

# **FY 2021 Proposed Budget**

**City of Evanston**

October 19, 2020

# 2021 Budget Priorities

- Focus on maintaining core services
- Ensuring continued health and safety of residents

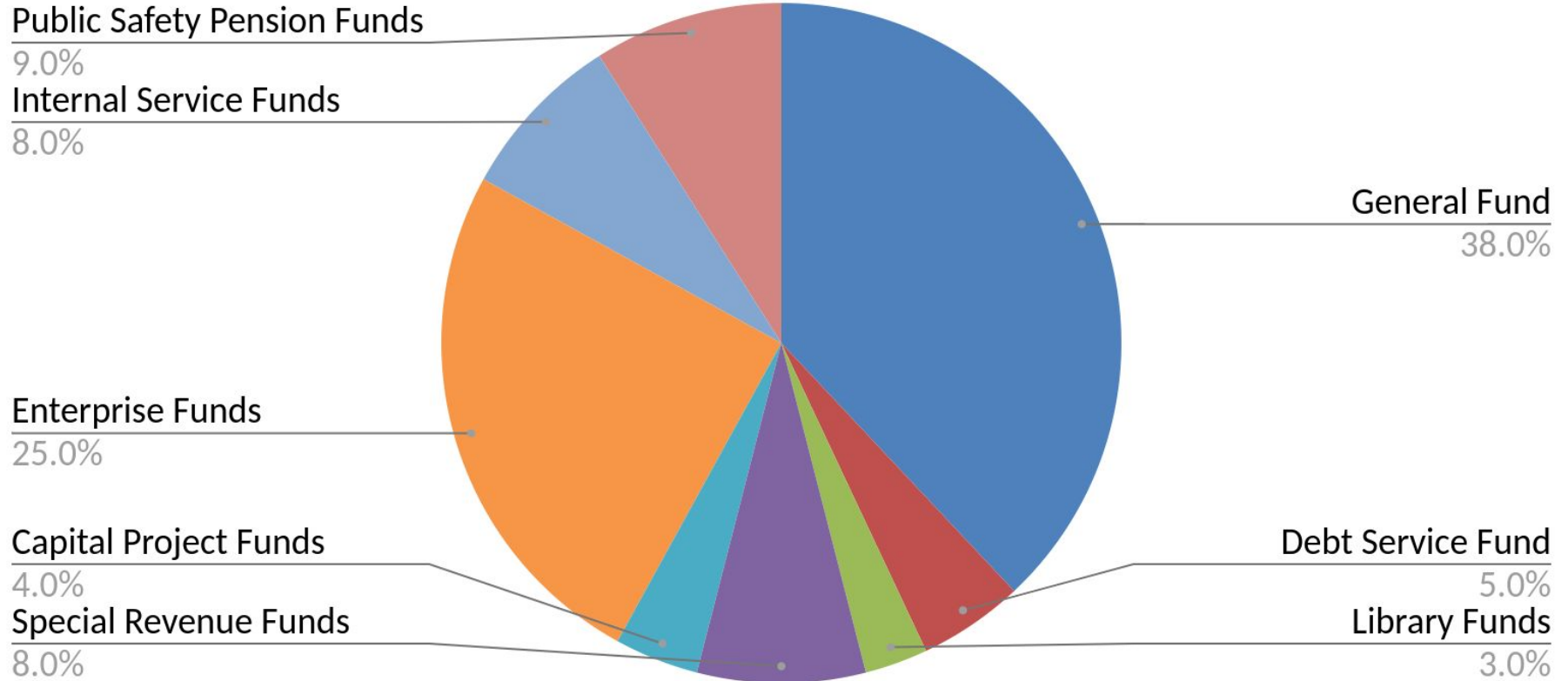
## **Themes from Community Budget Conversations:**

- Importance of human and social services
- Preparation for future pandemics or emergencies
- Affordable housing and food security
- Support for small businesses

# 2021 Proposed Budget - All Funds

- **All Funds Proposed 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 2020 to 2021

# 2021 Proposed Budget - All Funds



# 2020 Projections - General Fund

- 2020 Projected Revenue Shortfall = **\$12 million = 10%**
  - Loss of sales tax, income tax
  - No loss in property tax revenue
- Expense reductions and new revenue = **\$8.3 million**
- 2020 Budgeted surplus = \$1.6 million
- **2020 Projected Year-End Deficit = \$2.1 million**
- 2020 Projected Year-End Balance = \$13.7 million

