



**Finance and Budget Committee
Tuesday, April 11, 2023
Lorraine H. Morton Civic Center 5:00 PM**

Join Zoom Meeting

<https://us06web.zoom.us/j/82259772298?pwd=OWIzcERDZVdEVEhEV3VJdExGMGM3dz09>

Meeting ID: 822 5977 2298

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AGENDA

Page

1. CALL TO ORDER/DECLARATION OF A QUORUM

2. PUBLIC COMMENT

3. APPROVAL OF MINUTES

- F1. **Approval of the Minutes of the Regular Meeting of March 14, 2023** 4 - 5
Staff recommends approval of the minutes of the regular meeting of March 14, 2023

For Action

[Finance and Budget Committee - Mar 14 2023 - Minutes - Pdf](#)

- F2. **Approval of the Minutes of the Special Meeting of March 21, 2023** 6 - 7
Staff recommends approval of the minutes of the special meeting of March 21, 2023

For Action

[Finance and Budget Committee - Mar 21 2023 - Minutes - Pdf](#)

4. DISCUSSION

- F1. **Transportation Infrastructure Enterprise Fund - Referral** 8 - 11
For Discussion

For Discussion

[Transportation Infrastructure Enterprise Fund - Referral - Attachment - Pdf](#)

- F2. **Overview of General Fund Revenues** 12 - 15
For Discussion

For Discussion

[Overview of General Fund Revenues - Attachment - Pdf](#)

5. CONSIDERATION

- F1. **Ordinance 40-O-23 Authorizing the City of Evanston City Manager to Reduce the Total Fiscal Year 2022 Budget by \$34,438,897, to a New Total of \$325,994,623** 16 - 22
Staff recommends the Finance and Budget Committee recommend the City Council approve Ordinance 40-O-23 authorizing the City of Evanston City Manager to reduce the total Fiscal Year 2022 budget by \$34,438,897 to a new total of \$325,994,623.

For Action

[Ordinance 40-O-23 Authorizing the City of Evanston City Manager to Reduce the Total Fiscal Year 2022 Budget by \\$34,438,897, to a New Total of \\$325,994 - Pdf](#)

6. ADJOURNMENT



City of
Evanston™
MINUTES

Finance and Budget Committee

Tuesday, March 14, 2023 @ 5:00 PM

Lorraine H. Morton Civic Center

**COMMITTEE MEMBER
PRESENT:**

Shari Reiches, Resident, David Livingston, Resident, Melissa Wynne, Councilmember, Clare Kelly, Councilmember, and Jonathan Nieuwsma, Councilmember

**COMMITTEE MEMBER
ABSENT:**

Leslie McMillan, Resident, Bobby Burns, Councilmember, and Devon Reid, Councilmember

STAFF PRESENT:

Jessica Tapia, Finance Analyst, Hitesh Desai, Chief Financial Officer/Treasurer, and Clayton Black, Budget Manager

1. CALL TO ORDER/DECLARATION OF A QUORUM

Meeting was called to order by Chair Livingston at 5:15 PM. No in-person quorum established.

2. PUBLIC COMMENT

Dave Ellis commented on the pension funding and referenced the Blue Ribbon Committee report

Timothy Schoolmaster calls for a plan on future pension funding

3. APPROVAL OF MINUTES

- A. Approval of the February 14, 2023 Finance & Budget Committee meeting minutes

Item was moved to the March 21, 2023 Special Meeting of the Finance & Budget Committee.

4. DISCUSSION

- A. Financial Forecasting Model & General Fund Update

Clayton Black, budget manager, gave a brief presentation on the status of the General Fund Fund Balance

- B. Resolution 19-R-23, Authorizing Payments Relating to the FY 2023 Capital Improvement Plan (CIP) Projects are reimbursed by the Subsequent 2023 General Obligation (GO) Bond Issuance

Item was moved to the March 21, 2023 Special Meeting of the Finance & Budget Committee

Staff recommends that the Finance and Budget Committee review Resolution 19-R-23, authorizing payments relating to FY 2023 Capital Improvement Plan (CIP) project expenditures up to \$17,706,000 be reimbursed by the subsequent 2023 General Obligation (GO) bond issuance, and recommend adoption of the resolution to the City Council.

C. Pension Discussion

The committee discussed the item and funding for future years

D. TIF Surplus - Referral

Staff gave an overview of the revenues and expenses of each TIF over the past 5 years

5. ADJOURNMENT

Meeting was adjourned by Chair Livingston at 6:30 PM.



