Monitoring
CIP	\$ 50,000.00	MWRD Grant Match - Green Infrastructure
CIP	\$ 50,000.00	MWRD Grant Match - Green Infrastructure
Sewer	\$ 25,000.00	Green Infrastructure Maintenance
CIP	\$ 50,000.00	Streetlight LED conversion
Total	\$ 725,000.00	



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Kate Lewis-Lakin, Budget Coordinator
Paul Zalmazek, Economic Development Manager
Hugh DuBose, Assistant City Attorney

Subject: 2020 Proposed Budget – Self-Storage User Fee

Date: October 16, 2020

Question: Please provide details on the proposed self-storage user fee.

Response: Evanston is currently home to five self-storage facilities. In total, the five facilities contain approximately 260,000 square feet of available storage space. Monthly rental prices range widely from \$19 to \$350, depending on the size and location of the unit. The average unit rental price is \$115 per month.

Self-storage facilities provide short- or long-term storage space for personal property. When placed in higher density communities like Evanston, they provide necessary accommodation to the needs of residents and non-residents alike. However, these facilities also bring increased traffic to and from, resulting in congestion and additional strain on local streets. These facilities generate little real revenue for the City as they have low employment and are not subject to sales tax. The facilities do pay property taxes. They create few jobs and arguably result in a net loss of jobs and revenue as the storage facilities occupy space otherwise in high demand for loft office, tech employment, and small manufacturing.

Municipalities in the Chicago region have begun to enact local taxes and fees on the privilege of renting space at a self-storage facility. These include Skokie (5% of rents), Morton Grove (5% of rents), Countryside (5% of rents), North Chicago (5% of rents), Harwood Heights (3% of rents), and River Grove (\$.01/sq.ft.).

In order to continue to diversify the City's revenue base and capture additional economic activity that is not subject to sales taxes, a new self-storage user fee at a rate of 5% of the rental charges is included in the 2020-21 Proposed Budget. The gross receipt fee is both equitable to the payers and beneficial to the City for capturing future revenue growth. The self-storage user fee would be collected and administered locally, and as such is not at risk of capture by the State like income or sales taxes.



Memorandum

To: Honorable Mayor and Members of the City Council

From: Luke Stowe, Interim Administrative Services Director/CIO
Michael Rivera, Interim Parking Manager

Subject: Parking Increase - \$2.00 per Hour Beginning January 1, 2020

Date: November 1, 2019

Pursuant to the City Council's request at its October 14, 2019 meeting, Parking staff submits this memorandum on the increase in on-street parking rates to \$2.00 starting in 2020. This memo was originally published on October 18, with updated information added on November 1.

Staff recommends that the City Council retain the previously approved parking rate of \$2.00 per hour for on-street paid parking spaces beginning January 1, 2020, projected to bring in an estimated \$1.5-\$1.9 million in additional revenue. Staff will continue to promote the parking garages, where most rates are lower than the on-street parking. If Council requests an amendment to the Code to reduce the 2020 rate to \$1.50 an hour, staff would propose additional changes to parking rates at garages in order to make up some of this lost revenue.

Parking Rate History:

A parking rate amendment, Ordinance 145-O-18, was adopted by City Council in November 19, 2018 allowing for hourly on-street parking to be charged at a rate of \$1.50 starting March 1, 2019, and \$2.00 starting January 1, 2020. The initial request proposed to City Council during budget discussions at the end of 2018 was to increase parking to \$2.00 per hour. After discussion, it was agreed upon to do the increase in steps, and start at \$1.50 in March 2019 and \$2.00 beginning January 2020.

Excerpt from Budget Memo re. 2019 Budget:

Staff is recommending the increase to \$2 per hour to both help increase the low fund balance of the Parking Fund and to increase the effectiveness of the Demand Based Pricing Strategy that was discussed in September. In order to be effective, the most convenient parking must be the most expensive and the least convenient parking must be cheaper. This will help with turnover on the streets, increasing parking availability at meters while also allowing for free or reduced

cost options for those who do not wish to pay the increased meter price. Parking Garages would still offer a lower rate than parking at a traditional metered space.

Review of Parking Averages By Location:

The City does not track parking revenue by business district, but per the Alderman's request, staff attempted to break out the areas within the 3 different systems used for parking (Surface Lots, Single Space Meters, and the ParkEvanston app, which can be used for both). Data was collected by reviewing the transaction and revenue numbers from March 1, 2018 through September 30, 2018 at the \$1.00 an hour rate, and the same time period in 2019 at the rate of \$1.50 an hour. Rates were increased to \$1.50 beginning March 1, 2019 so staff wanted to keep the months consistent in order to make a direct comparison.

ParkEvanston App (Citywide):

In 2018 there were a total of 233,106 transactions and in 2019 there were a total of 582,428 transactions, showing a 149.9% increase. These app transactions are a combination of on-street meter sessions as well as surface lot sessions. In 2018, the transactions were not broken down by region, so we are not able to break down numbers by area. However, most of the Main-Dempster Mile and Central Street business district parking payments are made through hourly parking in a surface lot, single space meters, or through the app.

Lots and Single Space Meters (by Area):

North/Central Street Business District:

In 2018, the surface lots had 27,265 transactions and 28,564 in 2019, showing a 4.8% increase. In addition, the single space meters had 8,365,164 minutes of parking calculated (PEMS, the software used to document meter transactions only tracks by minutes paid for, and not by the total number of transactions) and 8,301,093 in 2019, showing a slight .01% decrease. The numbers show that there was no significant change in usage, even though pricing was increased by 50% from \$1.00 to \$1.50 an hour.

Downtown:

The Downtown area has virtually no single space meters in the main region; so only the surface lots were compared for the area. In 2018, there were 94,232 transactions and there were 98,694 transactions in 2019. This shows an increase of over 4,000 transactions or 4.7%, even though pricing was increased by 50%.

Main-Dempster Mile:

In 2018, the surface lots had 26,720 transactions and 24,406 transactions in 2019, showing an 8.7% decrease. Single space meters had 4,360,981 minutes of parking in 2018, and 4,769,286 minutes in 2019, showing an increase of 9.4%. The decrease in lot transactions are likely due to the huge increase in app transactions in 2019. Instead of paying at the paybox in the lot, users are paying on the ParkEvanston app.

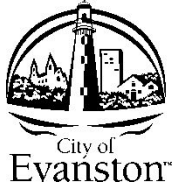
It should be noted, that although pricing was increased from 2018 to 2019, the number of transactions remained steady across the board, both at on-street meters and in surface lots. Additionally, when including app transactions across the entire city, the total number of paid parking sessions increased nearly 100%. Staff believes this upward trend would continue in 2020 if parking were to increase to \$2.00 an hour, as planned.

Capital Improvement Parking Projects:

The Parking Division contributes approximately \$3 million to the general fund and \$350,000 to the insurance fund every year. The Parking Division has scheduled the following Capital Improvement Fund improvement projects valued over \$2,500,000 for 2020 and 2021: Parking Lot #54 (Poplar/Central); Police/Fire Headquarters Parking; Garage Security Cameras; Parking Garage Structural Inspections; Concrete and Joint Repairs at Garages; Garage Elevator Inspections, and contribution to Crown Center Construction for the parking lot. All of these projects are necessary for the continued operation of the Parking Division, and safety of the residents/customers of the parking lots and garages.

Business Sales Tax:

A review of May 2018 and May 2019 sales tax revenue was conducted. It was found that there was over a 2% increase year over year. It should be noted that there was no increase to the percentage of sales tax between these periods. In 2018 on-street parking was charged at \$1.00 an hour and in 2019 it was \$1.50. While we are not able to break out where the businesses are located, most businesses in Evanston have paid parking outside of their business. This data shows that although parking was increased, the overall sales tax revenue for Evanston businesses did not decrease.