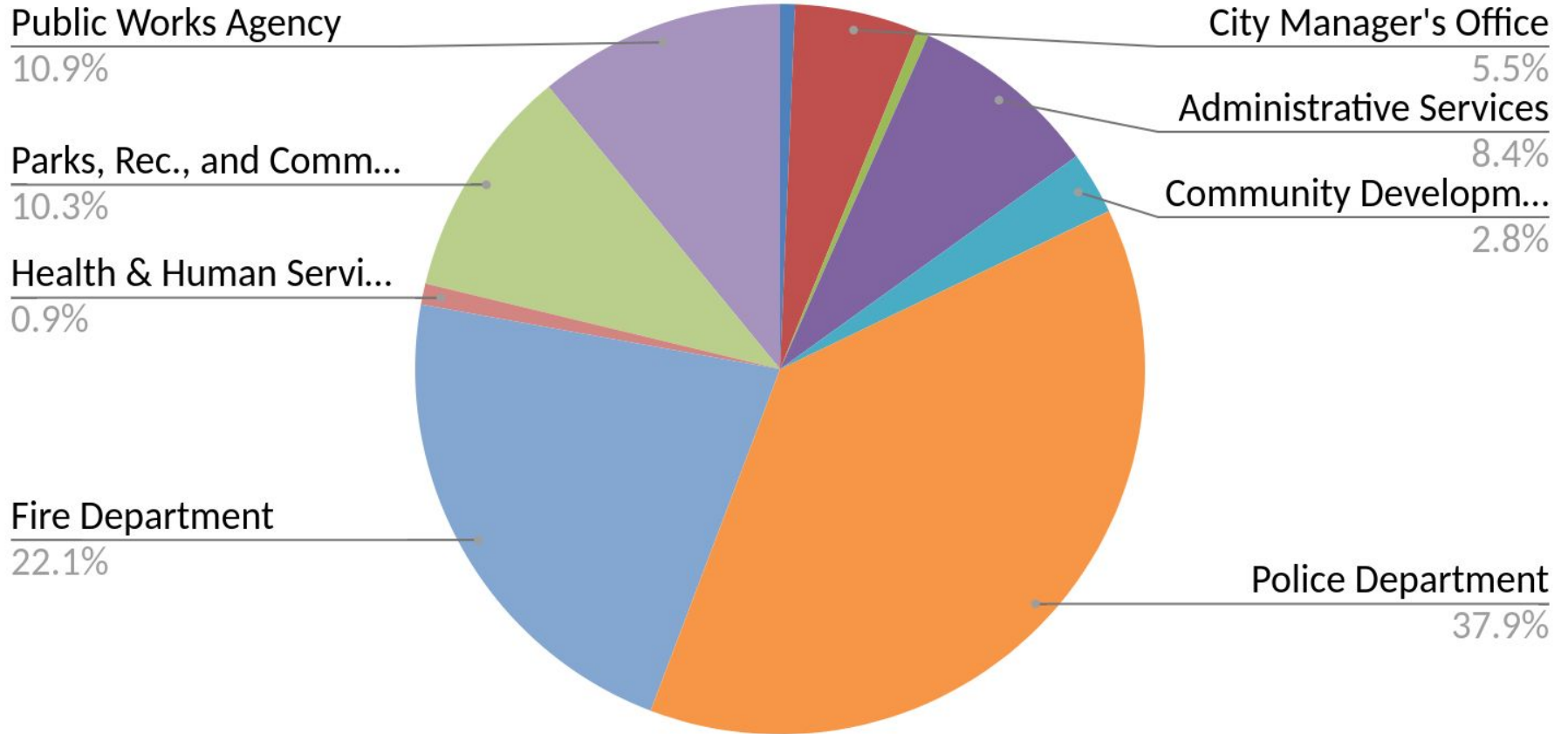
# 2021 General Fund Projected Revenues

- **\$8 million** revenue loss compared to 2020 budget
- Major losses due to COVID-19 to:
  - Hotel tax, athletic contest tax, amusement tax, parking tax, real estate transfer tax
- Moderate losses to sales tax, income tax
- Wheel tax late fee to be reduced from current rate of \$42.50 to \$25, effective October 1, 2021

# 2021 Budget Balancing

- Baseline General Fund deficit = **\$4.5 million**
  
- **Budget Balancing Worksheet**
  - \$2 million in new revenue
  - \$2.5 million in expense reductions
  - 15 positions eliminated
  - 26 positions held vacant for 2021
  - 1 position added - Property Maintenance Inspector