City of
Evanston™
MINUTES

Finance and Budget Committee

Tuesday, March 21, 2023 @ 5:00 PM

VIRTUAL

**COMMITTEE MEMBER
PRESENT:**

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

**COMMITTEE MEMBER
ABSENT:**

STAFF PRESENT:

Hitesh Desai, Chief Financial Officer/Treasurer and Clayton Black, Budget Manager

1. CALL TO ORDER/DECLARATION OF A QUORUM

Meeting was called to order by Chair David Livingston at 5:01 PM

2. PUBLIC COMMENT

Mary Rosinski commented on her disagreement of any bond issuance

3. APPROVAL OF MINUTES

A. Approval of the February 14, 2023 Finance & Budget Committee Meeting minutes

Minutes approved

Moved by Councilmember Nieuwsma

Seconded by Councilmember Wynne

Ayes: Committee Member Reiches, Committee Member Livingston, Committee Member McMillan, Councilmember Wynne, Councilmember Kelly, Councilmember Nieuwsma, Councilmember Reid, and Councilmember Burns

Approved 8-0 on a recorded vote

4. DISCUSSION

- A. Resolution 19-R-23, Authorizing Payments Relating to the FY 2023 Capital Improvement Plan (CIP) Projects are reimbursed by the Subsequent 2023 General Obligation (GO) Bond Issuance

Staff recommends that the Finance and Budget Committee review Resolution 19-R-23, authorizing payments relating to FY 2023 Capital Improvement Plan (CIP) project expenditures up to \$17,706,000 be reimbursed by the subsequent 2023 General Obligation (GO) bond issuance, and recommend adoption of the resolution to the City Council.

Moved by Committee Member Livingston
Seconded by Councilmember Wynne

Ayes: Committee Member Reiches, Committee Member Livingston,
Councilmember Wynne, Councilmember Nieuwsma, Councilmember Reid,
and Councilmember Burns

Nays: Committee Member McMillan and Councilmember Kelly

Approved 6-2 on a recorded vote

Item was approved and recommended to City Council

- 5. **ADJOURNMENT**
Meeting was adjourned by Chair David Livingston at 5:55 PM.



Memorandum

To: Members of the Finance and Budget Committee
 From: Hitesh Desai, Chief Financial Officer/Treasurer
 Subject: Transportation Infrastructure Enterprise Fund - Referral
 Date: April 11, 2023

Recommended Action:
 For Discussion

Committee Action:
 For Discussion

Summary:

Councilmember Reid made a referral to the Finance and Budget Committee regarding the creation of a Transportation Infrastructure Enterprise Fund (line 22 of the New Referrals Form). This item is here for discussion, and Councilmember Reid's memo is attached. Below is a summary of the revenues that Councilmember Reid references in his memo.

Account	Description	2020 Actual	2021 Actual	2022 Actual	2023 Budget
51535	AUTO RENTAL TAX	\$ 55,001	\$ 66,575	\$ 70,927	\$ 50,000
51536	TRANSPORTATION NETWORK PROVIDER TAX	\$ 238,373	\$ 552,220	\$ 776,296	\$ 700,000
51590	EVANSTON MOTOR FUEL TAX	\$ 769,514	\$ 822,567	\$ 835,935	\$ 965,000
51600	PARKING TAX	\$ 2,423,938	\$ 2,845,047	\$ 2,952,826	\$ 2,600,000
52010	WHEEL TAX	\$ 2,660,196	\$ 3,062,072	\$ 2,804,272	\$ 3,100,000
52130	RESIDENTS ANNUAL PARKING PERMITS	\$ 185,620	\$ 1,025	\$ 1,220	\$ 228,000
52131	VISITOR PARKING PERMITS	\$ 11,804	\$ 164	\$ 76	\$ 13,000
52505	TICKET FINES-PARKING	\$ 2,402,138	\$ 3,075,670	\$ 3,581,580	\$ 3,000,000
52530	BOOT RELEASE FEE	\$ 21,820	\$ -	\$ 40,185	\$ 50,000
52130	RESIDENTS ANNUAL PARKING PERMITS	\$ (577)	\$ (30)	\$ -	\$ -
52131	VISITOR PARKING PERMITS	\$ (120)	\$ (16)	\$ -	\$ -
52140	OVERSIZE TRUCK PERMIT	\$ 24,800	\$ 28,525	\$ 26,375	\$ 20,000
		\$ 8,792,506	\$ 10,453,818	\$ 11,089,692	\$ 10,726,000

Background

In 2016, the Safe Roads Amendment was added to the state constitution by Illinois voters. The amendment required that the state and all units of government in Illinois spend money from taxes and fees on transportation solely on transportation work and projects.