Memorandum

To: Honorable Mayor and Members of the City Council

From: Johanna Leonard, Community Development Director

Subject: Update – Proposal to for Taxation of Vacant Property

Date: October 21, 2019

Update:

At the October 26, 2019 City Council meeting, further discussion regarding the proposed taxation of vacant land was held. City Council members indicated pursuing taxation/increase of fees on vacant property. As a follow-up to this direction, staff proposes the following next steps:

- Increase existing vacant building registration fees from \$400 to \$2,500 on January 1, 2020 for properties currently meeting the qualifications as vacant properties under City Code. In addition to the registration fee, inspection staff completes an inspection of the property; the current initial vacant building inspection fee is \$500. Staff recommends adding a payment for additional inspections (\$250 for each inspection) after the initial vacant building inspection (e.g. inspections may be required again if property is not secure, code violations are identified, etc.). Based on this new fee structure, a vacant structure would cost \$3,000 annually to register and inspect.
- Increase the penalties for individuals who are found in violation of the vacant building ordinance. Currently under (4-16-14), “Any person found to have violated any provision of this chapter shall be subject to a minimum fine of two hundred fifty dollars (\$250.00) per day per violation to a maximum of one thousand dollars (\$1,000.00) per day per violation.” Staff recommends altering this to \$250 for first violation, \$750 for second violation, and \$1000 for the third and any subsequent violations after that.
- For properties that are unoccupied, but not considered vacant by City Code (due to factors such as currently under construction, actively marketed for lease, etc.), codify a requirement that these properties register with the City. Establish a \$25 registration fee for these properties. This information can be collected over the next 24 months to provide a greater inform the pattern and type of vacancies. A better understanding of vacancies will help inform potential ability to tax properties as well as the staff time required to monitor, inspect, and

assess/collect fees and/or taxes in the future. This follows the model set-forth in New York City.

- Monitor Cook County Assessor's efforts to modify the valuation and assessment of property and/or eliminate the ability to reduce assessments due to vacancy and other occupancy-related factors.

If these changes are favorable or further changes are necessary, the staff will prepare the draft ordinance changes in order to make changes by January 1, 2020.

Discussion:

At the October 14, 2019 City Council meeting, a request by Alderman Rue Simmons was made to study the potential of a vacant property tax in Evanston. This memorandum summarizes 1) current City regulations and fees associated with vacant property/land, 2) examples of other communities that charge for vacant land/developed property that is unoccupied, and 3) links to various periodicals and research on a vacant land taxes/fees.

Background:

Vacancy takes several different forms in Evanston. Per City Code, the City is able to designate properties through powers as a home rule entity as vacant based on a variety of factors. This relates largely to property maintenance, code compliance, and safety issues. Connected to the issue of vacant is what could be considered "managed vacancy" when a property owner prioritizes a specific rent over a filling a space. This is observed in commercial leasing activities, where commercial spaces sit vacant while a property owner seeks a higher rent. Currently the retail vacancy rate in Evanston is 3.9% (3rd quarter 2019).

Chapter 16 – [Vacant Buildings](#) of Title 4 -- Building Regulations, of the City Code, highlights the factors that define a vacant building. Notably these include a building that is unoccupied for over two years, is unoccupied and possesses code violations, is not actively being marketed for sale or lease, among other factors enumerated in the City Code. Properties that are registered as vacant must pay a \$400 annual registration fee. In addition to the completion of a vacant building registration form, the property must be inspected, the owner must also provide a vacant building plan that documents maintenance and future occupancy plans, repair, as well as other items as the property necessitates and is so determined by the Director. As of June 1, 2019, the City had approximately 60 buildings on its Vacant Properties List.

Cook County [allows](#) property owners to appeal taxes based on vacancies. Property owners are granted reductions in assessed value if properties are vacant for long periods of time. Staff briefly reviewed a small sample of properties in Evanston that were under construction, had not experienced full lease-up, or have long term

vacancies. The following table highlights the properties and the notable years of reduced assessed value (AV) based specifically on vacancies.

Selected Commercial/Residential Properties for Reassessment/Property Tax Relief for Vacancy

Address of Property	Tax Year	Proposed Value	Assessed Value	Adjusted Value due to Partial Occupancy/Vacancy
815 Emerson Street (11-18-109-052-0000)	2017		\$33,648	\$30,542
1111 Chicago Avenue (11-19-207-032-0000 and -030-0000)	2018		\$886,882	\$544,728
707 Church Street (11-18-127-003-0000 and -004-0000)	2019		\$2,217,331	\$1,013,428
501 Howard Street (11-30-213-056-0000)	2010		\$4,621,753	\$3,423,171
925 Edgemere Court	2018		\$380,005	\$207,765

The properties in the preceding tables reflect several instances that result in partial vacancy findings by the Cook County Assessor. Below are brief notes about properties:

- 815 Emerson is the location of the Link, a 241 unit mixed-use development. The vacancy appeal reflects the time during the construction of the property.
- 1111 Chicago Avenue is the current location of Binny’s Beverage Depot. The vacancy appeal reflects the time the property was vacant and actively marketed following the closure of the Whole Foods Market until Binny’s occupancy occurred.
- 707 Church Street is the former location of Barnes & Noble Bookstore, prior to its move across the street. The property was divided into smaller tenant spaces. While the lower commercial floor has changed tenants over the years, the upper floor has remained vacant. Based on Cook County Assessor Records, this property owner has appealed property taxes based on vacancy since 2009.
- 501 Howard Street is known as the 415 and is a 221 unit residential development. It was constructed prior to the Great Recession, experienced a foreclosure, and was not fully occupied for several years.
- 925 Edgemere Court was a property that experienced foreclosure during a rehabilitation/new construction project. A temporary certificate of occupancy was issued in mid-2018 following construction and rehabilitation activities.

Example Communities:

Several cities have implemented fees and taxes to encourage property to be utilized and no longer sit vacant. The fees have been directed to social service programs, the costs associated with monitoring vacant properties, and other city budget needs.

Oakland, California established a Vacant Property Tax Act, an annual tax on a vacant property (land undeveloped or developed, residential or non-residential), if it is in use less than fifty (50) days in a calendar year. The revenue collected by this tax will be used to raise revenue to support services for homeless people, affordable housing, and other human services. This tax is a property tax that is levied on the regular property tax bill and not an administrative fee. Oakland is currently in the process of identifying parcels/properties and issuing notices to property owners that they may be subject to the tax. The notices provide direction on appeal processes if an owner is potentially exempt from the tax. Examples of potential exemptions are very low-income owner, property owners are in a process of redevelopment/active building permit, non-profit organizations. Tax rates are:

- Non-residential and residential is \$6,000/parcel
- Condo/duplex/townhome is \$3,000/parcel
- Parcel with ground floor commercial activity, but vacant is \$3,000/parcel
- Undeveloped land is \$6,000/parcel

More information on Oakland's tax can be found [here](#).

New York City, New York has considered over the years a tax on vacant properties. Mayor Bill DeBlasio made [news](#) when he proposed a tax on vacant NYC storefronts. The concern cited was that in some neighborhoods property owners wait for high-end tenants that will pay significant rents; as a result some neighborhoods like Soho have vacancy rates of 20% or more. In July 2019, the City Council passed a [bill](#) that will require all storefronts and second floor commercial spaces to register with the City. This will create a database of commercial spaces to monitor vacancies and better understand what is occurring. CityLab [reported](#) on this data gathering effort by the United States' largest urban environment. The requirement to register businesses/commercial space will take effect in one year.

Melbourne, Victoria, Australia sought to address international investment in housing in its City and subsequent lack of occupancy in purchased properties and established a tax on vacant residential properties. As a result, property owners were often located in another country and not occupying the homes in Melbourne regularly. A property is considered vacant in this instance if it is not occupied for more than six months in the preceding calendar year. Six months does not need to be in a continuous period, but can be in aggregate. The tax is a property tax on one percent (1%) of the capital improved value of the property. In order to understand the magnitude of this tax, if the capital improved value of the property is AUD500,000 the tax payable would be AUD5,000 (In U.S. currency, this is a \$342,895 value property and a \$3,428.95 tax).

