



Memorandum

To: Honorable Mayor and Members of the City Council
From: Hitesh Desai, Chief Financial Officer
CC: Kate Lewis-Lakin, Budget Coordinator
Subject: Ordinance 110-O-20 2021 Budget
Date: November 9, 2020

Recommended Action:

Staff requests introduction of Ordinance 110-O-20 adopting the 2021 Budget for the City of Evanston in the total amount of \$297,246,100 and discussion of the 2021 Budget.

Council Action:

For Introduction

Summary:

The 2021 Proposed Budget was published on the City's website on October 9, 2020. City Council held their first discussion of the budget on October 19, 2020. A public hearing on the proposed budget was properly noticed and held at the City Council meeting on October 26, 2020, along with further discussion of the budget. Ordinance 110-O-20 adopting the 2021 Budget is being introduced tonight. It may be adopted on November 16 (if special meeting called) or November 23, 2020 or at any future City Council meeting prior to December 31, 2020.

Ordinance 110-O-20 adopts the 2021 Budget with a total expenditure amount of \$297,246,100. Attachment A includes a list of the expenditure amounts by fund. All funds with personnel experienced minor changes from the proposed budget due to reduced general wage increase to non-union employees.

With the revisions, the General Fund expenditures are budgeted at \$111,670,193 and revenues at \$112,172,609, leaving a surplus of \$502,416 that will be a contribution to the General Fund balance. An updated General Fund summary chart is included as Attachment B. Changes to the General Fund are tracked in the Budget Balancing Worksheet, an updated version of which is included as Attachment C. Substantial changes to the Budget Balancing Worksheet and other portions of the budget are described in more detail below.

Property Taxes

The revised budget tonight includes changes to the proposed 2020 Property Tax levy. A summary of the revised levy is shown in the chart below. The initial proposed budget included an increase of \$500,000 to the General Fund tax levy as an additional contribution to fund balance. This has been removed in the revised budget, keeping the General Fund levy flat and reducing the overall levy increase to 4.9% of the total City/Library levy.

	2019 Adopted Tax Levy (2020 Budget)	2020 Proposed Tax Levy (2021 Budget)	Proposed Change	Increase as % of total levy
General Fund Tax Levy	9,495,300	9,495,300	-	0.0%
Human Services Fund	3,110,000	3,610,000	500,000	0.9%
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%
City Total	\$46,327,408	\$48,827,302	\$2,499,894	4.5%
General Assistance Total	\$1,080,000	\$1,300,000	\$220,000	0.4%
Library Fund	7,252,000	7,252,000	-	0.0%
Library Debt Service	480,145	482,243	2,098	0.0%
Library Total	\$7,732,145	\$7,734,243	\$2,098	0.0%
City and Library Total Net Levy	\$55,139,553	\$57,861,545	\$2,721,992	4.9%

The ordinances for all tax levies are also presented for introduction at tonight's City Council meeting, along with abatement resolutions that establish the City's debt service levy.

The fund balance contribution of \$500,000 will bring the General Fund balance to 12.7% of General Fund expenses.

Non-union health insurance contributions

After further consideration, the City Manager has decided to delay the increase in health insurance contribution percentage for non-union employees, which was included in the initial proposed budget. This is due to the timing of open enrollment, which took place before the approval of the 2021 Budget. The removal of this item from the budget balancing worksheet has been offset by cuts to Service Agreements/Contracts in the City Manager's Office and employee testing in Human Resources. The service agreements/contracts support security guards for the Civic Center. Due to the center being closed to the public, only one guard is currently in use there instead of two originally planned for, allowing for this reduction in

budget. Employee testing can be reduced because fewer new staff are expected to be hired next year than in previous years.

McCulloch Park

The McCulloch Park project has been added back to the 2021 Proposed Capital Improvement Plan. This project was not included in the initial proposed budget for the purpose of cost savings. However, the playground equipment has been deemed unsafe by City staff and needs to be removed, moving the project up in priority. Adding this project back to the budget increases the 2021 bond issue to \$7.6 million, which is still below the normal \$10 million budgeted in recent years for general capital improvements.

New Revenue Options

Staff has provided a [budget memo](#) on October 30, 2020 regarding potential revenue from video gaming in Evanston. Based on data from other communities in the area, it is estimated that the City would receive \$100,000-\$150,000 in tax revenue if video gaming were to be allowed in Evanston. Currently, the City has an ordinance that prohibits video gaming terminals in the City; this would have to be repealed to allow businesses to bring in these terminals. The City would also be allowed to set rules for number of terminals (subject to state statutes) per business, number of businesses allowed to have terminals in the City, and licensing rules and fees for businesses that would seek to install video gaming terminals.