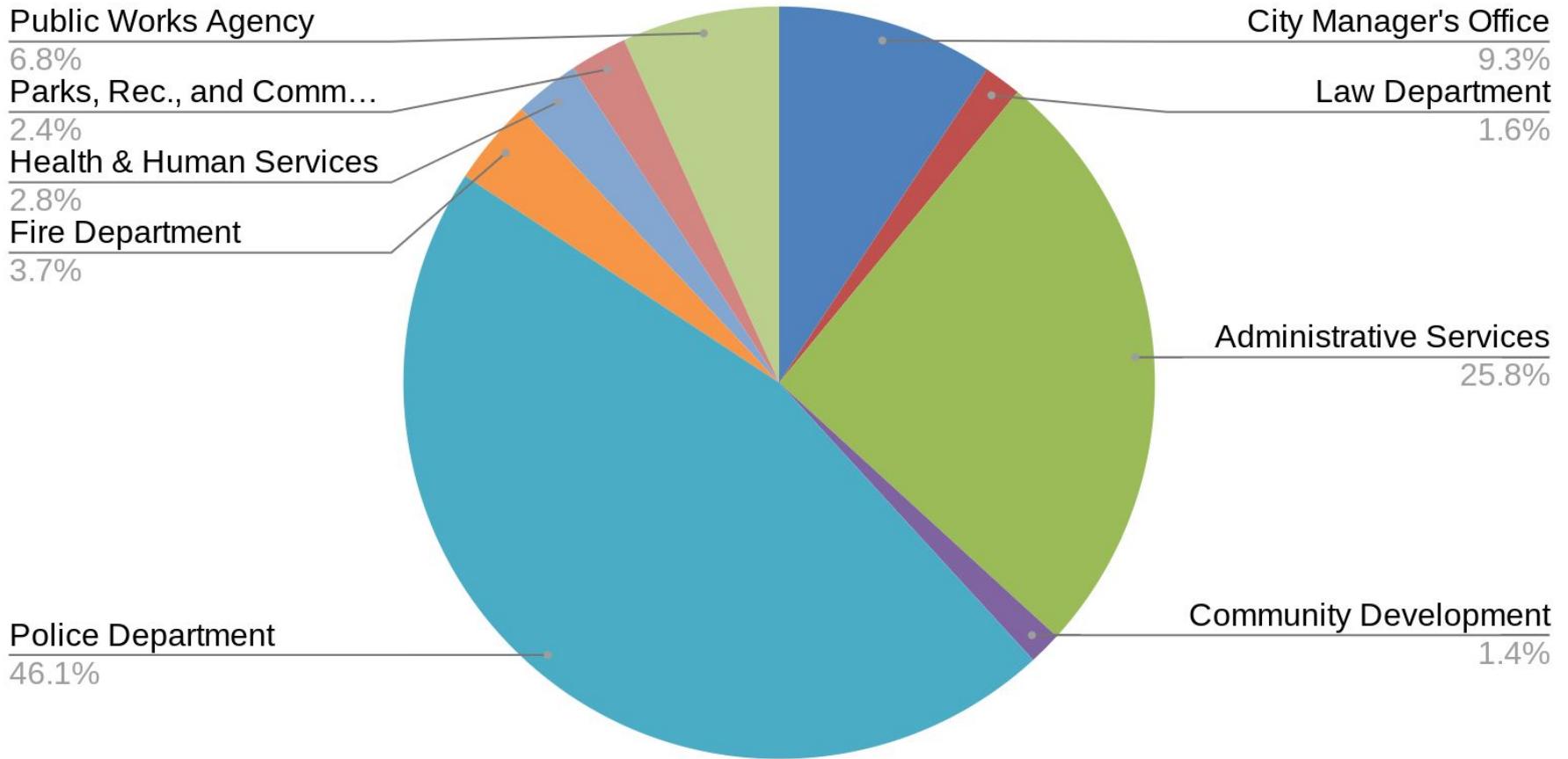
# 2021 Proposed General Fund





# 2021 Budget Balancing

## Distribution of Expense Cuts



# Positions Eliminated

- **15 positions - savings of \$1.2 million**
- **Police Officers - 11 positions, all currently vacant**
  - Sworn officer positions reduced from 165 to 154
  - Current employment is 146 - will not see a reduction in service as a result of vacant positions eliminated
- Art Design Coordinator (CMO)
- Records Input Operator
- Towing Coordinator
- Assistant Communications Coordinator

