



COVID-19 Budget Impacts

Community Budget Conversations

Kate Lewis-Lakin, Budget Coordinator

September 16, 2020

Kimberly Richardson, Interim Assistant City Manager

MEETING INTENTIONS

1. Provide information about the City's budget and budgeting process.
2. Receive feedback about what your priorities are in this year's budget. Feedback will be shared with City Council.
3. Share upcoming opportunities for engagement in the 2021 budget.

COMMUNITY BUDGET CONVERSATIONS

- Thursday, September 10: Budget 101
- **Wednesday, September 16: COVID-19 Budget Impacts**
- Monday, September 21: Budgeting for Health & Human Services

Information and registration links [available here](#)

AGENDA

- **Presentation (30 mins)**
 - Budget basics
 - COVID-19 revenue impacts - 2020
 - Grant funding for COVID-19 response
 - Planning for 2021 budget
- **Breakout Room Discussions (30 mins)**
- **Report out and wrap-up (15 mins)**

BUDGET BASICS

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The City's Budget is divided into **36 funds** and organized by **departments.**

Funds - Largest financial unit of the budget. Ex. General Fund, Water Fund, TIF Funds.

Departments - Functional unit of government. Ex. Police and Fire

BUDGET BASICS

Some key acronyms:

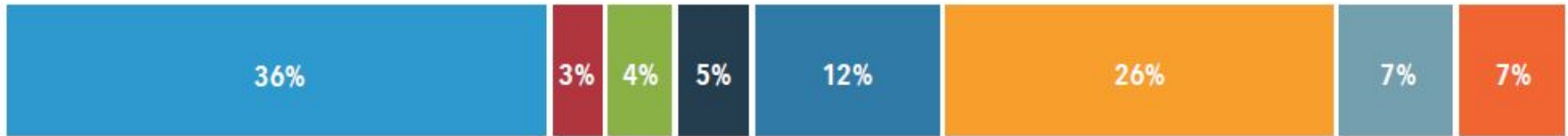
PRCS - Parks, Recreation, and Community Services Department

PWA - Public Works Agency (includes public services, water, sewer, solid waste, and capital improvements)

HHS - Health & Human Services Department

BREAKING DOWN THE BUDGET

2020 Total City Budget = \$320,709,230



- General Fund
- Library Funds
- Special Revenue and TIF Funds
- Debt Service Fund
- Capital Funds
- Enterprise Funds
- Internal Service Funds
- Police and Fire Pension Funds

BREAKING DOWN THE BUDGET

Types of Funds:

- **General** - General operating fund and Human Services fund
- **Library** - Funds supporting the Evanston Project Library
- **Capital Funds** - Major capital improvement projects, includes Crown Community Center project
- **Enterprise Funds** - Funds supported by user fees (Parking, Water, Sewer, Solid Waste)

