



Finance & Budget Committee
Tuesday, April 12, 2022 @ 6:00 PM
Lorraine H. Morton Civic Center, Room 2402

AGENDA

Page

1. CALL TO ORDER/DECLARATION OF A QUORUM

2. PUBLIC COMMENT

3. APPROVAL OF MINUTES

A. **Approval of the March 8, 2022 Budget & Finance Committee Meeting Minutes** 2 - 3
[March 08, 2022 Minutes](#)

4. DISCUSSION

A. **Discussion of Property Taxes by CFO Hitesh Desai** 4 - 12
[Property Tax Presentation](#)

B. **Approval of Ordinance 26-O-22** 13 - 16
Amending the budget FY 2021 at Fund Level
[2021 Budget Amendment Memo](#)

5. ADJOURNMENT



City of
Evanston™
MINUTES

Finance & Budget Committee
March 8, 2022 @ 6:00 PM
Room #2404, Second Floor
Lorraine H. Morton Civic Center, 2100 Ridge Avenue

COMMITTEE MEMBERS

PRESENT:

Shari Reiches, Committee Member, David Livingston, Committee Member, Leslie McMillan, Committee Member, Melissa Wynne, Councilmember, Bobby Burns, Councilmember, Devon Reid, Councilmember, Clare Kelly, Councilmember, and Jonathan Nieuwsma, Councilmember

COMMITTEE MEMBERS

ABSENT:

STAFF PRESENT:

Jessica Tapia, Financial Analyst, Hitesh Desai, CFO

1. CALL TO ORDER/DECLARATION OF A QUORUM

Councilmember Wynne called the meeting to order at 6:08 PM

2. PUBLIC COMMENT

Timothy Schoolmaster commented on the virtual meeting held in February questioning whether or not there was a link provided on the agenda

A Evanston resident raised the issue of capital improvement projects and their funding.

3. APPROVAL OF MINUTES

Approval of the February 8, 2022 Finance & Budget Committee Meeting Minutes
Staff recommends approval of the Minutes of the Regular Budget & Finance Committee meeting held February 8, 2022.

Moved by Councilmember Wynne

Seconded by Councilmember Reid

Vote of 8 aye, 0 nay

4. DISCUSSION

Discussion of the Police and Fire pensions for the City of Evanston

A. Pension Presentation by Jason Franken from Foster & Foster, Pension Funds Actuary

Jason Franken provided a detailed presentation about the Police and Fire pension systems in Illinois and the City of Evanston. Overall, both pensions are underfunded across the state of Illinois. He mentioned that payments to the Police and Fire pensioners are governed by state statutes. Currently, the state of Illinois has set the goal of 90% funding by 2040. Councilmember Wynne, Nieuwsma, and Kelly asked how the City of Evanston could reach this goal. Franken mentioned a couple of options to increase funding levels including the change in amortization method and the assumed rate of return. He also mentioned that this would result in an increased tax levy for the first few years. CFO Desai stated that the city has been contributing \$2-3 million more than the state minimum requirements towards Police and Fire Pensions for many years.

5. NEW/OTHER BUSINESS

Member of the committee discussed the possible topics that could be addressed in breakout sessions.

6. ADJOURNMENT

Meeting was adjourned by Councilmember Wynne at 8:15 PM



Property Tax Levies

April 12, 2022

PROPERTY TAXES

The property tax rate and tax levy are **not** the same.

Tax Levy: Amount of money requested by the City and other taxing bodies (schools, county, etc.)

Tax Rate: Tax levy divided by the total value (EAV) of all properties in the City.

Tax Rate: Tax levy divided by the total value (EAV) of all properties in the City.

Mostly, Change in actual property taxes (not rate but actual dollar) depends on tax levy dollars requested by the various taxing agencies.

What Is Equalized Assessed Value (EAV)?

The Equalized Assessed Value (EAV) of your property is the product of the assessed value of your property (both land and improvements) and the State Equalization Factor, which is set by the Illinois Department of Revenue.