# Positions Held Vacant

- **26 positions - savings of \$2.3 million**
- Positions are important to operations and are not recommended to be eliminated, but proposed holding vacant for one year for cost savings
- All positions to be reconsidered for 2022 budget
- Added **\$350,000** across departments for overtime, temporary staff, and contracts to support

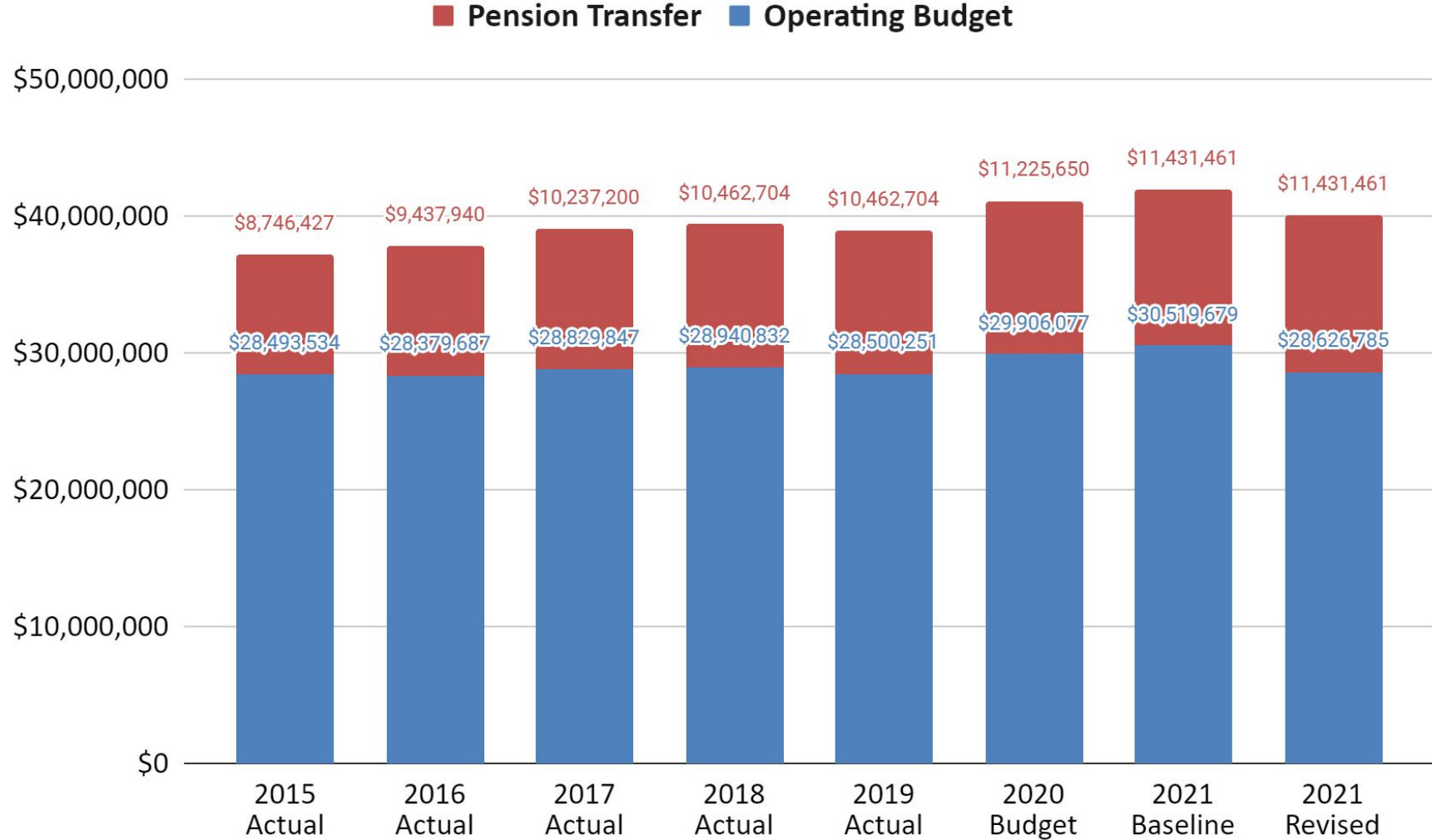
# Positions Held Vacant

- City Manager's Office - 5 FTE
- Law Department - 1 FTE
- Administrative Services - 4 FTE
- Community Development - 2 FTE
- Health & Human Services - 1 FTE
- Police Department - 6 FTE
- Fire Department - 3 FTE
- Parks, Rec. and Community Services - 2 FTE
- Public Works Agency - 2 FTE