Further Research on Vacant Building Tax/Fee:

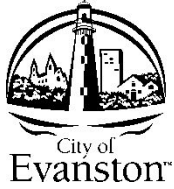
The consideration of the practice of administering additional fees for maintaining a property as vacant is the subject of much discussion in various communications and periodicals. Below is a summary with links to some of these documents:

Pew article, "[Can Extra Taxes on Vacant Land Cure City Blight](#)" summarizes the balance between charging additional taxes and mitigating blight. Additionally it summarizes vacant taxing structures in Washington DC and Pittsburgh, Pennsylvania.

Fast Company wrote that in some cities that experienced large numbers of "low use" housing units, the tax increased the owners to utilize or sell properties that were vacant. "[Taxing empty apartments could ease the housing crisis](#)" focuses on residential uses and taxation.

The Center for Community Progress, an organization that focuses on reuse of vacant spaces, [highlights additional fees](#) as an idea for motivating property owners to reuse properties.

Governing Magazine [highlighted](#) the changing demand for commercial rents in hot or soft markets and how fees might impact vacancies.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Jennifer Lin, Human Resources Division Manager

Subject: 2020 Proposed Budget - Auto Allowance

Date: October 15, 2019

Question:

Name and position of staff who receive car stipends and the amount.

Response:

The auto allowance amounts were reduced by 25% in the 2019 budget. Below is a list of current employees (and positions) who receive auto allowances. The total amount on the 9/20/2019 paycheck was \$4,276.50 (compared to last year's total of \$6,752.00 during this same pay period). Annually, the total cost of all auto allowances is \$51,618.

All department directors are granted a \$311.25/month auto allowance. Other allowances are discretionarily granted by department heads to staff who are required to travel for their jobs. The different amounts take into consideration the employees' positions and how much travel they are typically required to do. The lowest auto allowance is \$37.50/month. Some staff are given take-home vehicles due to the emergency nature of their jobs which would justify a take-home vehicle. This would include the Police and Fire Chiefs as well as some Facilities staff.

Karen Danczak Lyons' auto allowance of \$4,800 annually is granted by contract, so this could not be eliminated or reduced without her explicit consent.

A summary of what other local municipalities do with regard to employee auto allowances (not including the City/Village Manager) is below:

- Schaumburg - Department Directors and Assistant Village Manager receive \$5,948 annually
- Huntley - Assistant Village Manager and Director of Development Services receive \$4,800 annually
- West Chicago - Department Directors receive \$7,800 annually
- Palatine - Department Directors receive \$6,825 annually
- Elgin - some Department Directors receive \$4,200 annually

- Arlington Heights - Director of Planning & Community Development receives \$4,800 annually
- St. Charles - Department Directors receive \$5,400 annually
- Lombard - Finance Director receives \$1,800 annually, Community Development Director receives \$3,600 annually, and Public Works Director receives \$6,000 annually
- Winnetka - 5 employees receive \$6,480 and \$3,240 annually
- Woodridge - Department Directors receive \$3,000 annually
- Crystal Lake - Department Directors receive \$5,100 annually
- Glenview - Department Directors and Deputy Village Manager receive \$6,000 annually, Director of Dispatch Center receives \$4,800 annually, and Deputy Director of Dispatch Center receives \$3,600 annually
- Bartlett - Building Director receives \$5,500 annually, Public Works Director receives \$5,550 annually, Deputy Police Chiefs receive \$4,312 annually
- Vernon Hills - 4 directors receive \$5,760 annually
- Mount Prospect - certain employees in the Health Department receive \$600 annually
- Addison - \$5,000 annually to eligible employees
- Libertyville - no vehicle allowances
- Oak Lawn - no vehicle allowances
- Rolling Meadows - no vehicle allowances
- Woodstock - no vehicle allowances
- Skokie - no vehicle allowances
- Lake Zurich - no vehicle allowances
- Naperville - no vehicle allowances
- Wheaton - no vehicle allowances
- Algonquin - no vehicle allowances
- Buffalo Grove - no vehicle allowances
- Northfield - no vehicle allowances
- Elk Grove Village - no vehicle allowances
- Northlake - no vehicle allowances
- Des Plaines - no vehicle allowances

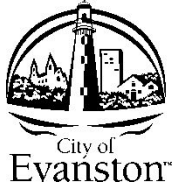
The impact of a full reduction of the auto allowance for employees, other than Karen Danczak Lyons, would be an annual savings of \$46,818¹ across all funds. The elimination of an auto allowance could² require the City to reimburse employees for mileage using the IRS standard which is currently \$.58/mile. Given the small size of Evanston, it is unlikely that employees who need to travel for their jobs would submit mileage reimbursement amounts that would come close to their respective monthly allowances. Employees could not seek mileage reimbursements for routine daily travel to and from their homes (unless applicable) but only from one work location to another work location.

¹ Using current employees, multiplied by 12. This amount could change based on vacancies.

² The City is not required to reimburse for mileage under federal or state law, so a reimbursement would be discretionary and only serves as an employee benefit.

Should the City eliminate auto allowances and allow for reimbursements, employees would need to keep track of their travel and submit mileage reimbursements. The City also has pool vehicles available for employees to use to travel to other work locations throughout the day. Pool bicycles have also been made available at the Civic Center for greener travel options (though this is not feasible with inclement weather).

ABAJIAN, ADAM	Recreation Program Coordinator	37.50
BENSON, VICTORIA	Deputy City Attorney	75.00
BIGGS, LARA	Capital Planning Bureau Chief	112.50
CANO, EDGAR	Public Services Bureau Chief	112.50
CHERRY, KENNETH	Recreation Manager	75.00
CASTILHO, ANDERSON	Broadcast Operations Specialist	37.50
DAHAL, RAJEEV	Sr Proj Mgr: Traf/ROW/Permits	75.00
DANCZAK LYONS, KAREN	Director, Library	400.00
DANKWA, MARY	Human Resources Specialist	37.50
DESAI, HITESH	CFO/Treasurer	311.25
DOERNER, RAYMOND	Recreation Services Manager	54.00
DOLLINS, RYAN	Recreation Program Coordinator	37.50
GUSTAFSON, ROBERT	Safety & Workers' Comp Mgr.	37.50
HAWK, KAREN	Assistant Director of P,R,CS	112.50
HEISER, ANN MARIE	Recreation Manager	75.00
HEMINGWAY, LAWRENCE	Director of Parks/Rec/Comm Serv	311.25
KELLOGG, AMY	Recreation Manager	75.00
KING, DARRELL	Water Production Bureau Chief	112.50
LEONARD, JOHANNA	Director, Community Development	311.25
LEVINE, STEFANIE	Sr Project Mgr: Facilities/Parks	75.00
LIN, JENNIFER	Human Resources Division Manager	37.50
MASONCUP, MICHELLE	City Attorney	311.25
MOYANO, PAUL	Senior Project Manager	75.00
NAGAR, SATHYSHA	Senior Project Manager	75.00
OGBO, IKENGA	Interim Health Director	311.25
RICHARDSON, KIMBERLY	Deputy City Manager	112.50
SADLER, CALLIE	Senior Citizen Ombudsman Asnt.	56.25
STONEBACK, DAVID	Director of Public Works Agency	311.25
STORLIE, ERIKA	Interim City Manager	311.25
THOMPSON, AUDREY	Sr. Citizen Ombudsman Manager	75.00
VENATTA, CHRISTOPHER	Sr Prjct Mgr: Construct/Design	75.00
WOODSON, LEONARD	Recreation Program Coordinator	37.50
ZALMEZAK, PAUL	Economic Development Manager	37.50