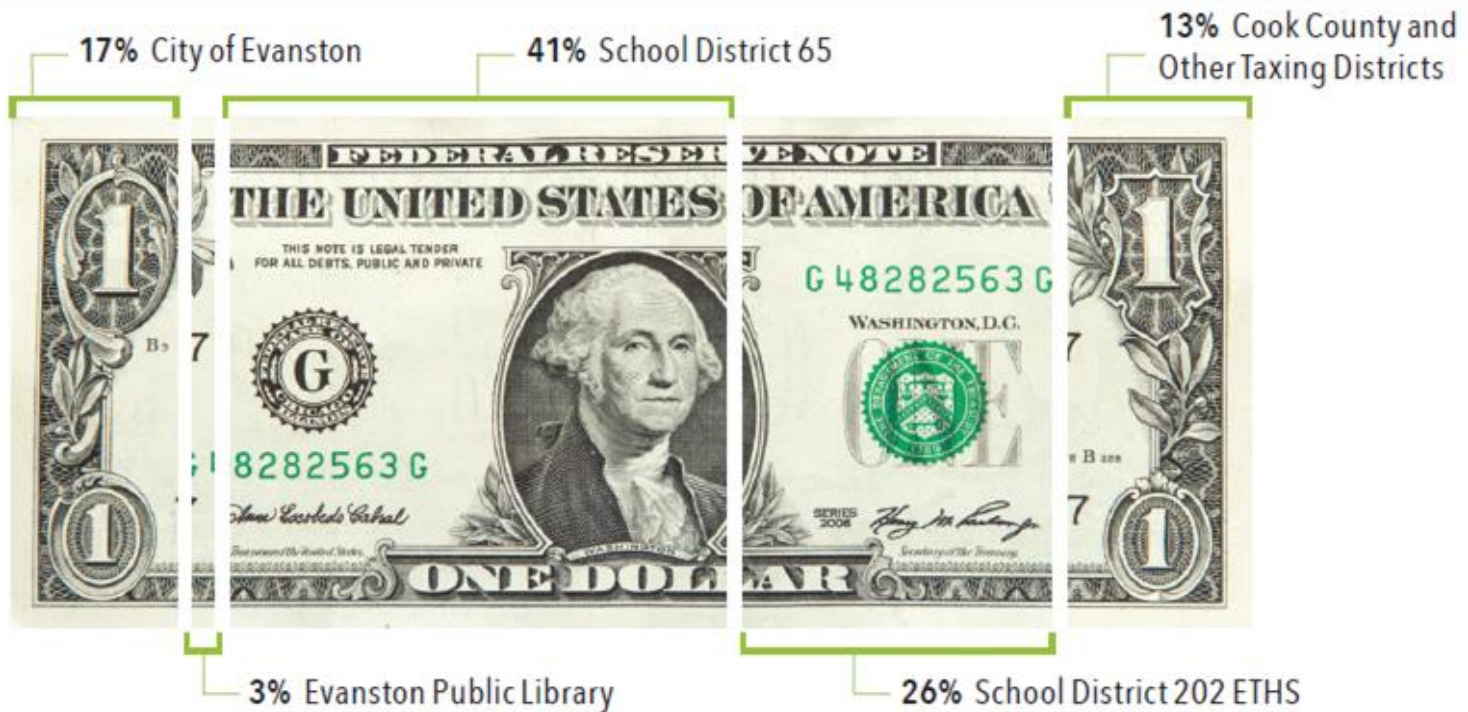


How Is EAV Calculated?

In Illinois, counties are required to “equalize” property tax assessments so that the median level of assessment is at 33% of fair market value. If the average sales price in the overall market is either higher or lower than 33% of assessed values, the prior assessed values will be increased or decreased by a factor that corrects this. Because Cook County assesses residential property at 10% of fair market value, rather than the 33% required by state law, Cook County’s equalization factor can approach 3 while that of other counties are typically closer to 1.0. The equalization factor is then multiplied by your property’s assessed value to determine its EAV.