Video Gaming in other communities has been affected by the pandemic, and these effects could continue into 2021. Video Gaming was completely stopped in the state in April, May, and June 2020, and no revenue was received by communities for those three months. However, gaming tax revenue to communities in July, August, and September was higher than in any months prior to the pandemic. This data is available in the [October 30 budget memo](#).

Attachments:

[Attachment A 2021 Budget All Funds](#)

[Attachment B General Fund Summary Chart](#)

[Attachment C 2021 Updated Budget Balancing Worksheet](#)

[110-O-20 2021 Budget Ordinance](#)

Attachment A

Total Budgeted Expenditures By Fund

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

Fund	Fund #	2020 Adopted Budget	2020 Estimated Amount	2021 Proposed Budget	Net Change (2020-2021)	Percent Change (2020-2021)
General	100	117,200,492	108,995,146	111,670,194	(5,530,298)	-4.7%
General Assistance	175	1,315,848	1,315,273	1,325,044	9,196	0.7%
Human Services	176	3,367,752	3,367,102	3,695,721	327,969	9.7%
Reparations Fund	177	250,000	-	400,000	150,000	60.0%
Good Neighbor Fund	180	1,000,000	1,000,000	1,000,000	-	0.0%
Library	185	8,472,778	8,242,309	8,331,744	(141,034)	-1.7%
Library - Debt Service	186	480,144	480,144	482,243	2,099	0.4%
Library - Capital	187	543,000	543,000	449,000	(94,000)	-17.3%
Motor Fuel	200	3,484,987	3,184,987	4,366,987	882,000	25.3%
Emergency Telephone E911	205	1,821,374	1,835,740	1,524,371	(297,003)	-16.3%
Special Service Area # 9	210	592,665	592,665	575,000	(17,665)	-3.0%
CDBG	215	1,963,875	2,112,281	2,756,197	792,322	40.3%
CDBG Loan	220	175,000	175,025	175,000	-	0.0%
Neighborhood Improvement	235	-	150,000	-	-	N/A
HOME	240	659,678	527,678	564,941	(94,737)	-14.4%
Affordable Housing	250	1,713,366	846,542	2,529,244	815,878	47.6%
Debt Service	320	15,840,981	15,840,981	15,133,666	(707,315)	-4.5%
Howard-Ridge TIF	330	541,113	586,113	1,053,113	512,000	94.6%
West Evanston TIF	335	740,000	230,000	780,000	40,000	5.4%
Dempster-Dodge TIF	340	167,870	167,870	170,923	3,053	1.8%
Chicago-Main TIF	345	753,820	695,610	1,397,843	644,023	85.4%
Special Service Area #6	350	221,500	221,500	221,500	-	0.0%
Special Service Area #7	355	154,600	130,000	115,000	(39,600)	-25.6%
Special Service Area #8	360	60,200	60,200	60,200	-	0.0%
Capital Improvement	415	17,051,881	8,111,344	10,401,766	(6,650,115)	-39.0%
Crown Construction	416	8,330,000	10,637,500	1,637,500	(6,692,500)	-80.3%
Crown Center Maintenance	417	-	-	-	-	N/A
Special Assessment	420	957,930	707,930	989,314	31,384	3.3%
Parking	505	13,362,194	10,209,644	11,251,334	(2,110,860)	-15.8%
Water	510-513	50,147,012	35,361,064	44,417,334	(5,729,678)	-11.4%
Sewer	515	14,717,225	13,217,498	12,637,237	(2,079,988)	-14.1%
Solid Waste	520	5,837,705	5,839,105	6,001,623	163,918	2.8%
Fleet Maintenance	600	3,161,051	2,565,615	3,182,673	21,622	0.7%
Equipment Replacement	601	2,660,000	2,695,664	2,000,000	(660,000)	-24.8%
Insurance	605	19,437,284	19,437,285	20,218,087	780,803	4.0%
Fire Pension	700	10,076,897	10,076,897	11,030,300	953,403	9.5%
Police Pension	705	13,449,007	13,449,007	14,701,000	1,251,993	9.3%
Total All Funds		\$ 320,709,230	\$ 283,608,719	\$ 297,246,100	\$ (23,463,130)	-7.32%