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Hitesh Desai, Chief Financial Officer
Kate Lewis-Lakin, Budget Coordinator

Subject: 2020 Proposed Budget – Proposed Property Tax Levy

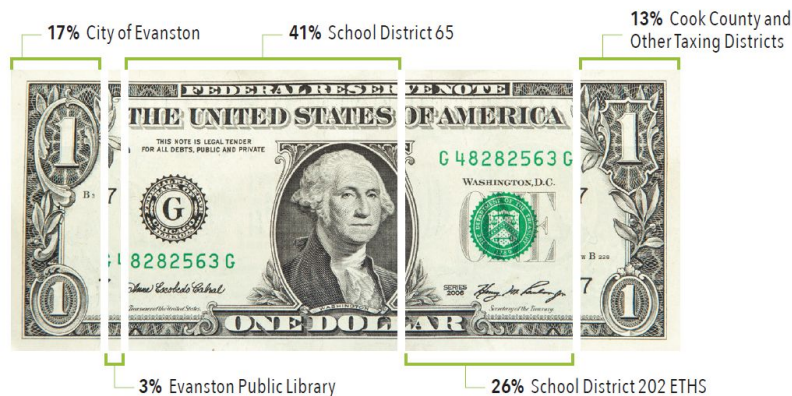
Date: October 28, 2019

Question: Please summarize the impact of the proposed 10.9% increase to the City tax levy.

Response:

The City's 2020 Proposed Budget includes a 10.9% increase to the net property tax levy. A 10.9% increase in the property tax levy does not mean that individual homeowners and businesses will see a 10.9% increase in their personal property tax bills. It does mean that the total amount of money that the City will receive from property taxes is 10.9% higher than the year before. The 2018 City & Library property tax net levy (payable in 2019) was \$49,712,625. The proposed 2019 net levy (payable in 2020) is \$55,140,240. The difference between these two numbers is 10.9% and is equal to \$5,427,615. How this increase is spread to individual properties is explained below.

The City and Library combined tax levy makes up approximately one-fifth (20%) of property taxes paid by Evanston homeowners and businesses, as shown in the image below. This means that a 10.9% increase to the City's portion is only an increase of 2.18% on the total property tax bill.



The triennial reassessment process conducted by Cook County in 2019 further complicates this. The tax rate is determined by dividing the tax levy by the total equalized assessed value (EAV) of all properties. The reassessment will cause the total EAV to increase, though the numbers will not be final until July 2020. If the total EAV increases by a higher percentage than the tax levy, the rate will decrease.

The City's rate for taxes payable in 2019 was approximately 1.858%. This was based on a net levy of \$49,712,625 divided by EAV of \$2.7 billion.

Initial estimates from Cook County show Evanston's EAV increasing to from \$2.7 billion to \$4.5 billion. If this is received, dividing the new proposed net levy of \$55,140,240 by \$4.5 billion yields a tax rate of 1.219%. Because the EAV increased so much, the rate goes down, even with the 10.9% increase in the net levy.

A more conservative estimate would be \$3.6 billion in EAV. Dividing the new proposed net levy of \$55,140,240 by \$3.6 billion yields a tax rate of 1.532%. Again, the rate goes down.

Earlier budget memos offer examples of how these scenarios translate to homes of different property values. How the change impacts an individual property will depend on how much the property assessment changed in relation to the total EAV.

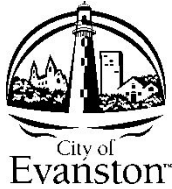
If a property saw an increase in assessment larger than the increase to total EAV, it is likely that property would see an increase in tax burden. If the increase in assessment is lower than the increase to the total EAV, it is likely that property would see a decrease in the tax burden.

To estimate the new City taxes for an individual property, multiply the assessed value by the equalizer of 2.91. Then multiply this equalized assessed value by 0.01532 (projected tax rate of 1.532%). This can offer a conservative estimate of City taxes given the new assessments and the proposed tax levy increase.

For example, a home with \$300,000 in market value should have an assessed value of \$30,000. The equalized assessed value of the home is \$87,300. Multiplying this by the new City tax rate gives \$1,337 in annual City taxes. This can be compared to prior annual tax amounts to estimate the increase. Again, these numbers are estimates and are subject to change.

The details of the property tax levy can be found on page 13 in the Transmittal Letter of the Proposed Budget Document, available here:

<https://www.cityofevanston.org/home/showdocument?id=51090>



Memorandum

To: Honorable Mayor and Members of the City Council

From: Johanna Leonard, Community Development Director
Paul Zalmezak, Economic Development Manager

Subject: Chicago North Shore Convention and Visitors Bureau

Date: October 28, 2019

Question: Please prepare a memo showing ROI for Evanston's investment in the North Shore Convention and Visitors Bureau.

Response:

It is difficult to provide a straight return on investment (ROI) calculation for the funds contributed to the Chicago's North Shore Convention and Visitors Bureau (NSCVB) due to the proprietary nature of the taxes received by both the City and the State of Illinois. Alternatively, staff offers the example of how City funds provided to the NSCVB help to leverage additional tourism funds from the State and redirect them to local businesses and help facilitate the "return" of state hotel taxes back into the local economy.

The City approved \$83,609 on May 28, 2019 for the CVB's FY2020 budget allocation. The source of funds for this allocation is the Municipal Hotel Tax. The City collected \$2.1 million in Municipal Hotel Tax in 2018. Staff anticipates a similar level of revenue for 2019. The City's contribution to the CVB represents approximately 4% of the budgeted Municipal Hotel Tax revenue.

Since 1985, the State of Illinois provides a 100% matching grant to CVBs throughout the State through the Local Tourism and Convention Bureau Grant Program. The program was established to increase hotel occupancy and travel in the State and provides dollar-for-dollar matching grants to the 40 certified CVBs. Each CVB must submit market and budget plans, provide dollar for dollar matches, and follow proper fiscal management requirements of the State of Illinois. A full summary can be found at this link: <https://www.iira.org/rdrq/local-tourism-and-convention-bureau-grant-program/>

The NSCVB receives, as part of its overall grant, collections relating to the State's 6% hotel tax. The State does not break down what each city's contribution is from the State hotel tax. It is estimated that from the \$1.0 million grant from the State, \$100,000 is due

to Evanston state hotel tax collections (information is proprietary and challenging to confirm). As the only CVB covering Evanston, the NSCVB would still get that money regardless of whether Evanston chose to actively participate as a dues paying municipality in our programs; if Evanston was not a participant the funds could be spent how the remaining communities deemed necessary. As a result of the City's direct contribution and ongoing participation, Evanston is able to access the services of the NSCVB and make sure the funds from the State are directed to support Evanston-based CVB activities (e.g. events and programs are inclusive of Evanston businesses) all the while maintaining a relatively small contribution to the overall NSCVB budget. The formula that determined base dues was based on hotel revenue in 2002 and did not include any other taxes paid by restaurants and other tourism related businesses.

Background:

NSCVB is the certified convention and visitor bureau currently representing Evanston, Glenview, Winnetka, Wheeling, Prospect Heights, Northbrook, Skokie and Glencoe. The annual budget for the CVB is approximately \$1.857 million; Evanston's contribution is 4.5% percent of the overall budget.

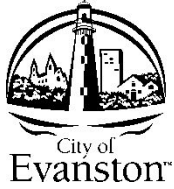
The group's primary mission is to attract group and individual business and leisure travelers to these communities. CNSCVB works closely with the local hotels, the Evanston Chamber of Commerce, Downtown Evanston, the Main Dempster Mile, and other business districts to accomplish this mission.

Local municipalities partner with the convention and tourism bureau in their region by providing the required match to these state dollars which then allow the hotels, restaurants, attractions, retailers and hospitality related service business in those communities access to the bureau's sales and marketing programs.