PROPERTY TAXES

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

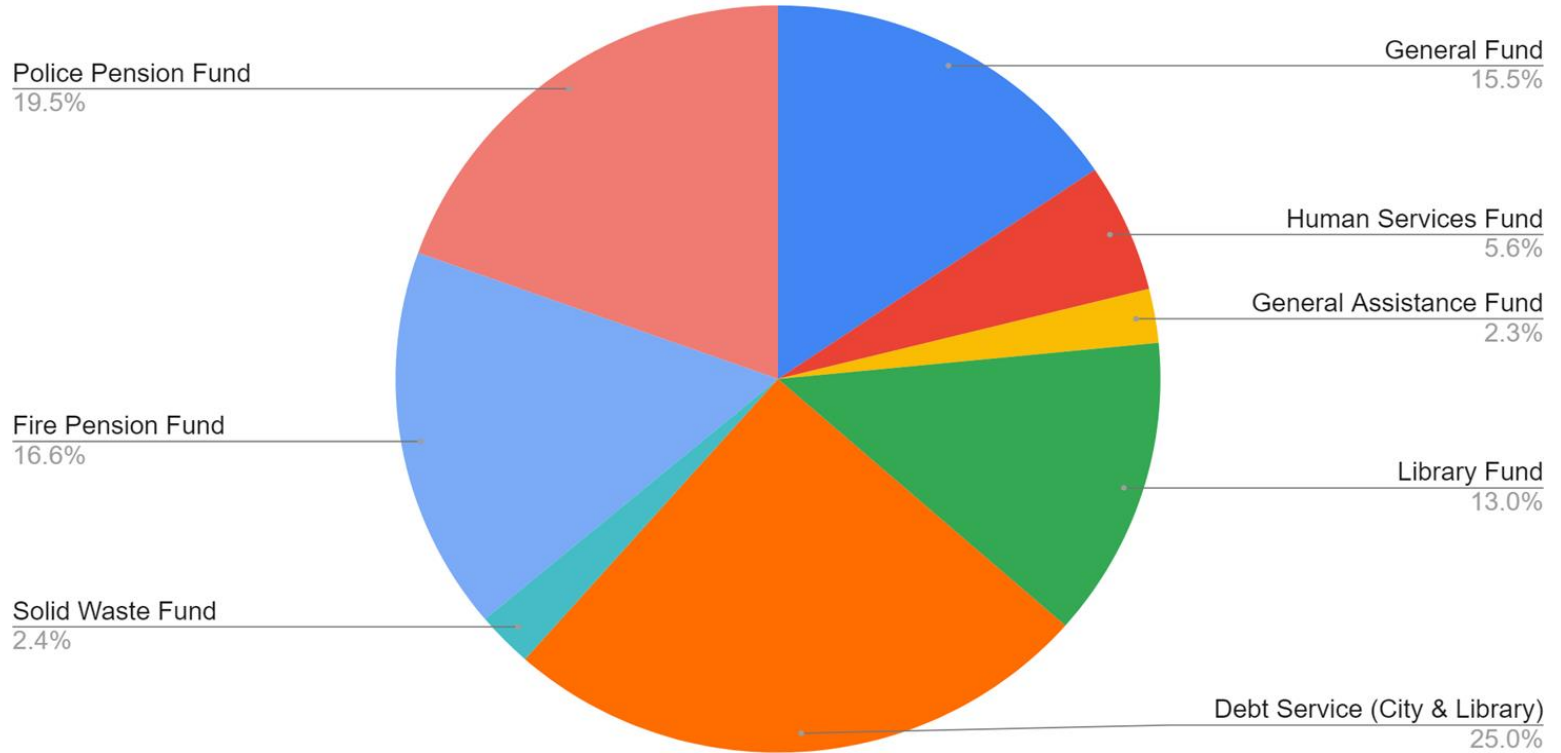


Tax Data	2020	2019	2018
EAV	3,461,647,470	3,432,148,547	2,720,580,194
Cook County Multitplier	3.2234	2.9160	2.9109
Total Tax levy	281,189,624	275,745,679	256,061,008
Tax levy city	47,952,920	47,977,302	47,407,418
Tax levy - Library	7,758,625	7,734,243	7,732,145
Rate as a % of EAV			
Total Rate	8.1230	8.0342	9.4120
Rate - City	1.4520	1.4454	1.6040
Rate - City % of total	17.59%	17.59%	16.68%
Rate- Library	0.2160	0.2178	0.2540

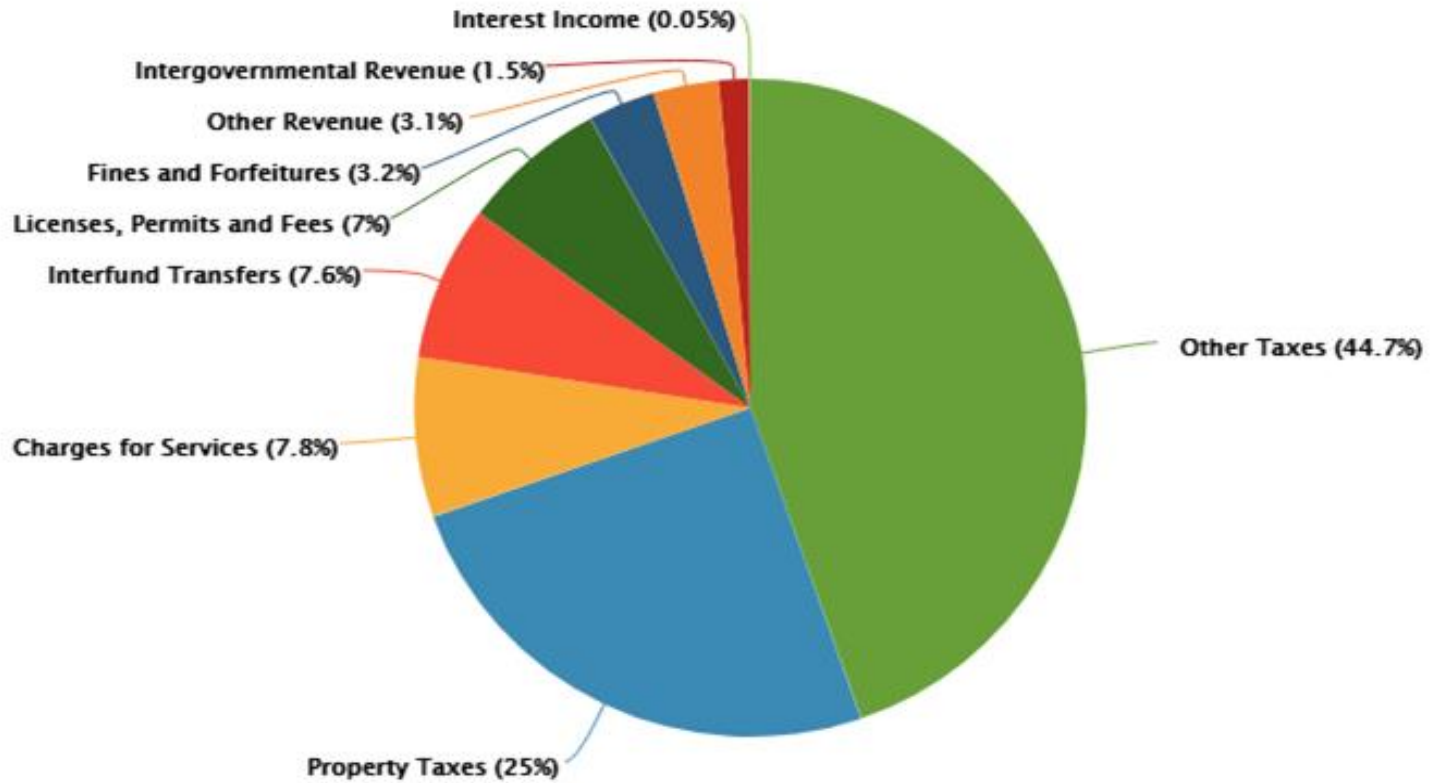
Tax Rates					
	2020	2020		2019	2019
	Rate	%		Rate	%
North Shore Mosq Abate. Dist Northfield	0.009	0.11%		0.009	0.11%
Metropolitan Water Reclamation Dist of Chi	0.378	4.70%		0.389	4.84%
Miscellaneous Taxes Total	0.387	4.82%		0.398	4.95%
SCHOOL TAXES					
Oakton College Dist Skokie Des Plaines	0.227	2.83%		0.221	2.75%
Evanston Township High School Dist 202	2.072	25.79%		2.024	25.19%
Evanston/Skokie School District 65	3.258	40.55%		3.185	39.64%
School Taxes Total	5.557	69.17%		5.430	67.59%
MUNICIPALITY/TOWNSHIP TAXES					
City of Evanston General Assistance	0.039	0.49%		0.0324	0.40%
Evanston Library Fund	0.216	2.69%		0.2178	2.71%
City of Evanston	1.413	17.59%		1.413	17.59%
Municipality/Township Taxes Total	1.668	20.76%		1.6632	20.70%
COOK COUNTY TAXES					
Cook County Forest Preserve District	0.058	0.72%		0.059	0.73%
Consolidated Elections	0	0.00%		0.03	0.37%
County of Cook	0.272	3.39%		0.275	3.42%
Cook County Public Safety	0.132	1.64%		0.134	1.67%
Cook County Health Facilities	0.049	0.61%		0.045	0.56%
COOK COUNTY TAXES total	0.511	6.36%		0.543	6.76%
	8.123			8.0342	
EAV	3,461,647,470			3,432,148,547	
multiplier	3.2234			2.916	