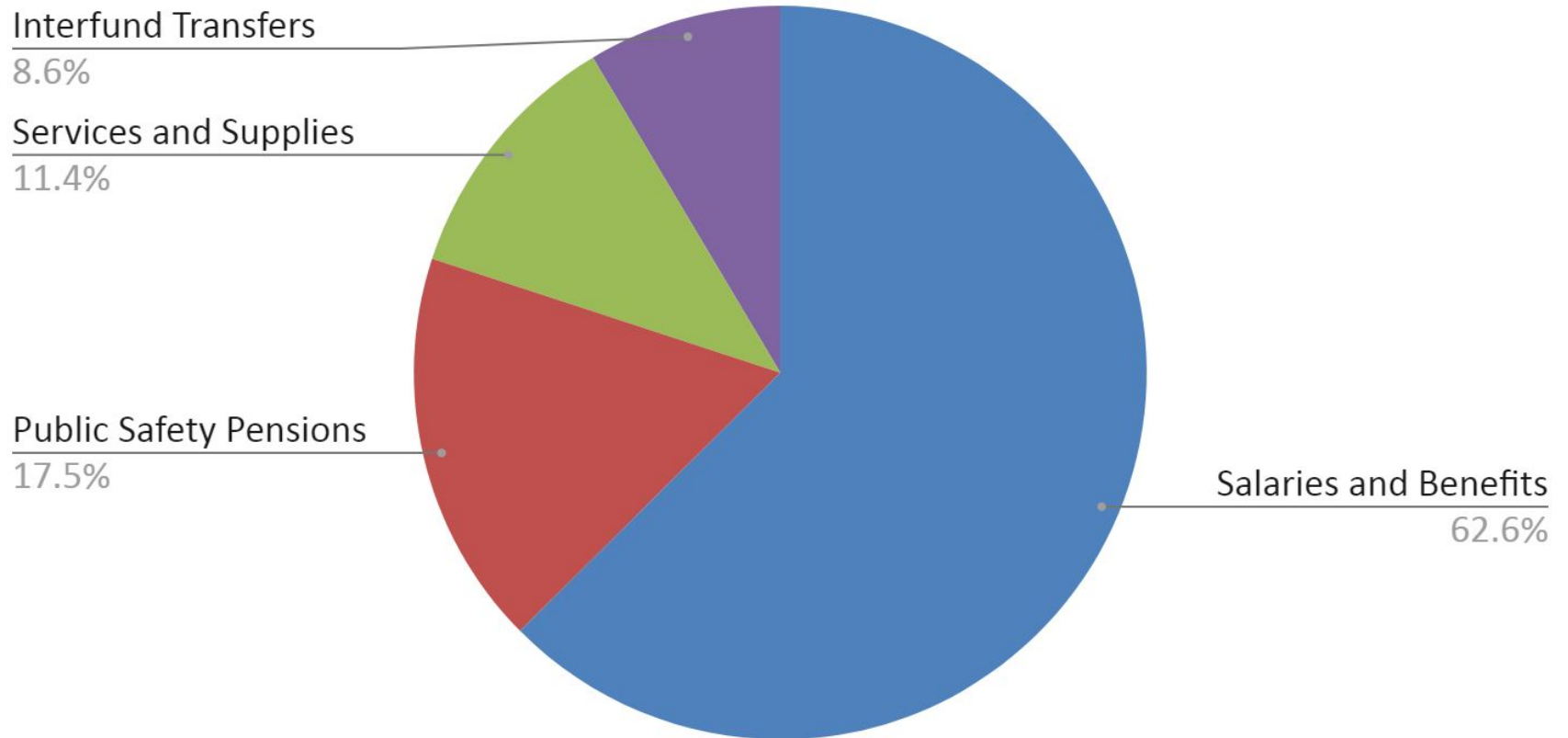
BREAKING DOWN THE BUDGET

Types of Funds:

- **Special Revenue and TIF Funds** - To track funding from specific state and federal grants sources
- **Internal Services** - Funds that serve city operations, supported by transfers from all other funds. Ex. Fleet Maintenance, Insurance Fund
- **Debt Service Funds** - For annual payments on City bonds
- **Police and Fire Pension Funds** - Pension funds held in trust by the City, controlled by separate Pension Boards

