



# 2021 PROPOSED BUDGET

## Budget Summary

### 2021 Proposed All Funds Budget = \$299,758,809

- 2020 Adopted budget was \$320,709,230
- Decrease of \$20,950,421 or 6.53%, primarily in Crown Construction and Water Capital funds. General Fund also decreased from the 2020 Adopted Budget.

### 2020 General Fund Year-End Estimate

- Due to COVID-19, the City faces a loss of \$12 million in General Fund revenue in 2020. This has been partially offset by layoffs, furlough days, and a hiring freeze on all vacant positions since March 2020.
- Staff anticipates ending the year with a deficit of \$2 million. This will reduce fund balance in the General Fund to \$13.6 million, which is 12% of expenses. The City's fund balance policy is 16.6% of expenses in reserves or about \$19 million.

### 2021 General Fund Projected Revenues

- City projects a loss of \$8 million in revenue compared to the 2020 Adopted Budget. Losses to major revenues are shown in the table below. The losses are due to continued low economic activity and high unemployment in the state of Illinois.
- The wheel tax late fee will be reduced from the current rate of \$42.50 to \$25, effective October 1, 2021.

Selected Revenues	2020 Budget	2021 Budget	Loss \$	Loss %
State Income Tax	\$7,600,000	\$6,600,000	\$(1,000,000)	-13%
Sales Tax - Basic	10,250,000	9,750,000	(500,000)	-5%
Sales Tax - Home Rule	7,800,000	7,250,000	(550,000)	-7%
Municipal Hotel Tax	2,390,000	1,200,000	(1,190,000)	-50%
Athletic Contest Tax	1,160,000	500,000	(660,000)	-57%
Real Estate Transfer Tax	3,800,000	3,000,000	(800,000)	-21%
Parking Tax	3,200,000	2,600,000	(600,000)	-19%
Parking Tickets	3,800,000	3,200,000	(600,000)	-16%
Recreation Program Fees	6,473,500	5,569,375	(904,125)	-14%
Transportation Network Tax	680,000	510,000	(170,000)	-25%
Motor Fuel Tax	1,300,000	1,000,000	(300,000)	-23%
Liquor Tax	3,150,000	2,900,000	(250,000)	-8%
Amusement Tax	430,000	200,000	(230,000)	-53%
Telecommunications Tax	1,800,000	1,600,000	(200,000)	-11%
Wheel Tax	3,000,000	2,900,000	(100,000)	-3%
<b>Total Selected Revenues</b>	<b>\$56,833,500</b>	<b>\$48,779,375</b>	<b>\$(8,054,125)</b>	<b>-14%</b>



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### 2021 Budget Balancing

- **The budget balancing worksheet is included at the end of this document.**
- The net/baseline deficit in the General Fund is \$4.5 million.
- The worksheet includes a contribution of \$1 million to fund balance. This is partially supported by a property tax increase of \$500,000. The expected contribution of \$1 million in 2021 will increase fund balance to \$14.6 million or 13% of expenses. The City's fund balance policy is 16.6% of expenses in reserves or about \$19 million.
- The worksheet includes 15 positions to be eliminated, 14 of which are vacant. These cuts yield savings of \$1.2 million to the General Fund.
- An additional 26 FTE are to be held vacant in 2021, which yields savings of \$2.3 million to the General Fund. New expenses of \$350,000 in temporary personnel, contractual services, or overtime have been added to mitigate the impact on these vacancies on City operations.
- One Property Maintenance Inspector position is proposed to be added to the 2021 budget.
- Staff is proposing the elimination of 11 currently vacant police officer positions, 4 of which have been held vacant since the 2018 budget. This reduction brings sworn Police staff from 165 to 154 full-time employees. The department is currently operating with 146 sworn officers and command staff, and the elimination of these vacant police officer positions will not reduce the number of police officers on the street, patrolling our neighborhoods, and keeping our community safe.

### 2021 Employee Pay Increases

- IAFF employees agreed to no general wage increase in 2021 and 2022. This yields savings of \$254,000 in 2021 and will be an additional \$260,000 in savings in 2022. Employees will receive an increase of 5% on December 31, 2022, which is the last day of the current contract term.
- AFSCME employees agreed to take 10 furlough days in 2020, saving the City \$650,000. AFSCME staff will receive a general wage increase of 2.5% on January 1, 2021 per contract.
- FOP Officers are budgeted to receive an increase of 2.25% and FOP Sergeants of 2.5% on January 1, 2021 per contracts. Negotiations are still in progress for a COVID-19 related cost savings from both FOP unions. The worksheet includes anticipated savings of \$140,000 from these negotiations.
- Non-union employees were required to take 10 furlough days in 2020, saving the City \$566,000 in 2020. The baseline budget assumes non-union employees would receive the same increase as AFSCME employees. The budget balancing worksheet reduces this to a 1.5% increase on July 1, 2021, for a savings of \$237,000.
- Non-union employees will pay an increased percentage of health insurance premiums for a savings of \$71,000.