For fiscal year 2019 (July 1, 2018-June 30, 2019), the CVB reports the following key activities.

- The Bureau distributed 490 Direct Group Sales Leads to Evanston hotels representing 29,418 sleeping nights. This represents \$27.8 million of potential business to the area. It is noteworthy to highlight that the results of these leads are not tracked the CVB. The individual hotels are responsible for booking the sales opportunity. This occurs due to a variety of factors that relate to sales commission by individual hotels, ability to accommodate the sales opportunities, and responses to the sales lead.
- Attended approximately 30 trade shows with hotel partners.
- Printed collateral and targeted advertising to meeting organizers and leisure travelers.

- Social media targeted advertising to Northwestern University college football opposing team communities.
- Partner with Evanston business districts on advertising co-ops and events for local merchants, seminars and networking events.
- Museum and Restaurant advertising campaigns.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Hitesh Desai, Chief Financial Officer
Kate Lewis-Lakin, Budget Coordinator

Subject: 10-Year Debt Analysis

Date: October 28, 2020

Question: Provide a budget memo showing city debt over the last 10 years.

Response: Attached is a chart showing City General Obligation (G.O.) and IEPA debt from 2006 to 2020. The categories of debt are described below.

The chart clearly shows that total debt decreased substantially from 2006 to 2017, by nearly \$100 million. This allowed the City to issue new General Obligation (G.O) debt in 2018 and 2019 for the Crown project, and new IEPA loan debt for the treated water storage tank replacement at the water plant.

The 2020 Projected debt includes new bonds to be issued in 2020 is shown in the 2020 Proposed budget. It also includes the retirement of certain bonds in December 2020. The net change to Governmental G.O. debt outstanding is flat. Total debt increases due to new Water bonds and IEPA loans for water and sewer projects.

Debt Categories:

Governmental G.O. Debt - General Obligation debt issued for governmental purposes, including City capital improvement projects, and tax-increment financing (TIF) districts. General obligation debt is a municipal bond debt backed by the credit and taxing power of the issuing jurisdiction rather than the revenue from a given project. This debt is typically paid by property tax revenue, including TIF property taxes, as well as some operating revenue sources. This includes bonds issued in 2018 and 2019 for the Robert Crown Community Center project.

Note: The City's debt limit applies only to governmental general obligation debt that is supported by corporate property taxes. This number is lower than the total G.O. governmental debt, because it does not apply to debt for TIF districts or debt abated by other revenue sources.

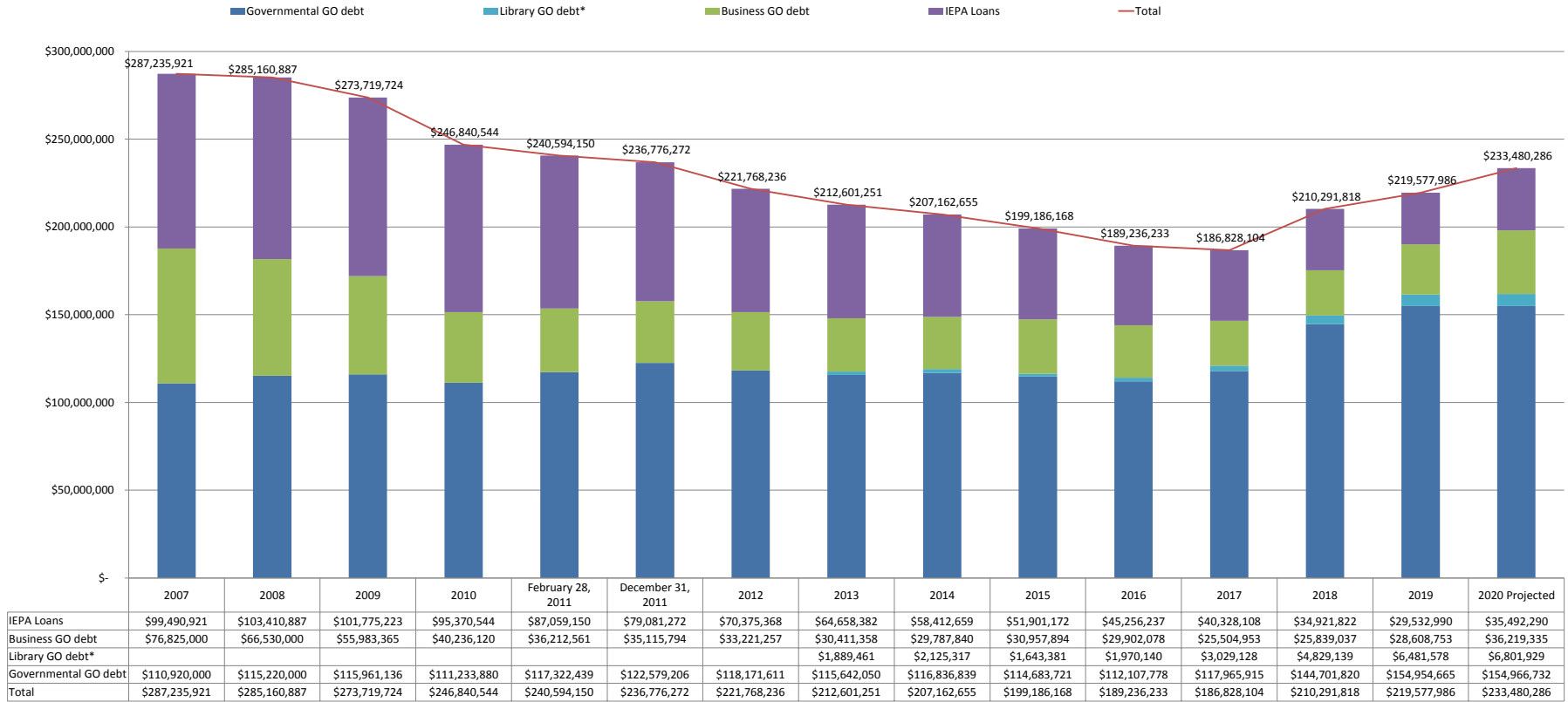
Library G.O. Debt - General Obligation debt issued for projects at the Evanston Public Library. Prior to 2013, library debt was included in G.O. Debt Governmental.

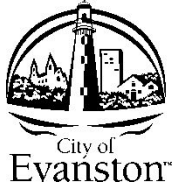
Business G.O. Debt - General obligation debt issued for business-type activities, including capital improvement projects for water, sewer, and parking systems. The debt service on these bonds is paid by service charges for these services, not property tax revenue.

IEPA Loans - Low-interest loans issued by the Illinois Environmental Protection Agency (IEPA) for the improvement of sewer and water systems. Debt service is paid by sewer and water service charges, not property tax revenue.

Attachment:
15-Year Debt Chart

Principal Debt Outstanding





Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Alex Thorpe, Revenue Manager

Subject: Natural gas versus wholesale gas purchases

Date: October 31, 2019

Question: How do we tax natural gas versus wholesale gas purchases?

Answer: The City's natural gas tax rate consists of two rates. The first is a 2.5 cents per therm which imposed at the retailer level, and then 5% tax on the gross receipts. Any wholesaler to wholesaler transaction would not be subject to the City's natural gas tax.

3-2-9-7-3. - TAX IMPOSED

(A) Except as otherwise provided by this [Section 3-2-9-7](#), a tax is imposed on the privilege of using or consuming gas in the City that is purchased in a sale at retail at the rate of 2.5 cents (\$0.025) per therm.

3-2-9-2. - TAX IMPOSED

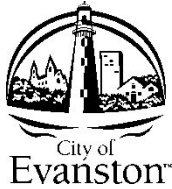
(A) Persons engaged in the business of distributing, supplying, furnishing or selling gas for use or consumption within the corporate limits of the City, and not for resale, at the rate of five percent (5%) of the gross receipts therefrom.