BREAKING DOWN THE BUDGET

2020 Total General Fund Budget = \$117,200,491



BREAKING DOWN THE BUDGET

2020 General Fund Expenses= \$117,200,491

PUBLIC WORKS AGENCY

11.1%

ADMINISTRATIVE SERVICES

8.8%

CITY MANAGER'S OFFICE

7.6%

COMMUNITY DEVELOPMENT

2.9%

POLICE

35.1%

FIRE MGMT & SUPPORT

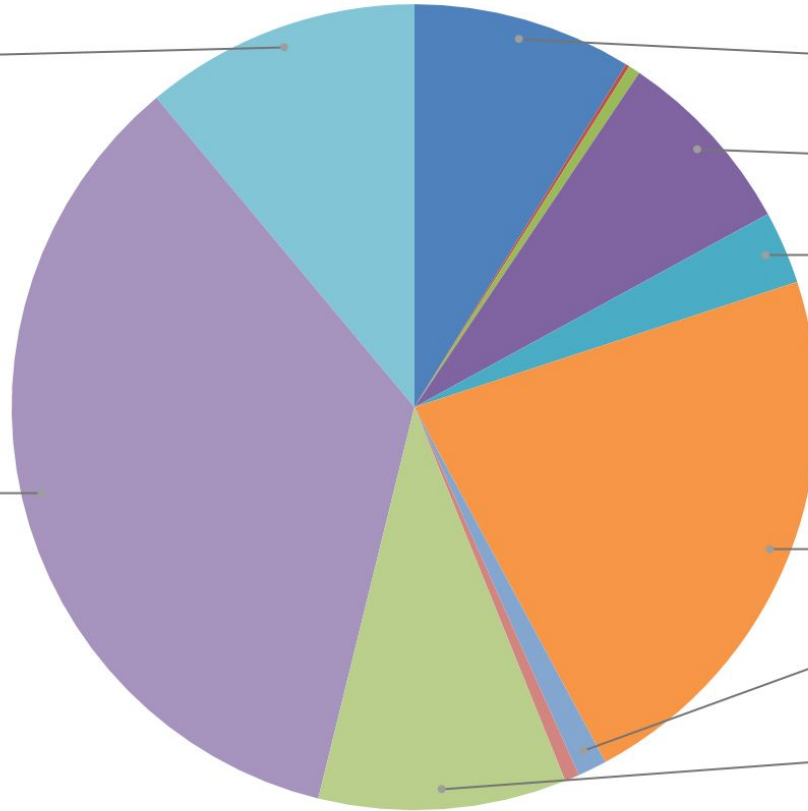
22.2%

HEALTH

1.2%