In 2018, the Illinois Road and Transportation Builders Association sued Cook County, arguing that the amendment should require Cook County and all Illinois local governments to dedicate taxes and fees collected from transportation to roads, bridges, mass transit, and other real transportation projects. However, Cook County and other local governments in Illinois argued the amendment couldn't be read as applying to taxes raised by home rule units of government.

In April 2022, the Illinois Supreme Court sided with the road builders association, noting that Cook County's Home Rule authority did not exempt it from the Safe Roads Amendment ([Cook County Record, April 2022](#)).

In July 2022, following the Illinois Supreme Court decision, Cook County proposed a budget for FY 2023 (starting 12/1/22) that would divert wheel taxes, county use taxes, gas/diesel fuel taxes, parking lot and garage operations taxes, new motor vehicle taxes to a new Transportation Fund that covers public safety related salaries and benefits across multiple divisions including Police/Sheriff, Department of Corrections, State's Attorney, Clerk of the Circuit Court, etc. The Illinois State Lockbox Amendment reads that transportation-related taxes/fees must be used for "administering laws related to vehicles and transportation", "enforcement of traffic...laws", and "construction, reconstruction, maintenance....of highways, roads, streets, etc.", thus Cook County's decision to continue using transportation funds for public safety.

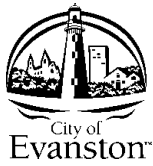
Prior to the adoption of their FY 2023 budget, the road builders association asked for preliminary injunctions against Cook County, arguing that the proposed budget continued to divert transportation funds away from transportation projects. In November 2022, the Appellate Court noted the difference between pending legislation and a bill and stated that Courts did not have the power to tell Cook County how to spend transportation funds prior to the passage of a budget ordinance ([Cook County Record, November 2022](#)).

Cook County did eventually adopt a FY 2023 budget that allocates transportation revenues for public safety, as shown on page 57 (document page 76) of their FY 2023 budget document.

https://www.cookcountyil.gov/sites/g/files/ywwepo161/files/documents/2023-01/Volume%201%20-%20Budget%20Overview%20FY23%20Annual%20Appropriation.pdf?utm_medium=email&utm_source=govdelivery

Attachments:

[Transportation Fund Referral](#)



Memorandum

To: Honorable Members of The Finance and Budget Committee
From: Devon Reid, 8th Ward Councilmember
Subject: Creation of Transportation Infrastructure Enterprise Fund
Date: June 2nd, 2022

Recommended Action:

Consolidation of all transportation-related revenue and expenditures into a single fund titled the "Transportation Infrastructure Enterprise Fund".

Funding Source:

AUTO RENTAL TAX
TRANSPORTATION NETWORK PROVIDER TAX
EVANSTON MOTOR FUEL TAX
PARKING TAX
WHEEL TAX
RESIDENT ANNUAL PARKING PERMITS
VISITOR PARKING PERMITS
OVERSIZE TRUCK PERMIT
TICKET FINES-PARKING
BOOT RELEASE FEE
PARKING SYSTEM FUND REVENUES

Livability Benefit:

Innovation & Process: Support Local Government Financial Best Practices and Processes.

Article 9 Section 11 of the Illinois Constitution requires that all transportation revenue including:

"bond proceeds, (revenue) derived from taxes, fees, excises, or license taxes relating to registration, title, or operation or use of vehicles, or related to the use of highways, roads, streets, bridges, mass transit, intercity passenger rail, ports, airports, or to fuels used for propelling vehicles, or derived from taxes, fees, excises, or

license taxes relating to any other transportation”

... be expended only on transportation-related infrastructure and enforcement.

Summary:

The Illinois Constitution requires all revenue derived from transportation-related fees, fines, taxes, and other excises to be expended only on transportation. Councilmember Reid recommends the creation of a Transportation Infrastructure Enterprise Fund to properly account for transportation revenue and expenditures to ensure the City is in compliance with Article 9 Section 11 of the Illinois Constitution.

Attachments:

Illinois Constitution:

<https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=062500050K18b-101>

Article on recent Cook County Supreme Court Decision.