Question: Do nonprofits pay the same tax rate as everyone else?

Answer: Yes, nonprofits are subject to this excise tax. However, there are exemptions in the City code.

The 2.5 cent per therm tax will not apply to the use or consumption of gas by:

1. A public utility engaged in the business of distributing gas; or
2. A school district created and operating under the school code of the State; or
3. A unit of local government.



Memorandum

To: Honorable Mayor and Members of the City Council
Interim City Manager Erika Storlie

From: Alexandra Ruggie, Assistant City Attorney
Hitesh Desai, Chief Financial Officer

Subject: Amusement Tax on Gym Memberships and Health Class Punch Cards

Date: October 31, 2019

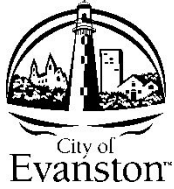
Question:

At the Saturday, October 26, 2019 City Council Budget meeting, clarification was requested regarding whether the City has the ability under an Amusement Tax to implement a tax on gym memberships or gym class punch cards for a specific number of classes.

Answer:

The City cannot issue an Amusement Tax on gym memberships or gym punch cards for classes. This issue has been previously resolved by the Illinois Supreme Court in *Chicago Health Clubs, Inc. v. Ronald Picur, Comptroller of the City of Chicago, et al.*, 124 Ill. 2d 1 (1998). The City of Chicago attempted to institute an amusement tax to include racquetball and health clubs. *Id.* at 6. The Court, however, found that such a tax would be considered an “occupation tax” which municipalities are restricted from instituting under the article VII, section 6(e) of the Illinois Constitution of 1970. *Id.* at 8. The Court further explained that even though the tax under Chicago’s ordinance would be on the member of the health club, it would in effect be “a tax unique to those types of commercial enterprises.

Realistically viewed, it is clear that a tax on membership fees on health and racquetball club memberships is a tax on those occupations.” *Id.* at 12. The same analysis would apply for a punch card or a group of classes as well as a one-time class purchase at a health club and therefore the City cannot institute an amusement tax on either the gym memberships or the punch card for classes.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Alex Thorpe, Revenue Manager

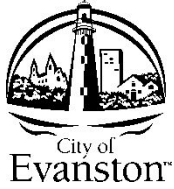
Subject: 1% Increase to the Hotel Tax

Date: October 31, 2019

Question: How much revenue would a 1% increase in Hotel Tax generate?

Response:

There are 9 Hotel tax remitting businesses. A 1% increase (from 7.50% to 8.50%) to the hotel tax would bring in an additional \$250,000 to \$300,000 based the current budgets and tax return information.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Luke Stowe, Interim Administrative Services Director/CIO
Michael Rivera, Interim Parking Manager

Subject: Sunday On-Street Parking Rates

Date: October 28, 2019

Question: What are the pros/cons to eliminating paid on-street Sunday parking?

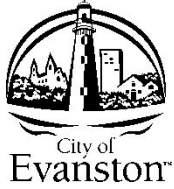
Response:

The City of Evanston currently charges for on-street parking on Sundays from one o'clock (1:00) P.M. to nine o'clock (9:00) P.M. Parking and budget staff estimate that on-street parking revenue is approximately \$260,000- \$300,000 a year (depending on the per hour rate). Prior to March 1, 2019, on-street parking was free all day on Sundays. Parking currently remains free on Sundays in the three downtown parking garages.

Parking Services supports and recommends that if City Council wishes to remove on-street parking rates on Sundays, that it consider increasing the hours of enforcement Monday through Saturdays. Staff believes a similar amount of revenue could be received by adding one hour in the morning and one hour in the evening, extending enforcement hours from seven o'clock (7:00) A.M. to ten o'clock (10:00) P.M. This change would allow for free Sunday.

Staff does not feel that the two (2) additional hours a day would significantly alter parking/consumer habits and also feels the reduction of Sunday enforcement would be an attractive offering to residents and businesses.

In addition, free Sunday would help bolster enforcement efforts Monday-Saturday by utilizing more staff for those assigned hours and shifts. The Monday-Saturday schedule would allow for specialty assignments, such as utilizing the License Plate Recognition System to specifically search the City for vehicles that have not purchased a wheel tax, residential permit or if boot eligible. The enforcement team would demonstrate a greater presence in the field. Shift coverage would also be improved should a staffer request vacation time or call in sick.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Lawrence Hemingway, Director of Parks & Recreation
Kate Lewis-Lakin, Budget Coordinator

Subject: Evanston Cradle to Career Funding

Date: November 1, 2020

Question: When is Cradle to Career funding cycle up? Can we move it into the Mental Health Board selections in future years?

Response:

Evanston Cradle to Career (EC2C) is a capacity building organization and is used to coordinate efforts among different agencies to achieve stronger outcomes which is the collective impact approach. The cycle for payment for EC2C is an annual payment that is generally processed in the spring. There isn't an agreement, but the payment is processed and sent to council for approval.

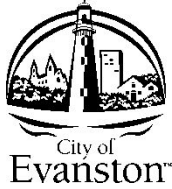
As for whether EC2C could apply for funding through the Mental Health Board (MHB), EC2C doesn't run direct programming like other MHB participants. The MHB ordinance refers to funding service providers that address the needs of at-risk residents. The board requires reports with measurable inputs/activities and outcomes from MHB recipients to assess performance, and the funding is very competitive.

The purpose of the Mental Health Board is stated as follows in Ordinance 79-O-16:

The purpose of the Mental Health Board ("Board") is to protect and promote the mental health and welfare of all City of Evanston residents. The Board reviews service providers requesting grants from the City of Evanston Human Services Fund and develops fund recommendations that address the needs of the City's at-risk residents who are unable to meet basic needs or access mainstream services without assistance. Services can include, but are not limited to: treatment for mental health, treatment for substance abuse issues, and access to basic human needs.

Because EC2C is not a direct service organization it is unlikely to qualify to MHB funding. However the City Council does have purview over the MHB purpose and could adjust the purpose as it sees fit. If the Council would like to move forward with funding

EC2C through this process relevant City Code updates could be brought forward, but staff would recommend discussions with the MHB first.



Memorandum

To: Honorable Mayor Hagerty and Members of the Evanston City Council

From: Lawrence C. Hemingway, Director, Parks, Recreation & Community Services

Subject: F.A.A.M. Budget Memo

Date: October 25, 2019

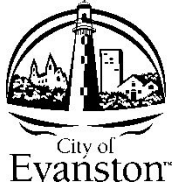
The Fellowship of African American Men (FAAM) is a competitive basketball and cheerleading program for boys in grades 6-8 and girls in grades 5-8. FAAM has served thousands of participants in its 50+ years of existence. The program began at the Fleetwood-Jourdain Community Center and continues to utilize the facility for its game days and several days each week for practice sessions. Over the years, FAAM has expanded in size and now also utilizes gym space at several District 65 schools and other facilities in the community.

Since the inception of FAAM, the program has been allowed to utilize the Fleetwood-Jourdain Community Center at no cost to the program. While no usage fees have been instituted, FAAM has provided a variety of support to the center over the years. Most recently FAAM has donated a copier for the office, two score boards, tables and chairs and a scorer's table for Fleetwood programs.

The Parks, Recreation and Community Services Department currently utilizes a fee model for our local youth sports associations where a fee of \$10 per participant is charged to the organization rather than an hourly rental fee. FAAM had agreed to follow the existing model of paying \$10 per participant for the 2019-2020 season. However, it was determined in August of 2019 that the Fleetwood-Jourdain Community Center gym would not be available for the FAAM season due to safety concerns from buckling in some areas of the floor, so FAAM is utilizing non-City facilities for the current season. In future seasons, FAAM will pay the \$10 per participant rate.