PARKS, REC. AND

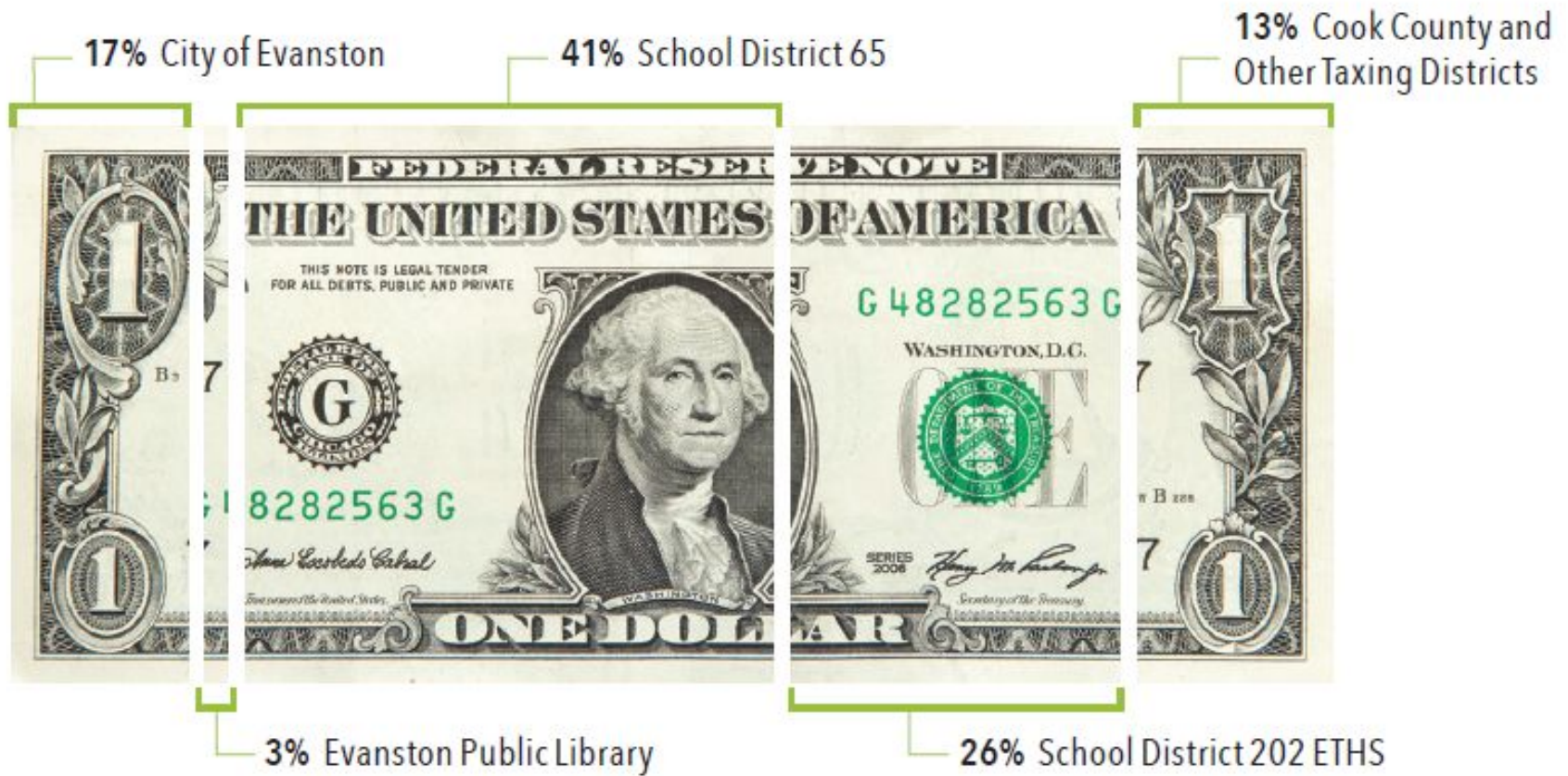
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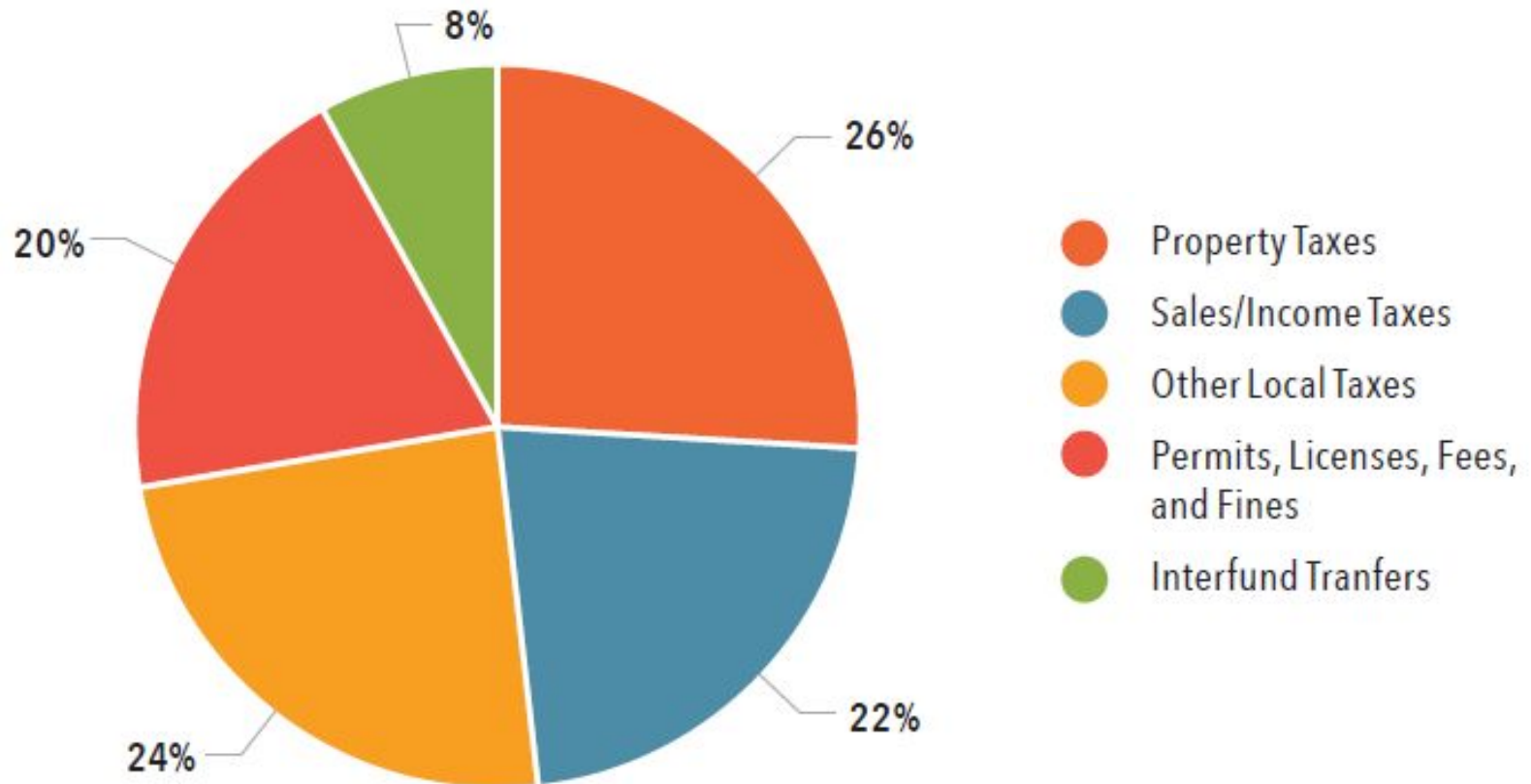
COVID-19 FINANCIAL IMPACTS