Attachment B

2021 Proposed Budget - General Fund Summary (updated November 9, 2020)

Operating General Fund Revenue	FY 2019 Actual Amount	FY 2020 Adopted Budget	FY 2020 Estimated Amount	FY 2021 Proposed Budget	Change 2021-2020 Budget
PROPERTY TAXES	29,888,938	29,362,987	28,450,034	29,948,539	585,552
OTHER TAXES	53,637,882	55,240,000	46,804,559	48,775,000	(6,465,000)
OTHER REVENUE	1,422,940	1,655,100	1,750,805	1,093,100	(562,000)
LICENSES, PERMITS AND FEES	7,667,185	7,663,550	7,194,588	8,085,550	422,000
CHARGES FOR SERVICES	9,222,780	10,187,350	8,544,830	9,357,875	(829,475)
INTERFUND TRANSFERS	8,817,013	8,979,103	9,442,318	9,149,103	170,000
FINES AND FORFEITURES	5,108,236	4,670,500	2,669,092	4,123,500	(547,000)
INTERGOVERNMENTAL REVENUE	1,236,263	1,006,967	2,038,478	1,584,942	577,975
INTEREST INCOME	210,194	55,000	85,375	55,000	-
Total General Fund Revenue	117,211,433	118,820,557	106,980,079	112,172,609	(6,647,948)

Operating General Fund Expenses	FY 2019 Actual Amount	FY 2020 Adopted Budget	FY 2020 Estimated Amount	FY 2021 Proposed Budget	Change 2021-2020 Budget
CITY COUNCIL	540,902	552,609	486,084	556,166	3,556
CITY CLERK	218,776	182,073	180,003	178,795	(3,278)
CITY MANAGER'S OFFICE	7,994,888	8,924,121	8,500,326	6,004,832	(2,919,289)
LAW	706,077	683,577	555,006	576,892	(106,685)
ADMINISTRATIVE SERVICES	9,752,431	10,312,914	9,333,368	10,360,246	47,332
COMMUNITY DEVELOPMENT	3,082,258	3,425,044	3,170,049	3,073,829	(351,215)
POLICE	38,962,955	41,131,727	38,299,716	39,964,293	(1,167,434)
FIRE MGMT & SUPPORT	25,332,850	25,985,716	25,630,525	26,236,574	250,858
HEALTH	2,975,767	1,374,177	1,486,069	1,306,416	(67,761)
PARKS, REC. AND COMMUNITY SERV.	12,364,345	11,661,451	9,843,182	11,389,361	(272,090)
PUBLIC WORKS AGENCY	13,243,814	12,967,082	11,510,817	12,022,791	(944,291)
Total General Fund Expense	115,175,062	117,200,492	108,995,145	111,670,194	(5,530,298)
NET SURPLUS (DEFICIT)	2,036,371	1,620,065	(2,015,066)	502,415	

BEGINNING FUND BALANCE	\$ 13,632,363	\$ 15,668,734	\$ 13,653,668
ENDING FUND BALANCE	\$ 15,668,734	\$ 13,653,668	\$ 14,156,083
FUND BALANCE PERCENTAGE	13.6%	12.5%	12.7%

Proposed 2021 Budget Balancing Worksheet

General Fund Summary	Revenues	Expenses	Net
Baseline General Fund	110,470,609	115,048,660	(4,578,051)
Proposed General Fund Changes (detail below)	1,702,000	(3,378,466)	5,080,466
Proposed General Fund Budget	112,172,609	111,670,194	502,415
Contribution to General Fund Balance			500,000

Proposed General Fund Changes	Revenues	Expenses
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City-Wide Changes

Non-union GWI - 1.5% on July 1 (reduced from 2.5% on January 1)		(237,000)
Increase non-union health insurance contribution percentage		0
Remote work stipend		25,000
Property tax revenue to support fund balance	0	

CARP Initiatives

Electric Aggregation Fee	75,000	
Infrastructure Maintenance Fee	485,000	
Billing for franchise electric accounts		485,000
Electricity Savings on Franchise Accounts		(70,000)

City Manager's Office

Contribution to SSA9 - Move to Solid Waste Fund		(50,000)
Emergency Operations Center - expect 75% grant funded	75,000	100,000
Reduce Service Agreements/Contracts		(10,000)
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)		(84,911)
Hold Vacant - Equity and Empowerment Coordinator (1 FTE)		(102,921)
- Hire Equity Consultant - \$100,000 from Good Neighbor Fund		
Eliminate - Art Design Coordinator (1 FTE)		(101,297)
- Graphic design contract expenses		25,000
Hold Vacant - Customer Services Representative (1 FTE) - in Parking Fund		

Law Department

Hold Vacant - Assistant City Attorney (1 FTE)		(116,364)
- Temporary contract attorney		50,000