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#### Property Taxes

- The proposed increase to the City and Library tax levy is 5.9% of the City's 2019 levy (2020 budget) amount. The City and Library tax levy represents about 20% of property taxes paid by Evanston residents and businesses.
- The increase of \$500,000 for the General Fund will be used to replenish reserves.
- The increase in the Human Services Fund will support general cost increases, plus \$200,000 for a new emergency response alternative program and \$50,000 for new senior services.
- The increase to the debt service levy replaces a transfer from the General Fund of \$2 million and reflects savings achieved from refunding bonds in 2020.
- Increases to Fire and Police Pension funds reflect actuarial recommendations.

	2019 Adopted Tax Levy	2020 Proposed Tax Levy	Proposed Change	Increase as % of total levy
General Fund Tax Levy	9,495,300	9,995,300	500,000	0.9%
Human Services Fund	3,110,000	3,660,000	550,000	1.0%
Solid Waste Fund	1,332,500	1,332,500	-	0.0%
Debt Service Fund	12,521,921	13,936,263	1,414,342	2.6%
Fire Pension Fund	8,967,037	9,346,778	379,741	0.7%
Police Pension Fund	10,900,650	11,106,461	205,811	0.4%
<b>City Total</b>	<b>46,327,408</b>	<b>49,377,302</b>	<b>3,049,894</b>	<b>5.5%</b>
<b>General Assistance Total</b>	<b>1,080,000</b>	<b>1,300,000</b>	<b>220,000</b>	<b>0.4%</b>
Library Fund	7,252,000	7,252,000	-	0.0%
Library Debt Service	480,145	482,243	2,098	0.0%
<b>Library Total</b>	<b>7,732,145</b>	<b>7,734,243</b>	<b>2,098</b>	<b>0.0%</b>
<b>City and Library Total Net Levy</b>	<b>55,139,553</b>	<b>58,411,545</b>	<b>3,271,992</b>	<b>5.9%</b>



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#### Human Services Fund

- Baseline expenses in the Human Services fund increased by approximately \$250,000. The fund supports all of the City's social service-type functions, Amita Health contract, and Mental Health Board allocations.
- New program funds of \$250,000 have also been added to the fund - \$200,000 for an Emergency Response Alternatives Program, and \$50,000 in additional support for senior services.
- With these additions, the required increase in property tax levy to keep the fund in balance is \$550,000.

#### Enterprise Funds

- The Parking Fund experienced a \$4.5 million loss in revenue in 2020 due to COVID-19, causing a year-end deficit of \$1.7 million. Revenue is expected to recover some in 2021. With fund balance depleted, the Parking Fund will issue \$1 million in bonds in 2021 to support Capital Projects.
- The Water and Sewer Funds remain stable during the pandemic. In 2020, water sales began to the Village of Lincolnwood, generating an estimated \$500,000 in new revenue for the City.
- Staff is proposing increases to residential solid waste fees to yield \$313,250 in additional revenue to the Solid Waste Fund. This new revenue is expected to bring the fund to positive balance by 2022. The increases, as shown below, are \$1-2 per month and would be effective on July 1, 2021.
  - Residential refuse fee increases (\$178,750)
    - 65 gallon cart - increase monthly cost from \$9.14 to \$10.15
    - 95 gallon cart - increase monthly cost from \$20.64 to \$22.91
  - Condominium refuse fees - increase monthly cost from \$8.85 to \$9.82 per unit (\$33,000)
  - Apartment refuse fees - increase monthly cost from \$1.85 to \$2.52 per unit (\$26,500)
  - Yard waste fee - Increase annual cost from \$25 to \$35 (\$75,000)

#### Capital Improvements

- The 2021 Capital Improvements Plan includes \$6,645,000 in projects funded by new general obligation bonds. The City also plans to issue bonds for \$1,000,000 in Parking Fund bonds, \$3,000,000 in Water Fund bonds, \$480,000 in Library Fund bonds, \$350,000 in bonds for equipment replacement, and \$1,300,000 in bonds to be supported by the Chicago-Main TIF District.



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Proposed 2021 Budget Balancing Worksheet			
<u>General Fund Summary</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
<b>Baseline General Fund</b>	\$110,470,609	\$115,048,660	\$(4,578,051)
Proposed General Fund Changes (detail below)	\$2,052,000	\$(2,556,985)	\$4,608,985
<b>Proposed General Fund Budget</b>	<b>\$112,522,609</b>	<b>\$112,491,675</b>	<b>\$30,934</b>