PROPERTY TAXES

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



GENERAL FUND REVENUE



2020 BUDGET

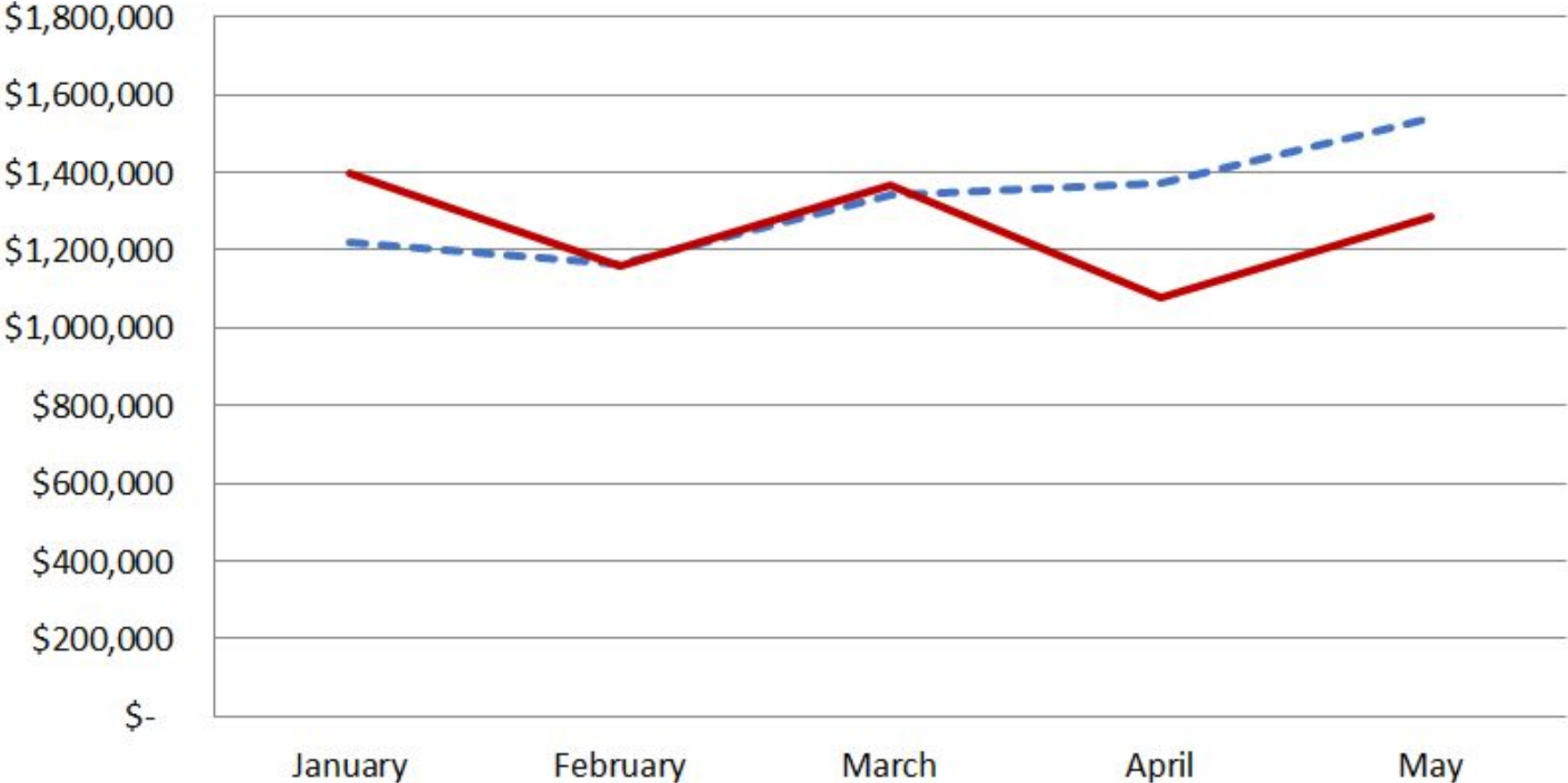
COVID-19 Revenue Shortfalls

- Projected revenue shortfall in General Fund is \$12 million for 2020
- Sales and income taxes - 20% losses
- Other revenues severely impacted:
amusement tax, hotel tax, parking revenue,
recreation program fees