<https://cookcountyrecord.com/stories/623535216-cook-county-can-t-use-250m-transportation-taxes-fees-to-fund-county-operations-il-supreme-court>



Memorandum

To: Members of the Finance and Budget Committee
From: Hitesh Desai, Chief Financial Officer/Treasurer
CC: Clayton Black, Budget Manager
Subject: Overview of General Fund Revenues
Date: April 11, 2023

Recommended Action:
For Discussion

Committee Action:
For Discussion

Summary:
Staff will provide an information update on the FY 2022 General Fund surplus along with a discussion on the major General Fund revenues as well as approved and potential uses for the surplus.

Attachments:
[F&B Presentation - Apr 23](#)

**General Fund Forecast
FY 2018 - FY 2023**

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 YTD	2023 Budget
Revenues	\$ 115,829,106	\$ 117,163,591	\$ 112,983,300	\$ 127,046,916	\$ 142,670,145	\$ 117,652,160
Other Tax	52,673,637	53,637,882	49,738,362	63,160,559	72,660,222	56,570,000
Prop Tax	28,188,353	29,888,938	29,359,627	28,836,685	29,084,625	29,047,402
Charges for Serv	10,396,458	9,222,780	7,527,170	8,982,977	10,842,988	8,785,075
Transfers	8,133,142	8,817,013	9,269,103	9,183,260	8,775,706	7,733,949
Lic, Permit, Fee	9,165,957	7,667,185	9,189,637	8,497,962	9,759,563	7,543,450
Fines & Forfeits	3,765,058	5,060,395	2,990,415	3,707,975	4,059,443	3,632,500
Intergovernment	1,463,184	1,236,263	3,237,220	3,130,908	5,613,243	3,116,184
Other Rev	1,948,636	1,422,940	1,603,485	1,514,759	1,227,227	1,168,600
Interest Income	94,681	210,194	68,280	31,831	647,128	55,000
Expenses	\$ 115,401,076	\$ 115,089,238	\$ 111,083,607	\$ 113,087,355	\$ 116,393,352	\$ 127,737,614
Salary & Benefit	71,636,790	69,583,987	66,689,188	69,133,602	67,032,927	75,558,278
Ins & Chg Backs	22,243,869	23,155,655	24,917,618	25,595,919	24,814,387	28,934,436
Serv & Supplies	12,346,502	13,611,429	12,154,396	14,085,776	17,792,681	16,965,457
Transfer	7,691,032	7,534,472	6,497,856	3,334,901	5,012,968	4,248,750
Miscellaneous	936,213	888,503	500,824	593,170	1,228,632	617,822
Capital Outlay	345,496	180,037	235,983	290,128	403,802	694,500
Contingencies	106	6,601	13,122	18,026	86,511	598,372
CSO	201,067	128,555	74,620	35,833	21,444	120,000
Current Year Surplus/(Deficit)	\$ 428,031	\$ 2,074,353	\$ 1,899,693	\$ 13,959,561	\$ 26,276,793	\$ (10,085,454)
Beginning Fund Balance	\$ 14,272,887	\$ 14,700,918	\$ 16,775,271	\$ 18,674,964	\$ 31,411,410	\$ 57,688,203
Current Year Surplus/(Deficit)	\$ 428,031	\$ 2,074,353	\$ 1,899,693	\$ 13,959,561	\$ 26,276,793	\$ (10,085,454)
Ending Unassigned Fund Balance	\$ 14,700,918	\$ 16,775,271	\$ 18,674,964	\$ 31,411,410	\$ 57,688,203	\$ 47,602,749
Fund Balance Policy (16.66%)	16.66%	16.66%	16.66%	16.66%	16.66%	16.66%
Required Fund Balance	\$ 19,225,819	\$ 19,173,867	\$ 18,506,529	\$ 18,840,353	\$ 19,391,132	\$ 21,281,087
Required Fund Balance Excess/ (Shortfall)	\$ (4,524,902)	\$ (2,398,596)	\$ 168,435	\$ 12,571,057	\$ 38,297,071	\$ 26,321,663
Actual Fund Balance in Reserve (%)	12.74%	14.58%	16.81%	27.78%	49.56%	37.27%

2022 General Fund Surplus Potential Uses

1. Use of Fund Balance to Balance 2023 General Fund
 - **\$10.1 million (approved)**
2. Cover Overage on Animal Shelter Project and Skate Park
 - **\$1.6 million (approved)**
3. Higher than Budgeted Wage Increases for Union Contracts
 - **\$3 million for Police and Fire (approved) and AFSCME pending**
4. Reduce or Further Delay GO Bonds for CIP Projects
 - **\$5 to \$10 million**
5. Cover Overages due to Inflation on CIP Projects
 - **\$2.5 to \$3 million**
6. Incremental Public Safety Pension Increases
 - **TBD**
7. Transfer to Insurance and Parking Funds per Fund Balance Policy
 - **\$7 million**
8. Reconsider increasing GF Fund Balance Policy to 20%
 - **\$4 - \$4.5 million**