<u>Proposed General Fund Changes</u>	<u>Revenues</u>	<u>Expenses</u>
<b><u>City-Wide Changes</u></b>		
Non-union GWI - 1.5% on July 1 (reduced from 2.5% on January 1)		(237,654)
Increase non-union health insurance contribution percentage		(71,000)
Remote work stipend		25,000
Contribution to fund balance		1,000,000
Property tax revenue to support fund balance	500,000	
<b><u>CARP Initiatives</u></b>		
Electric Aggregation Fee	75,000	
Infrastructure Maintenance Fee	485,000	
Billing for franchise electric accounts		485,000
Electricity Savings on Franchise Accounts		(70,000)
<b><u>City Manager's Office</u></b>		
Contribution to SSA9 - Move to Solid Waste Fund		(50,000)
Emergency Operations Center - expect 75% grant funded	75,000	100,000
Hold Vacant - Senior Accountant (1 FTE)		(133,696)
- Part-time Accounting services		50,000
Hold Vacant - Administrative Assistant (1 FTE)		(86,624)
Hold Vacant - Administrative Lead (1 FTE)		(84,311)
Hold Vacant - Equity and Empowerment Coordinator (1 FTE)		(102,421)
- Hire Equity Consultant - \$100,000 from Good Neighbor Fund		
Eliminate - Art Design Coordinator (1 FTE)		(101,261)
- Graphic design contract expenses		25,000
Hold Vacant - Customer Services Representative (1 FTE) - in Parking Fund		



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<b><u>Law Department</u></b>		
Hold Vacant - Assistant City Attorney (1 FTE)		(116,364)
- Temporary contract attorney		50,000
<b><u>Administrative Services</u></b>		
Reduce transfer to Equipment Replacement Fund (bond funded)		(350,000)
Anticipated Crossing Guard savings from virtual schooling		(315,000)
D65 funding 50% of Crossing Guards in Fall 2021		(150,000)
Hold Vacant - Digital Services Specialist (1 FTE)		(106,176)
- Increase in IT seasonal for virtual working support		25,000
Hold Vacant - Parking Enforcement Officer PT (0.5 FTE)		(34,302)
Hold Vacant - Facilities Maintenance Worker PT (0.5 FTE)		(32,767)
Hold Vacant - Facilities Maintenance Worker III (1 FTE)		(97,945)
Hold Vacant - Parking Operations Coordinator (1 FTE) - in Parking Fund		
<b><u>Community Development</u></b>		
Hold Vacant - Structural Inspector/Plan Reviewer (1 FTE)		(103,941)
Hold Vacant - Plan Reviewer (1 FTE)		(103,941)
- Costs for increase in SafeBuilt contractors		50,000
Add Position - Property Maintenance Inspector (1 FTE)		100,000
<b><u>Health &amp; Human Services</u></b>		
Hold Vacant - Senior Management Analyst (1 FTE)		(115,317)
- Functions filled by Public Health Data Coordinator		
COVID-19 Contact Tracing Grant - funded programs and positions	420,000	420,000
<b><u>Police</u></b>		
D65 funding for School Resource Officers (Fall 2021)	40,000	
D202 funding for School Resource Officers (Fall 2021)	60,000	
Police Union Concessions - currently in negotiations		(140,000)
Eliminate - Records Input Operator (1 FTE)		(90,000)
Hold Vacant - Service Desk Officers II (3 FTE)		(218,875)
Hold Vacant - Service Desk Officer I (1 FTE)		(80,000)
Eliminate - Towing Coordinator (1 FTE)		(111,000)
Hold Vacant - Police Commanders (2 FTE) - 1 held since 2019		(310,143)
Eliminate - Police Officers (11 FTE) (4 held vacant since 2018)		(942,876)



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Eliminate - Assistant Communications Coordinator (1 FTE) - in E911 Fund		
- Telecommunicator (2 FTE) moved to E911 Fund		
<b><u>Fire</u></b>		
IAFF GWI - Reduced to 0%. Included in baseline, savings of \$254,000		
Hold Vacant - Administrative Lead (1 FTE)		(86,380)
Hold Vacant - Firefighter/Paramedic (2 FTE)		(166,092)
- Increase in Fire Department overtime		100,000
Ground Emergency Medical Transport Grant Revenue	100,000	
<b><u>Parks, Recreation &amp; Community Services</u></b>		
Hold Vacant - Data Control Clerk (1 FTE)		(69,664)
Hold Vacant - Facilities Coordinator, Gibbs-Morrison (1 FTE)		(100,989)
Increase in minimum wage (\$1 per hour)		70,000
Increase to Boat Launch Fee	7,000	
Increased demand for boat launch	30,000	
Increased demand for park permits	10,000	
<b><u>Public Works Agency</u></b>		
Increase transfer from Water Fund (Lincolnwood water sales)	250,000	
Move to Other Funds - Environmental Services Coordinator (1 FTE)		(129,607)
Hold Vacant - Forestry Worker I (1 FTE)		(82,755)
- Increase expenses for contract tree services		25,000
- Increase expenses for contract greenways services		25,000
Hold Vacant - Streets Supervisor (1 FTE)		(115,884)
<b>Total General Fund Proposed Changes</b>	<b>\$2,052,000</b>	<b>\$(2,556,985)</b>