New World, the City's financial system only dates back to 2013. The following table reflects both revenue and expenses for Fleetwood-Jourdain since then:

	2013	2014	2015	2016	2017	2018
Revenue	\$333,282	\$305,236	\$509,267	\$573,765	\$704,153	\$581,361
Expenses	\$884,578	\$977,109	\$953,506	\$1,041,171	\$1,035,097	\$1,064,471



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council
From: Dave Stoneback, Public Works Agency Director
Subject: Public Works Expenses for NU Games
Date: October 31, 2019

Question: Does the City receive reimbursements for expenses related to public works employees during Northwestern football games?

Answer: The City does not currently receive reimbursements for public works employees' hours during Northwestern University (NU) home football games.

Typically, two Traffic Operations crew members will work for 10 to 11 hours each on an NU football game day. The first 4 hours of the day are spent setting up signage to direct game day traffic to the campus for parking, delivering barricades and signs to close certain streets to traffic, and setting up traffic control on Ashland for the NU lots. Once these tasks are completed, the crew will return to the Service Center and work on City projects for about 3 hours. The last 3 to 4 hours of the day are spent pickup up the earlier pregame set-up and preparing traffic control for the end of the game.

The overtime cost for Public Works employees on recent game days are shown below.

9/21/19 Game (NU vs. Michigan State):
2 employees, 11.25 hours overtime each
Total cost: \$1,130.32

10/18/19 Game (NU vs. Ohio State):
2 employees, 10.5 hours overtime each
Total cost: \$1,087.65

10/26/19 Game (NU vs. Iowa State):
2 employees, 11 hours overtime each
Total cost: \$1,117.43



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Demitrous Cook, Chief of Police
Joseph Dugan, Deputy Chief of Police
Louis Gergits, Manager of Budget and Finance
Shada Eshoo, Administrative Coordinator

Subject: Administrative Fees for Police Special Details

Date: October 31, 2019

Question: Do community organizations cover the administrative cost incurred by the Police Department for providing off-duty officers at special events?

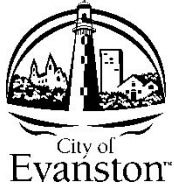
Response:

Currently, the Evanston Police Department does not charge an administrative fee for providing off-duty police officers at special events. It only invoices the direct cost incurred by the City of Evanston – the amount paid to the officer plus Medicare tax. The hourly rate ranges from a wage of \$38 per hour for the CTA detail to 1.5X the employee pay rate for Northwestern events.

In light of the increasing demand for off-duty police officer(s) at special events, Police staff has considered the inclusion of an administrative fee to each special detail billed. Based on the experience of the Department administrative staff, the recommendation is for a three-tier fee structure. For events where the Police reimbursement is less than \$1,000, the community organization would be billed an additional one hour of the detail's rate (approximately \$50). For events where the Police reimbursement is greater than \$1,000, the community organization would be billed an additional two hours of the detail rate (\$100). For re-occurring details (CTA, Century Theaters, and Northwestern University), the organizations would be billed four hours of detail rate per month (\$200). Century Theaters is currently paying this fee. The additional fees would need to be coordinated with the CTA.

The administrative fee would cover the cost of posting and filing a detail, of paying the officer(s), of billing the organization, and of receiving and reconciling the payment.

Staff projects that the additional administrative fees would result in increased payments of \$10,000 based on 2018 details.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Michael Rivera, Parking Manager
Kate Lewis-Lakin, Budget Coordinator

Subject: Central Street Parking Revenue

Date: November 13, 2019

Question: Please estimate the budget impact of maintaining \$1.50 per hour parking rate in the Central Street business district, rather than increasing to \$2 per hour.

Response:

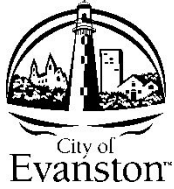
Maintaining \$1.50 per hour parking rate in the Central Street business district would be a loss of \$78,000 to 178,000 in revenue to the Parking Fund, as compared to increasing rates to \$2 per hour.

Parking revenue in the Central Street area from March 1 - October 31, 2019 was \$355,165. This is from parking app payments made by zone, single space meters, and hourly parking at Lot 4 (2100 Central Street). The estimated full year revenue for 2019 at the current \$1.50 per hour is \$443,956 for the Central Street area.

2019 Revenue	
2019 March-October	\$355,166
2019 Full Year Estimate	\$443,957

Assuming a slight increase in demand based on current trends, revenue estimate at \$1.50 per hour for 2020 would be \$527,116. At \$2 per hour and assuming more conservative demand would yield \$605,520 in revenue, a gain of \$78,000 compared to \$1.50 per hour. If demand continues at current high trends, revenue would be \$705,625, a gain of \$178,509 compared to \$1.50 per hour.

2020 Revenue Estimates		Revenue Gain
\$1.50 per hour	\$527,116	-
\$2 per hour - conservative	\$605,250	\$78,134
\$2 per hour - high estimate	\$705,625	\$178,509



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Hitesh Desai, Chief Financial Officer

Subject: Projected Video Gaming Revenue

Date: November 13, 2019

Question: Please provide estimates for revenue if video gaming were to be allowed in Evanston.

Response:

Revenue Estimates

Video gaming taxes are based on the net terminal income (NTI), which is revenue remaining from the machines after payouts to players. As of July 1, 2019, there is a 33% tax on the NTI. The State gives the community 15% of the tax revenue and keeps the remaining 85%. After taxes, the remaining NTI is then split with half going to the retailer, such as a restaurant or bar, and half going to the operator of the video gaming machine. Communities can also place rules on the licensing of these businesses, including a licensing fee.

Below is a chart showing data from the September 2019 Illinois gaming board report. This shows the number of establishments and video gaming terminals (VGTs) in nearby communities.

Municipality	Establishment Count	VGT Count
Waukegan	54	264
Hoffman Estates	25	123
Niles	27	133
Elk Grove Village	22	108
Carpentersville	27	132
Buffalo Grove	9	45
Mount Prospect	9	40

The chart below shows NTI and tax revenue from September 2019 for these same communities. The “Est. 12 Month Revenue” column shows the annual revenue estimate for the community based on September monthly revenue.

Municipality	Net Terminal Income	NTI Tax	State Share	Municipality Share	Est. 12 Month Revenue	Est. Annual Revenue per VGT
Waukegan	1,905,346	628,764	533,497	95,267	1,143,204	4,330.32
Hoffman Estates	713,838	235,566	199,875	35,692	428,304	3,482.15
Niles	711,655	234,846	199,264	35,583	426,996	3,210.50
Elk Grove Village	686,412	226,516	192,195	34,321	411,852	3,813.44
Carpentersville	570,418	188,238	159,717	28,521	342,252	2,592.82
Buffalo Grove	135,931	44,857	38,061	6,797	81,564	1,812.53
Mount Prospect	103,951	34,304	29,106	5,198	62,376	1,559.40

The last column shows annual tax revenue to the municipality divided by the number of VGTs in each community. This shows that communities with fewer VGTs generally receive less tax revenue per machine than those with more.

If Evanston assumed \$1,500 to \$3,000 in annual tax revenue per VGT, one business with the maximum 6 VGTs would yield \$9,000 to \$18,000 in annual tax revenue for the City. Five businesses with the maximum 6 VGTs would yield \$45,000 to \$90,000 in annual tax revenue for the City.

The City could also add a licensing fees per machine. Morton Grove and Niles both charge a licensing fee ranging from \$250 to \$1,000 per machine, annually. At \$250 per machine, five business with 6 VGTs each would yield an additional \$7,500 in revenue.

Background

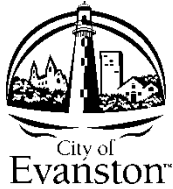
Video gaming is presently permitted throughout the State of Illinois at specifically identified establishments as defined by the Video Gaming Act (230 ILCS 40/1 et seq.) Video gaming is licensed and regulated by the Illinois Gaming Board.