City Property Tax Levy	2020 Adopted Net Levy	2021 Proposed Net Levy	Change (\$)
General Fund	\$7,845,300	\$8,656,102	\$810,802
Human Services Fund	\$3,110,000	\$3,110,000	\$0
General Assistance Fund	\$1,300,000	\$1,300,000	\$0
Library Fund	\$7,252,000	\$7,252,000	\$0
Debt Service (City & Library)	\$14,418,506	\$13,942,881	-\$475,625
Solid Waste Fund	\$1,332,500	\$1,332,500	\$0
Fire Pension Fund	\$9,346,778	\$9,248,524	-\$98,254
Police Pension Fund	\$11,106,461	\$10,869,538	-\$236,923
Total Net Levy	\$55,711,545	\$55,711,545	\$0

2021 PROPERTY TAX LEVY



GENERAL FUND REVENUE





Memorandum

To: Honorable Mayor and Members of the City Council
From: Hitesh Desai, Chief Financial Officer
CC: Jess Tapia, Financial Analyst
Subject: Ordinance 26-O-22: 2021 Budget Amendment
Date: April 26, 2022

Recommended Action:

Staff recommends approval of Ordinance 26-O-22, authorizing the City Manager to increase the total fiscal year 2021 budget by \$11,554,473, from \$296,146,105 to a new total of \$307,700,578.

Council Action:

For Introduction

Summary:

On November 23, 2020, City Council adopted the FY 2021 budget for expenses totaling \$296,146,105. As of now, the City is reporting total expenses of \$266,008,957 on an accounting basis (GAAP basis), **resulting in a savings of \$30,137,148**. On a cash basis, the city is reporting \$266,116,891, resulting in a savings of \$30,018,214. This difference in expenses is due to accounting rules relating to capital assets, depreciation, vehicles, debt service principal payments and refinanced GO bonds.