# Police Department Budget

- 2021 Baseline Budget = **\$41,951,140**
  - As shown on page of 2021 Budget document
- Police Department changes proposed in Budget Balancing Worksheet = **(\$1,892,894)**
- **2021 Revised Police Department Budget = \$40,058,246**
  - 2020 Adopted Budget = **\$41,131,727**
  - Proposed decrease from 2020 budget = **(\$1,073,481)**

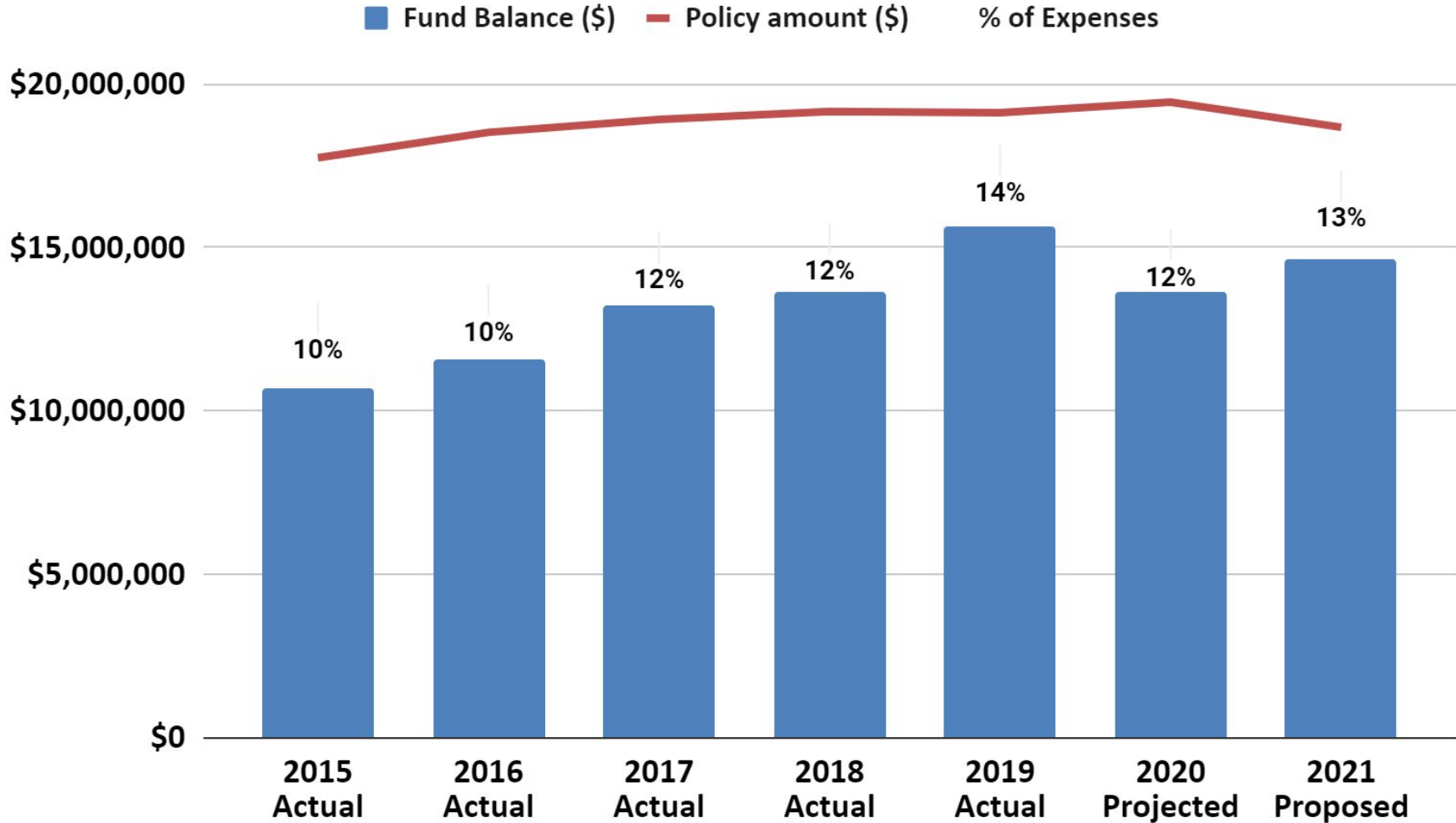
# Police Department Budget



# General Fund Balance

- Worksheet includes **\$1 million** contribution to fund balance
- Supported by **\$500,000** property tax increase
- Brings fund balance to **\$14.7 million or 13%** of expenses
- Fund balance policy is **16.6%** of expenses or about **\$18.7 million**