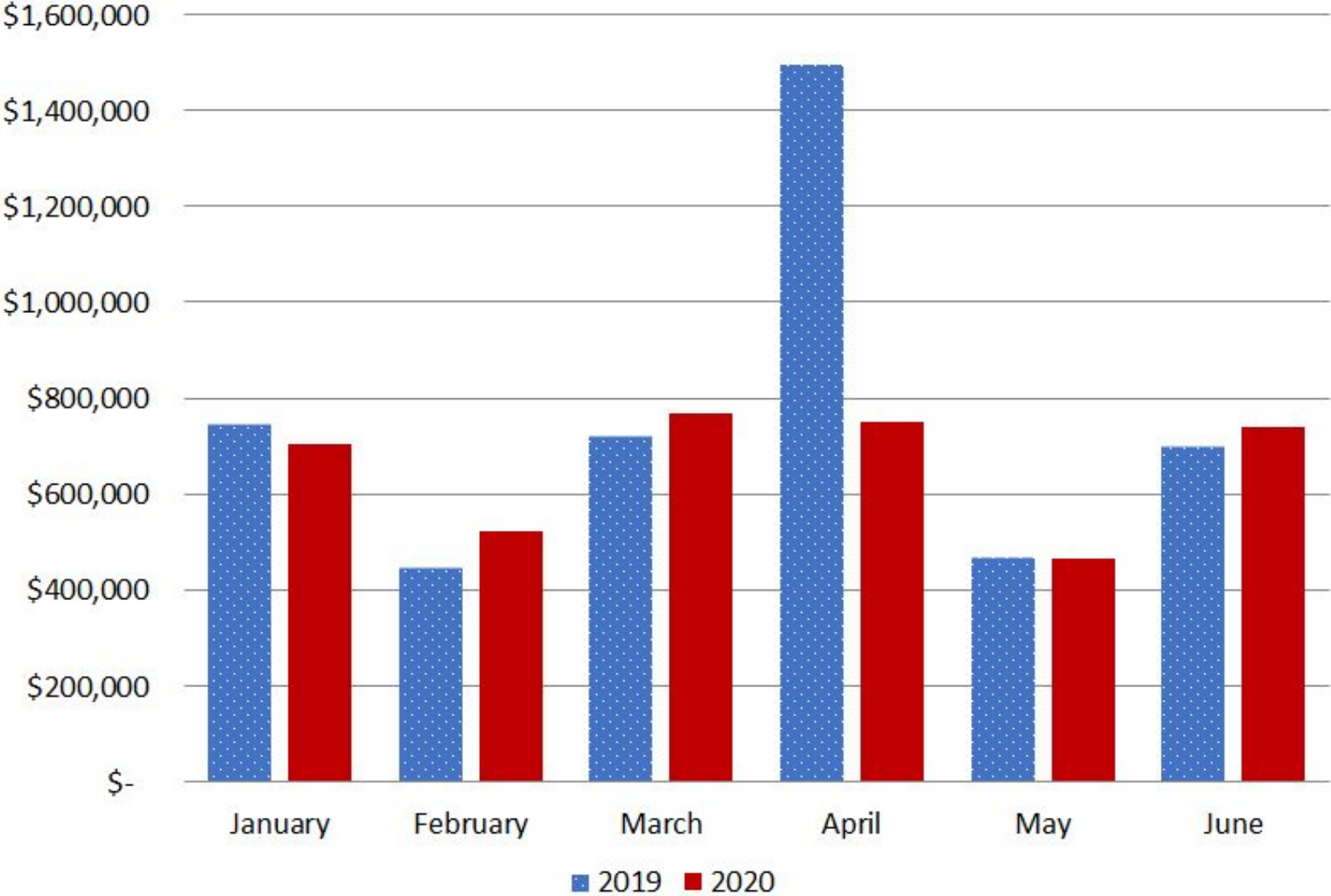
Sales Tax - by Liability Month

Basic and Home Rule Combined

--- 2019 — 2020

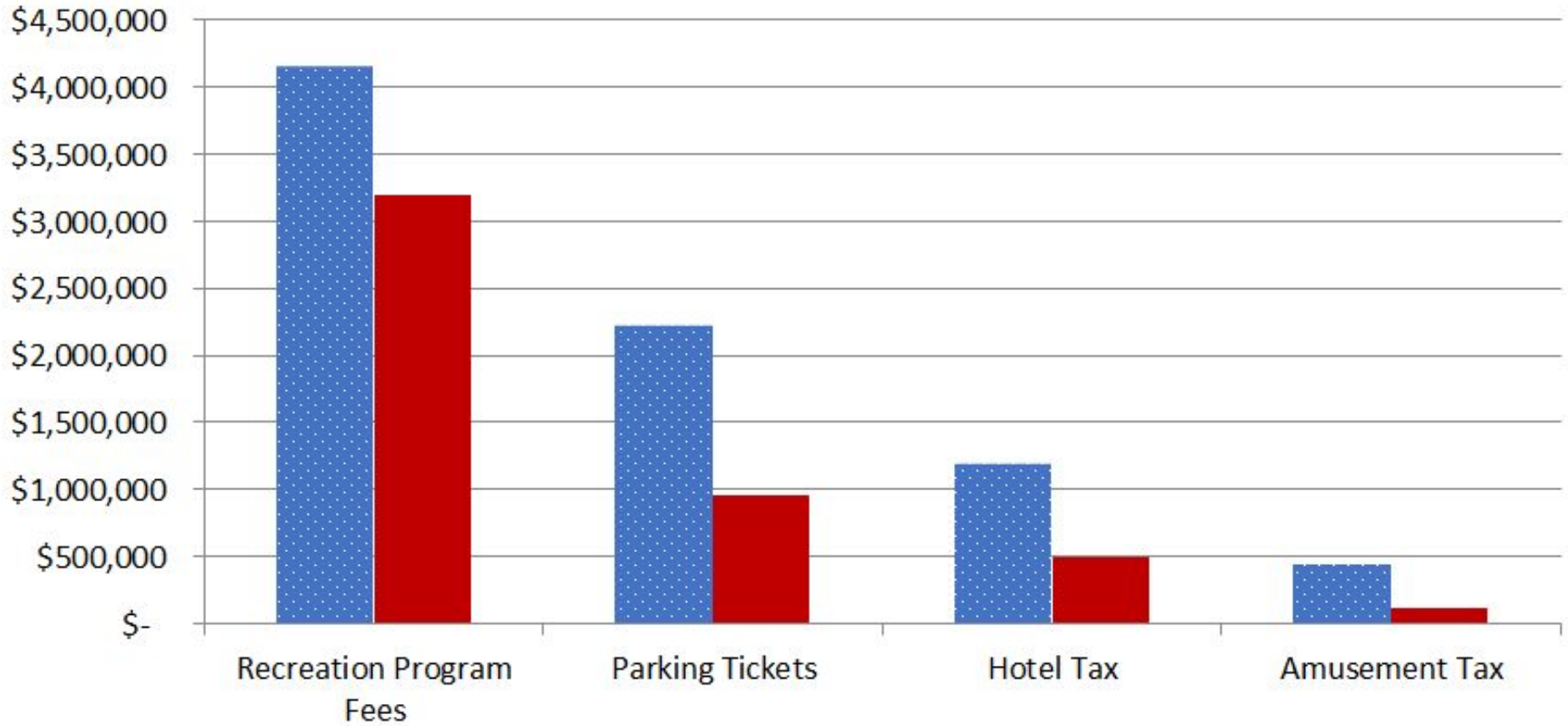


Income Tax - By Liability Month



July YTD Revenues

■ 2019 ■ 2020



2020 BUDGET

Steps taken to address COVID-19 revenue shortfalls in 2020:

- 10 furlough days for City employees
- 12 employee layoffs
- Hiring freeze since March 2020; approximately 50 positions held vacant
- Restrictions on discretionary spending by all departments

COVID-19 GRANT FUNDING

GRANT FUNDING

Currently, grant funding can only be used for expenses deemed directly related to COVID-19.

Grant funding expected = approximately **\$4.5 million**

However, this is at least partially offsetting new, non-budgeted expenses. It cannot be used to directly offset revenue losses.

GRANT FUNDING

Major Grant Sources

- FEMA Public Assistance - 75% of submitted expenses; **\$814,727** expected reimbursement
- CARES Act Coronavirus Relief Funds Cook County - **\$619,214**
- COVID-19 Contact Tracing Grant - **\$817,632** - to hire temporary positions for contact tracing program through June 2021
- CDBG- CV - **\$1,080,243** - Federal program, specific to programs that benefit low-moderate income residents
- ESG-CV - **\$966,314** - Federal program, similar to CDBG above

2021 BUDGET CHALLENGES

BUDGETING FOR 2021

Revenue loss of **\$5-7 million** expected in 2021 budget, due to continued COVID-19 crisis and economic downturn.

Affected revenues:

Sales tax, income tax, hotel tax, amusement tax, athletic event tax (NU football), parking fees and enforcement, recreation fees

BUDGETING FOR 2021

Expected steps to address shortfalls in 2021

- Continued hiring freeze and holding of vacancies
- Elimination of some vacant positions
- Continued restrictions on discretionary spending
- Focus on addressing health and human services needs during pandemic
- Obtaining all possible grant revenues for pandemic response

ROUNDTABLE DISCUSSION

ROUNDTABLE DISCUSSION

1. Are you satisfied with the the City's COVID-19 response so far? If not, how can the City improve?
2. What services should the City prioritize to respond to COVID-19?
3. How can we ensure the City's COVID-19 response is reaching all communities in Evanston?
4. Are there any other issues the city should focus on related to COVID-19?

MORE INFORMATION

Budget Website: cityofevanston.org/budget

- **Friday, October 9:** Proposed Budget available on City website
- **Monday, October 19:** Budget Public Hearing during City Council Meeting
- **Monday, October 26:** Truth in Taxation Public Hearing at City Council Meeting
- **October and November:** Budget Discussions at City Council Meetings