It is required by State law for the City to adopt a budget amendment after the fiscal year has been completed only for funds that exceed specific budgeted expenses. As noted above, this does not mean that the City exceeded the adopted 2021 budget in total; rather, the State law requires an amendment to reconcile those specific fund expenses that did exceed what was predicted, and adopted, in 2021. This will not require an increase to the tax levy for 2021. Details of unaudited General Fund numbers will be included in a presentation during the April 26, 2022 City Council meeting.

This proposed Ordinance 26-O-22 increases the 2021 budgeted amount in funds by a total of \$11,554,473, to a new total budget number of \$307,700,578. These funds are: General Fund, American Rescue Plan, Special Service Area #9, Debt Service, Chicago- Main TIF, Special Service Area #6, Special Service Area #7, Parking, and Police Pension Funds.

Funds with spending below 2021 budgeted amounts are not required to be amended. The attachment shows budgeted and unaudited actual expenses for all funds, as well as those funds included in the amendment.

Fund Summaries

General Fund

The General Fund is expected to end 2021 with expenses of \$1,962,275 higher than budget due to a few items as listed below:

The City Manager's Business Unit had Termination Payouts that were \$420,000 over budget.

Credit Card Fees were \$175,000 over what was originally budgeted.

Computer hardware, software, telecom and cybersecurity expenses under Business Unit 1932 were higher by \$400,000.

Parking Enforcement Business Unit higher by \$103,000.

School Crossing Guards expenses higher by \$315,000.

Building Maintenance Material expenses are higher by \$175,000.

Connections for Homeless Business Unit 2128 up by \$159,000.

The Fire Department exceeded expenses by \$231,000 due to overtime expenses incurred.

The Health Department exceeded expenses by \$443,000 due to COVID related expenses.

The Public Works Department exceeded the budget by \$221,000 due to overtime expenses incurred.

ARPA Fund

The American Rescue Plan Fund is expected to end 2021 with expenses of \$4,800,000 over budget due in large part to the approved funding for water and sewer infrastructure projects and vehicles by City Council.

Special Service Area #9

Special Service Area #9 is expected to end 2021 with expenses of \$20,125 higher than the original budget, but the overall fund is expected to close the year with an operating surplus.

Debt-Service Fund

The Debt-Service Fund is expected to end 2021 with expenses of \$3,831,960 higher than budget mainly because of the amount of refunded bonds categorized as an expense.

Chicago-Main TIF

The Chicago-Main TIF is expected to end 2021 with expenses of \$185,681 higher than budget due to additional improvement expenses on Main Street.

Special Service Area #6

The Special Service Area#6 fund is expected to end 2021 with expenses of \$2,414 higher than budget due to property tax refunds that were settled after the payment of property taxes to Downtown Evanston. The 2021 deficit will be reimbursed through 2022 collections.

Special Service Area #7

This fund is expected to end 2021 with expenses of \$20,898 higher than budget mainly because of a lower budgeted amount, but the overall fund is expected to close the year with an operating surplus.

Parking System Fund

The Police Pension fund ended 2021 with expenses of \$115,145 higher than budget mainly because of parking tax payment expenses (to the city) over by roughly \$350,000.

Police Pension Fund The Police Pension fund ended 2021 with expenses of \$615,975 higher than budget, mainly due to the portability payments for three officers to other communities.

2021 Budgeted Expenditures v/s Actual By Fund

Fund	Fund #	2021 Adopted Budget	2021 Actual expenditures	Proposed Change
100 GENERAL FUND	100	111,020,191	112,982,466	(1,962,275)
170 AMERICAN RESCUE PLAN	170	-	4,800,000	(4,800,000)
210 SPECIAL SERVICE AREA (SSA) #9	210	575,000	595,125	(20,125)
320 DEBT SERVICE FUND	320	15,133,666	18,965,626	(3,831,960)
345 CHICAGO-MAIN TIF	345	1,397,843	1,583,524	(185,681)
350 SPECIAL SERVICE AREA (SSA) #6	350	221,500	223,914	(2,414)
355 SPECIAL SERVICE AREA (SSA) #7	355	115,000	135,898	(20,898)
505 PARKING SYSTEM FUND	505	11,251,334	11,366,479	(115,145)
705 POLICE PENSION FUND	705	14,701,000	15,316,975	(615,975)
Total All Funds		\$ 154,415,534	\$ 165,970,007	\$ (11,554,473)