# General Fund Balance





# Union Pay Increases

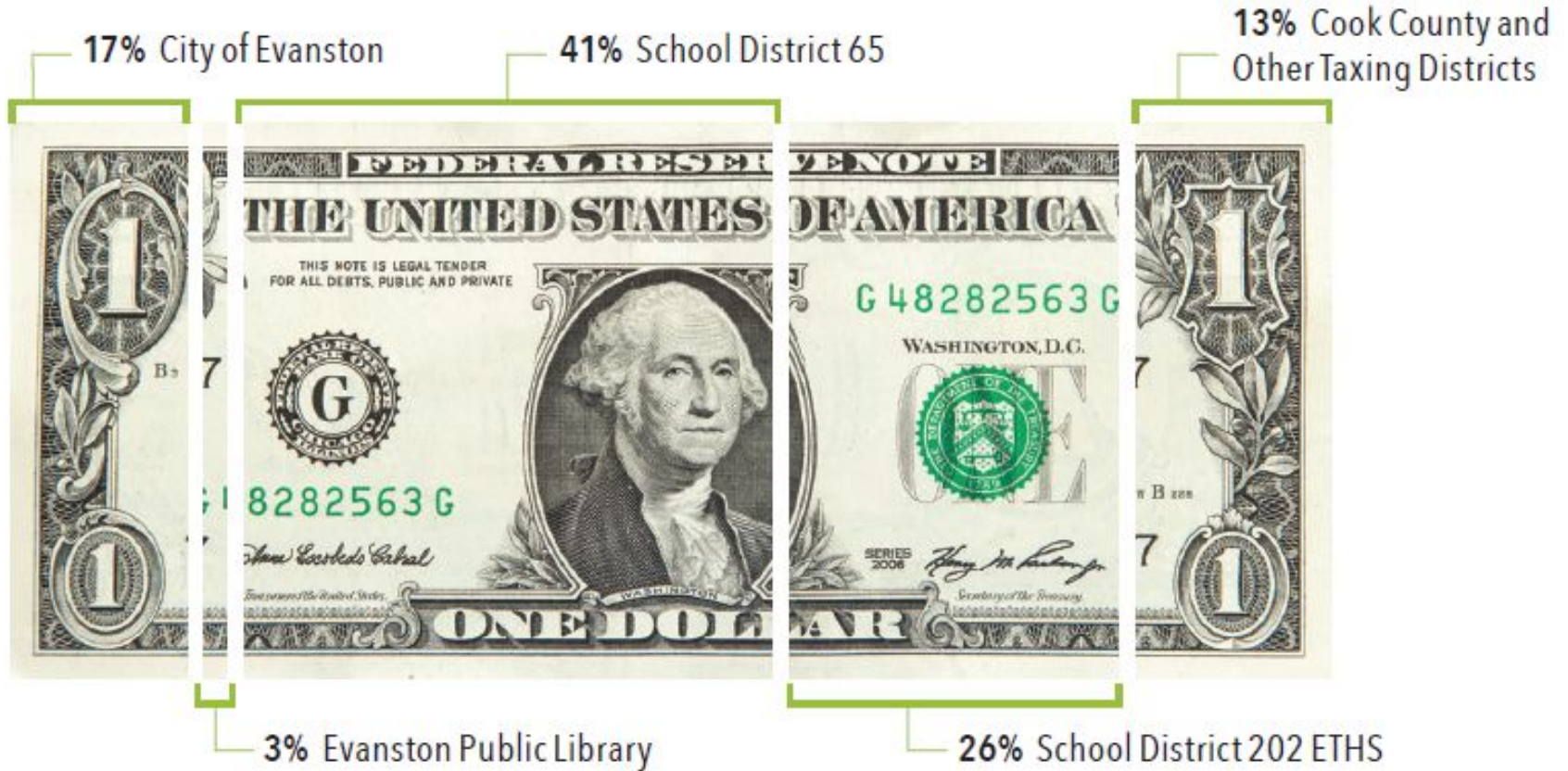
- **IAFF** - No general wage increase (GWI) in 2021 and 2022. Savings of \$254,000 in 2021.
- **AFSCME** - 10 furlough days in 2020, savings of \$650,000. Will receive GWI of 2.5% on January 1, 2021 per contract
- **FOP Officers** - GWI of 2.25% on January 1, 2021 per contract. Negotiation on savings equivalent to furlough days still in progress
- **FOP Sergeants** - GWI of 2.5% on January 1, 2021 per contract. Negotiation on savings equivalent to furlough days still in progress