A video gaming license may be obtained by establishments where alcohol is served for consumption on the premises, nationally chartered fraternal organizations, nationally chartered veterans organizations, and truck stops featuring 3-acre facilities with separate diesel islands and parking spaces for commercial motor vehicles. The state allows each establishment a maximum of 6 devices. Communities may impose their own limit, but cannot exceed the state max of 6.

Video gaming is prohibited in the following locations by state law. Communities can add additional location restrictions for gaming establishments.

- Within 1000 feet of a horse racing facility or riverboat home dock. This restriction can be waived by the Illinois Gaming Board unless the establishment and the horse racing facility or riverboat have common ownership.
- Within 100 feet of a school or place of worship.

Video gaming as defined by the Video Gaming Act is presently prohibited within the City of Evanston. See Section 9-5-8-9 of the City Code. The ordinance prohibiting video gaming was first passed in Evanston in September 2009 (Ord. 77-O-09). Repeal of Section 9-5-8-9 will be necessary to allow video gaming to occur in Evanston. In addition, an amendment to the City Code may be considered to allow for the special use of video gaming consistent with the location restrictions set forth in the Video Gaming Act.



Memorandum

To: Honorable Mayor and Members of the City Council
Interim City Manager Erika Storlie

From: Hitesh Desai, Chief Financial Officer
Kate Lewis-Lankin, Budget Manager
Michelle Masoncup, City Attorney

Subject: Amusement tax application to non-profit organizations

Date: November 14, 2019

Question:

At the November 11, 2019 City Council meeting, clarification was requested regarding whether the City has the ability to tax non-profit organizations for events that qualify as “amusements” under the City’s amusement tax.

Answer:

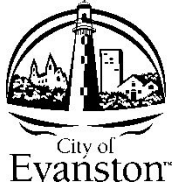
The Illinois Municipal Code provides (65 ILCS 5/11-42-1) the authority for corporate authorities of each municipality may license, tax sellers of tickets for theatricals, shows, amusements, athletic events and other exhibitions at a place other than the theatre or location where the theatricals, shows, amusements, athletic events and other exhibitions are given or exhibited. The State statute does not require an exemption to not-for-profit organizations.

In 1999, the City exercised its authority to enact an amusement tax which currently provides three exemptions, but this is not required under state law. The exemptions are: (a) government agencies; (b) religious societies or organizations; or (c) live performance conducted or sponsored by non-for-profit institutions, organizations, groups, or societies where no part of the net earnings inure to the benefit of any private shareholder or person. Based on a survey of other suburban municipalities, Schaumburg provides an exemption for shows that are not open to the general public (religious, educational, non-profit, and government entities).

Another question was limiting the application of the amusement tax in some way. The City of Chicago for example sets the application of the amusement tax to venues that have venue capacity of 750 persons or greater. Other communities with an amusement tax, such as Schaumburg, Hoffman Estates, Lincolnshire, Niles, and Vernon Hills, there are no restrictions on application of the tax on venue size.

Events that qualify as an amusement include:

<i>AMUSEMENT.</i>	Any event, exhibition, performance, presentation, or show for amusement purposes which is exhibited or staged in the City, including, but not limited to, the following:
	(A) Any comedic, theatrical, dramatic, musical, opera, or spectator performance (except athletic contests) or production, or similar live or recorded amusement;
	(B) Any show, motion picture show, antique or flower show, speech or lecture;
	(C) Any exhibition of art or handicrafts or products;
	(D) Any poultry or animal show, animal act, circus, or rodeo.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Hitesh Desai, Chief Financial Officer
Kate Lewis-Lakin, Budget Coordinator

Subject: Projected revenue from Welsh-Ryan Arena Events

Date: November 13, 2019

Question: Please estimate revenue generated through taxes on new events at Welsh-Ryan Arena approved through zoning amendment at the November 11 City Council meeting.

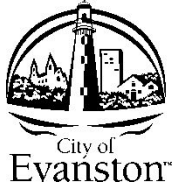
Response:

At the November 11, 2019 meeting, City Council approved a zoning change that allows Northwestern to host professional sporting and entertainment events at Welsh-Ryan arena. The change allows for six (6) single-day events and a seventh (7th) multi-day event not to exceed seven (7) days in duration. The maximum capacity for indoor events is 7,000 and outdoor events is 3,000.

Any athletic event would be subject to the City's athletic contest tax of 12%, whereas a concert or other performance hosted by a private entity would be subject to the amusement tax, which is currently 4% (increase to 5% proposed in 2020 budget). A concert or performance hosted by Northwestern or another non-profit organization is not currently subject to the amusement tax.

The revenue generated by 7 athletic events at 100% capacity and \$50 per ticket would be \$294,000. Revenue generated by 7 non-athletic events (subject to the amusement tax) at the same assumptions would be \$98,000. Actual tax revenue could fall anywhere within this range from \$98,000 to \$294,000 depending on the mix of athletic and non-athletic events. Revenue could vary from these estimates depending on ticket prices, length of the multi-day event, and mix of indoor and outdoor events.

Taking a conservative estimate in the middle of the range, the City has included \$200,000 as the new revenue from these types of events in the Budget Balancing Worksheet for the November 18 City Council meeting.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Hitesh Desai, Chief Financial Officer
Kate Lewis-Lakin, Budget Coordinator

Subject: Taxes on Adult-Use Recreational Cannabis

Date: November 19, 2019

Question: Please detail the taxes that will be applied to adult-use recreational cannabis sold beginning January 1, 2020.

Response:

On **January 1, 2020**, recreational cannabis sold in Evanston will be subject to the following taxes, totalling 20% to 35% of the purchase price:

- 10.25% sales tax
- 10% to 25% state cannabis purchaser excise tax (depending on THC strength of product)

These two tax types will be distributed to state and local entities as follows:

- 10.25% sales tax
 - **1.25% home rule tax received directly by Evanston**
 - 6.25% collected by state; of this, **1% remitted back to Evanston based on actual sales**
- 10% to 25% state cannabis purchaser excise tax
 - Revenue deposited into the state Cannabis Regulation Fund

The State's Cannabis Regulation Fund will first be used to pay for expenses related to implementation, administration, and enforcement of the Cannabis Regulation Act and for costs related to expungement of low-level cannabis records. These two programs are estimated at a combined \$18.5 million in expenses.

After these expenses are paid, the remaining money in the Cannabis Regulation Fund will be divided between a number of other state funds and agencies. This includes 8% that will be deposited into the Local Government Distributive Fund (LGDF). This amount will then be **divided amongst all municipalities by population**, not by actual sales per community. This means that communities who opt out of allowing cannabis sales will still receive this distribution.

The amount that the City receives through the LGDF is required to be used for crime prevention programs, training, and interdiction efforts, including detection, enforcement, and prevention efforts, related to the illegal cannabis market and driving under the influence of cannabis.

In Evanston's budget, this means this LGDF distribution revenue will be deposited in the General Fund to support Police Department services. The City has not included this amount in the 2020 budget, as it is expected to be a small amount and is subject to capture by the state. Staff can provide an update to City Council on the amount collected in this distribution after the first quarter of 2020.

Beginning on **July 1, 2020, the City may impose an additional 3% local tax on sales of recreational cannabis within their communities.** This will be on top of the existing sales and state cannabis taxes that began on January 1. This amount has been budgeted at \$250,000 for 2020 and will be deposited into the Reparations Fund.

Niles, Skokie, and Oak Park have approved a 3% local recreational cannabis tax rate. This same rate is under consideration in Chicago and Lincolnwood.

Medical cannabis will continue to be taxed at a 6% municipal rate and lower 1% food and drug sales tax rate. The City receives less than \$20,000 in revenue from this source.

Additional Resources:

<https://legislative.iml.org/file.cfm?key=16140>

https://www2.illinois.gov/HISNews/20242-Summary_of_HB_1438_The_Cannabis_Regulation_and_Tax_Act.pdf