2021 Budgeted Expenditures v/s Actual By Fund

Fund	Fund #	2021 Adopted Budget	2021 Actual expenditures	Budget to Actual Variance
100 GENERAL FUND	100	111,020,191	112,982,466	(1,962,275)
170 AMERICAN RESCUE PLAN	170	-	4,800,000	(4,800,000)
175 GENERAL ASSISTANCE FUND	175	1,325,044	1,101,511	223,534
176 HUMAN SERVICES FUND	176	3,645,724	2,723,747	921,978
177 REPARATIONS FUND	177	400,000	2,096	397,904
180 GOOD NEIGHBOR FUND	180	1,000,000	449,539	550,461
185 LIBRARY FUND	185	8,331,744	7,895,691	436,053
186 LIBRARY DEBT SERVICE FUND	186	482,243	482,243	-
187 LIBRARY CAPITAL IMPROVEMENT F	187	449,000	405,832	43,168
200 MOTOR FUEL TAX FUND	200	4,366,987	3,441,722	925,265
205 EMERGENCY TELEPHONE (E911) FL	205	1,524,371	1,307,613	216,759
210 SPECIAL SERVICE AREA (SSA) #9	210	575,000	595,125	(20,125)
215 CDBG FUND	215	2,756,197	2,317,923	438,274
220 CDBG LOAN FUND	220	175,000	44,370	130,630
235 NEIGHBORHOOD IMPROVEMENT	235	-	-	-
240 HOME FUND	240	564,941	544,592	20,348
250 AFFORDABLE HOUSING FUND	250	2,529,244	1,945,762	583,482
320 DEBT SERVICE FUND	320	15,133,666	18,965,626	(3,831,960)
330 HOWARD-RIDGE TIF FUND	330	1,053,113	784,150	268,963
335 WEST EVANSTON TIF FUND	335	780,000	493,821	286,179
340 DEMPSTER-DODGE TIF FUND	340	170,923	170,746	177
345 CHICAGO-MAIN TIF	345	1,397,843	1,583,524	(185,681)
350 SPECIAL SERVICE AREA (SSA) #6	350	221,500	223,914	(2,414)
355 SPECIAL SERVICE AREA (SSA) #7	355	115,000	135,898	(20,898)
360 SPECIAL SERVICE AREA (SSA) #8	360	60,200	58,580	1,620
415 CAPITAL IMPROVEMENTS FUND	415	10,401,766	8,487,662	1,914,104
416 CROWN CONSTRUCTION FUND	416	1,637,500	713,241	924,259
417 CROWN COMMUNITY CTR MAINTEN	417	-	-	-
420 SPECIAL ASSESSMENT FUND	420	989,314	634,070	355,244
505 PARKING SYSTEM FUND	505	11,251,334	11,366,479	(115,145)
510 WATER FUND	510-513	44,417,334	21,625,014	22,792,321
515 SEWER FUND	515	12,637,237	5,097,394	7,539,843
520 SOLID WASTE FUND	520	6,001,628	5,693,087	308,541
600 FLEET SERVICES FUND	600	3,182,673	3,144,236	38,438
601 EQUIPMENT REPLACEMENT FUND	601	1,600,000	1,526,967	73,033
605 INSURANCE FUND	605	20,218,087	18,064,105	2,153,982
700 FIRE PENSION FUND	700	11,030,300	10,883,240	147,060
705 POLICE PENSION FUND	705	14,701,000	15,316,975	(615,975)
Total All Funds		\$ 296,146,105	\$ 266,008,957	\$ 30,137,148