# Non-union Employees

- Non-union employees were initially budgeted to receive **2.5% GWI on January 1, 2021**, in line with union contracts
- Budget Balancing Worksheet includes reducing GWI to **1.5% on July 1, 2021**, for savings of **\$237,000**
- Non-union employees will also pay increased contributions to health insurance premiums - savings of **\$71,000**
- Proposed budget does not currently include any changes to elected official compensation (will be adjusted if necessary once ordinance is adopted)

# Property Taxes

For every dollar of property tax paid, the City receives 17 cents.



# Property Taxes

	2020 Budget	2021 Budget	Proposed Increase	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>
General Assistance Total	1,080,000	1,300,000	220,000	0.4%
Library Total	7,732,145	7,734,243	2,098	0.0%
<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>

# Property Taxes

## Explanation of Proposed Increases

- General Fund - contribution to fund balance
- Human Services Fund - increase in programs (next slide)
- Debt Service Fund - replaces \$2 million transfer from General Fund; reflects savings from refunding bonds in 2020
- Police and Fire Pension Funds - reflect actuarial recommendations
- General Assistance Fund - increase in normal program costs

# Property Taxes

Market Value of Property	Current Estimated City Tax	Projected City Tax with Proposed Increase	Estimated Increase Amount
\$100,000	\$485	\$513	<b>\$28</b>
\$200,000	\$970	\$1,027	<b>\$57</b>
\$400,000	\$1,940	\$2,054	<b>\$114</b>
\$500,000	\$2,425	\$2,568	<b>\$143</b>
\$800,000	\$3,880	\$4,108	<b>\$228</b>

# Human Services Fund

- In 2020, all social service functions were moved out of the General Fund and into the separate Human Services Fund. Fund also includes Amita health contract and mental health board allocations
- **Proposed property tax increase includes:**
  - Increase in baseline expenses for existing programs (\$250,000)
  - New Alternative Emergency Response program (\$200,000)
  - Increase in support for senior services (\$50,000)

# Solid Waste Fund

- 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)



# Parking Fund

- 2020 expected revenue loss = **\$4.5 million**
- 2020 expected year-end deficit = **\$1.7 million**
- 2020 expected year-end fund balance = **\$600,000**
  
- 2021 Proposed Budget includes \$1 million in bonds to support parking Capital Projects

# Water & Sewer Funds

- Water and sewer funds remain stable during the pandemic
- Water sales began to Village of Lincolnwood in 2020, generating an estimate \$500,000 in new revenue
  - \$250,000 increase in transfer to General Fund included in budget balancing worksheet

# Capital Improvement Plan

## 2021 Proposed Bonds

- Capital Improvements Fund = \$6,645,000
- Library Capital Improvement Fund = \$449,000
- Chicago-Main TIF Fund = \$1,130,000
- Equipment Replacement Fund = \$350,000
- Parking Fund = \$1,000,000
- Water Fund = \$3,000,000

**Total = \$12,574,000**

# City General Obligation Bonds

- Outstanding General Obligation (GO) Bonds (Including Library) as of December 31, 2019 = **\$190.1 million**
- Outstanding General Obligation (GO) Bonds as of December 31, 2020 = **\$192.1 million**
- Average Annual Debt service payment = **\$11.3 million**
- FY 2021 proposed GO Bonds total Amount = **\$12.5 million**

# Planning for the Future

- November election - future of state/federal aid for COVID-19 pandemic relief
- Right-size and reinvest in City's assets
  - Focus on Civic Center
- Graduated income tax - not optimistic state will increase local tax share if passed
- State sales tax change - uncertain impact on Evanston
- Streaming tax began October 1, 2020