

CITY OF EVANSTON

FY 2021 Budget

Responses to 2021 Budget Questions
Through November 13, 2020

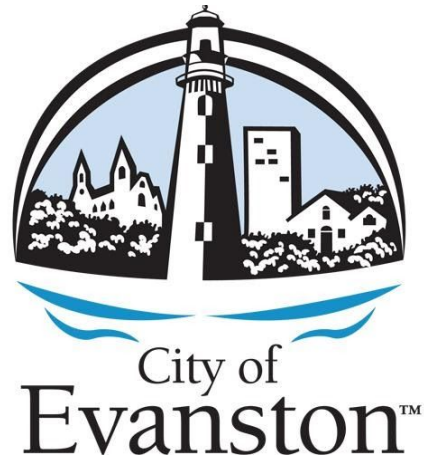


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Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Kate Lewis-Lakin, Budget Coordinator

Subject: Administrative Services Budget

Date: October 23, 2020

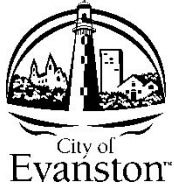
Question: Why did the Administrative Services department budget for 2021 increase from the 2020 Actual?

Response: The updated General Fund summary provided for the November 9, 2020 City Council meeting shows the following data for expenses in the Administrative Services Department:

2020 Adopted Budget	2020 Estimated Amount	2021 Proposed Budget
\$10,312,914	\$9,333,368	\$10,360,246

The savings from the 2020 Budget to 2020 Estimated is related to the City's response to COVID-19. The City has had a hiring freeze in place since March, which has left 4 FTE vacancies in the Administrative Services Department, for a savings of approximately \$350,000. Furlough days taken by non-union and AFSCME staff yield another \$200,000 in savings. Additional savings is coming from reduced use of parking enforcement software, and delayed or reduced purchase of other software and services.

The 2021 budget restores the spending on parking enforcement, software and services that was included in the 2020 budget. However, it does still hold 4 FTE positions vacant, not budgeting for those positions. Certain expenses have also been added to Administrative Services in the 2021 budget, bringing it nearly equal to the 2020 adopted budget. Personnel expenses for remaining staff will increase about 2.5% due to general wage increases for AFSCME employees and rising health insurance costs. Electricity expenses for City facilities have been added to the budget, along with offsetting revenue from ComEd in the form of an infrastructure maintenance fee. This was approved by the City Council in September. Other expenses added are due to a consolidation of copy machine and telecommunication related charges from all departments into the IT division of Admin Services. This will allow for more accurate budgeting and better management of these expenses going forward.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Kate Lewis-Lakin, Budget Coordinator

Subject: 2020 Estimates

Date: October 23, 2020

Question: Many funds show increases from 2020 Estimate Amount to 2021 Budget. This includes: Motor Fuel Fund, Affordable Housing Fund, West Evanston TIF, Howard Ridge TIF, Chicago-Main TIF, Capital Improvements, and Water. Why is this?

Response: In general, 2020 estimated amounts lower than 2020 budgets reflect the restrictions in activity caused by the COVID-19 crisis and response. For 2021, it is the City's hope that some of these services and activities can return to more normal levels, and the budgets reflect that change. Specific explanations for the funds named are below.

Motor Fuel Tax (MFT) Fund - The revenue for the MFT Fund increased in 2020 as a result of the increase in state motor fuel tax to fund the Rebuild Illinois program. This increase was estimated at \$1.2 million for the 2020 budget, with expenses added to the fund accordingly. Some of these were expenses moved from the General Fund, while others represented new street resurfacing projects. The City was conservative in its estimates for 2020, and actually received \$1.6 million in Rebuild Illinois funding in 2020 and expects the same in 2021. Because this additional funding was not planned for in 2020, it has been carried over to 2021. The City hopes to complete a greater amount of street resurfacing from the fund next year due to this additional funding in both years, which is why expenses are increasing.

Affordable Housing Fund - The Affordable Housing Fund started 2020 with a high fund balance, due to a large developer contribution received at the end of 2019. When creating the 2020 budget, the City hoped to spend down some of this fund balance on development grants and forgivable loans to support affordable housing in Evanston. Due to the COVID-19 pandemic, development on certain properties slowed, and the City expects to spend far less on grants and loans from the fund than planned. The pandemic has also caused housing insecurity for many Evanston residents, so the City plans to spend more on projects and programs related to affordable housing in 2021 than it was able to in the current year.

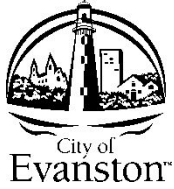
West Evanston TIF - The West Evanston TIF Fund experienced a substantial growth in equalized assessed value in 2020. This nearly doubled property tax revenue received to the fund from \$720,000 budgeted to \$1.4 million expected. At the same time, the City was not able to complete planned capital improvement projects in this TIF area in 2020. Staff expects the higher property tax increment to continue in 2021, and plans to use some of this accumulated fund balance to complete capital improvement projects in the TIF area in 2021.

Howard-Ridge TIF - Similar to the West Evanston TIF, the Howard-Ridge TIF also received a higher than expected property tax increment in 2020 as a result of increased EAV. This is expected to continue in 2021, and the City hopes to pursue capital projects in the TIF in 2021 with the accumulated balance.

Chicago-Main TIF - The Chicago-Main TIF also experienced an increase in tax increment in 2020. The City is also planning to issue bonds for major street improvements in the TIF to be started in 2021, increasing both revenue and expenses. This is shown as Other Revenue of \$1.13 million in the budget document.

Capital Improvements Fund - The COVID-19 pandemic reduced the City's ability to complete all of the capital improvement projects that were scheduled for 2020. Staff has taken a close look at these projects that were delayed. Some are planned to be completed in 2021, and some will be delayed further to 2022.

Water Fund - The Water Fund includes a budgeted amount for annual capital improvement projects.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Brian Scott, Fire Chief
Kate Lewis-Lakin, Budget Coordinator

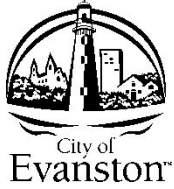
Subject: Fire Calls Northwestern University

Date: November 13, 2020

Question: How many calls to Northwestern University does the Evanston Fire Department handle per year and what are their associated costs?

Response: In 2019 we responded to **513** calls for service to Northwestern University. 246 or 48% were for emergency medical services (EMS). In terms of cost, all EMS transports are billed and reimbursed at the same rate as any Evanston resident at \$1,500 per transport in accordance with Ordinance 150-O-19.

The remaining 267 calls were for fire and rescue related incidents and are not typically billed. Estimated average cost to the city for these calls would be \$2,468 per call for a total of \$658,986.



Memorandum

To: Honorable Mayor Hagerty and Members of the City Council

From: Kate Lewis-Lakin, Budget Coordinator

Subject: Water Sale Revenue

Date: October 23, 2020

Question: Where is the City using new water revenue from selling to other Cities?

Response: It is anticipated that the addition of Lincolnwood as a customer community will generate \$500,000 in new revenue for the City of Evanston. Half of this is to be retained by the water fund to support the infrastructure providing the connection to Lincolnwood. Half will be transferred to the General Fund as profit sharing - \$250,000 budgeted for 2021.