Administrative Services

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	
Reduction in HR Testing Services and Test Admin		(32,000)
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		
Eliminate - Parking Maintenance Worker (1 FTE) - in Parking Fund		

Community Development

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

Health & Human Services

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

Police

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)
Eliminate - Assistant Communications Coordinator (1 FTE) - in E911 Fund		
- Telecommunicator (2 FTE) moved to E911 Fund		

Fire

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	

Parks, Recreation & Community Services

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	

Public Works Agency

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)

Total General Fund Proposed Changes	1,702,000	(3,378,466)
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Human Services Fund (working)	Revenues	Expenses
Increase to baseline expenses		250,000
Emergency Response Alternatives Program		200,000
Support for Senior Services		50,000
Increase to Human Services Tax Levy	500,000	

Solid Waste Fund	Revenues	Expenses
Move contribution to SSA #9 to Solid Waste Fund		50,000
Residential refuse fee increases (Effective July 1, 2020)	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 fee increase (Effective July 1, 2020)	33,000	
- Increase monthly cost from \$8.85 per unit to \$9.82 per unit		
Apartment refuse fee increase (Effective July 1, 2020)	26,500	
- increase monthly cost from \$1.85 to \$2.52 per unit		
Yard waste fee increase (Effective July 1, 2020)	75,000	
- Increase annual cost from \$25 to \$35		

110-O-20

AN ORDINANCE

**Approving the 2021 Fiscal Year
Budget of the City of Evanston**

WHEREAS, 65 ILCS 5/8-2-9.1 *et seq.* and Title 1, Chapter 8 of the City Code, 2012, as amended, requires the City Manager to submit to the City Council a proposed budget for the ensuing fiscal year that presents a complete budget for revenues and expenditures plan for each fund; and

WHEREAS, in accordance with legal requirements, the City Manager submitted the proposed budget for the 2021 fiscal year to the City Council for its review and the required hearings on said budget were conducted and properly noticed under the Illinois Open Meetings Act, 5 ILCS 120/1 *et seq.*; and

WHEREAS, the City Council has reviewed the proposed budget, with a total expenditure amount of two hundred and ninety-seven million, two hundred and forty-six thousand, and one hundred dollars (\$297,246,100).

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:

SECTION 1: The foregoing recitals hereby found as fact and incorporated herein by reference.

SECTION 2: That the City Council hereby adopts the City of Evanston's 2021 fiscal year budget, with a total expenditure amount of two hundred and ninety-seven million, two hundred and forty-six thousand, and one hundred dollars (\$297,246,100), summarized in the document attached hereto as Exhibit A and

incorporated herein by reference, and hereby directs the City Manager to implement said budget.

SECTION 3: That this Resolution 110-O-20 shall be in full force and effect from and after its passage and approval in the manner provided by law.

Attest:

Devon Reid, City Clerk

Adopted: _____, 2020

Stephen H. Hagerty, Mayor

Approved as to form:

Kelley A. Gandurski, Corporation Counsel

EXHIBIT A

City of Evanston – Fiscal Year 2021 Adopted Budget Summary

Fund	Fund #	2021 Adopted Budget
General	100	111,670,194
General Assistance	175	1,325,044
Human Services	176	3,695,721
Reparations Fund	177	400,000
Good Neighbor Fund	180	1,000,000
Library	185	8,331,744
Library - Debt Service	186	482,243
Library - Capital	187	449,000
Motor Fuel	200	4,366,987
Emergency Telephone E911	205	1,524,371
Special Service Area # 9	210	575,000
CDBG	215	2,756,197
CDBG Loan	220	175,000
Neighborhood Improvement	235	-
HOME	240	564,941
Affordable Housing	250	2,529,244
Debt Service	320	15,133,666
Howard-Ridge TIF	330	1,053,113
West Evanston TIF	335	780,000
Dempster-Dodge TIF	340	170,923
Chicago-Main TIF	345	1,397,843
Special Service Area #6	350	221,500
Special Service Area #7	355	115,000
Special Service Area #8	360	60,200
Capital Improvement	415	10,401,766
Crown Construction	416	1,637,500
Crown Center Maintenance	417	-
Special Assessment	420	989,314
Parking	505	11,251,334
Water	510-513	44,417,334
Sewer	515	12,637,237
Solid Waste	520	6,001,623
Fleet Maintenance	600	3,182,673
Equipment Replacement	601	2,000,000
Insurance	605	20,218,087
Fire Pension	700	11,030,300
Police Pension	705	14,701,000
Total All Funds	\$	297,246,100