Major General Fund Revenues

Row Labels	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
STATE INCOME TAX	\$ 7,185,203	\$ 7,991,868	\$ 8,202,429	\$ 10,141,121	\$ 12,826,057	\$ 11,500,000
SALES TAX - BASIC	\$ 10,555,251	\$ 10,529,742	\$ 9,700,815	\$ 12,172,648	\$ 12,987,309	\$ 11,000,000
SALES TAX - HOME RULE	\$ 6,407,406	\$ 6,375,631	\$ 6,743,960	\$ 9,324,471	\$ 10,455,926	\$ 8,000,000
RECREATION PROGRAM FEES	\$ 5,851,977	\$ 5,867,376	\$ 4,648,130	\$ 5,903,315	\$ 6,773,874	\$ 5,371,375
BUILDING PERMITS	\$ 4,557,147	\$ 4,617,598	\$ 6,644,527	\$ 5,512,307	\$ 7,000,238	\$ 4,225,100
WHEEL TAX	\$ 2,497,865	\$ 2,344,475	\$ 2,660,196	\$ 3,062,072	\$ 2,804,272	\$ 3,100,000
TICKET FINES - PARKING	\$ 2,814,941	\$ 3,972,067	\$ 2,402,138	\$ 3,075,670	\$ 3,581,580	\$ 3,000,000
LIQUOR TAX	\$ 3,211,772	\$ 3,367,406	\$ 2,878,922	\$ 3,078,034	\$ 3,291,166	\$ 3,000,000
ELECTRIC UTILITY TAX	\$ 2,929,217	\$ 2,905,861	\$ 2,849,607	\$ 2,878,504	\$ 2,925,798	\$ 2,900,000
STATE USE TAX	\$ 2,188,062	\$ 2,513,280	\$ 3,326,042	\$ 2,908,688	\$ 3,165,654	\$ 2,650,000
PARKING TAX	\$ 2,983,168	\$ 3,271,175	\$ 2,423,938	\$ 2,845,047	\$ 2,952,826	\$ 2,600,000
PERSONAL PROPERTY REPLACEMENT TAX	\$ 1,350,173	\$ 1,744,366	\$ 1,500,129	\$ 2,870,429	\$ 5,516,675	\$ 2,855,000
GEMT SERVICE REVENUE	\$ -	\$ -	\$ 629,652	\$ 1,379,326	\$ 3,359,575	\$ 2,000,000
NATURAL GAS UTILITY TAX	\$ 1,024,779	\$ 1,100,794	\$ 997,556	\$ 1,250,863	\$ 1,987,378	\$ 1,400,000
MUNICIPAL HOTEL TAX	\$ 2,134,163	\$ 2,262,400	\$ 1,135,071	\$ 1,043,124	\$ 2,166,476	\$ 1,300,000
REAL ESTATE TRANSFER TAX	\$ 3,805,801	\$ 2,671,279	\$ 3,251,428	\$ 6,227,230	\$ 5,496,306	\$ 750,000



Memorandum

To: Members of the Finance and Budget Committee
From: Clayton Black, Budget Manager
CC: Hitesh Desai, Chief Financial Officer
Subject: Ordinance 40-O-23 Authorizing the City of Evanston City Manager to Reduce the Total Fiscal Year 2022 Budget by \$34,438,897, to a New Total of \$325,994,623
Date: April 11, 2023

Recommended Action:

Staff recommends the Finance and Budget Committee recommend the City Council approve Ordinance 40-O-23 authorizing the City of Evanston City Manager to reduce the total Fiscal Year 2022 budget by \$34,438,897 to a new total of \$325,994,623.

Committee Action:

For Action

Summary:

On November 22, 2021, City Council adopted the FY 2022 budget for expenses totaling \$360,433,520. As of now, the City is reporting total expenses of \$299,920,312 on an accounting basis (GAAP basis), resulting in savings of \$60,513,219. On a cash basis, the City is reporting \$305,152,252, resulting in a savings of \$55,281,268. This difference in expenses is due to accounting rules relating to capital assets, depreciation, vehicles, and debt service principal payments.

It is required by State law for the City to adopt a budget amendment after the fiscal year has been completed for funds that exceed specific budgeted expenses. As noted above, this does not mean that the City exceeded the adopted 2022 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 2022.

State law also allows the City to adopt a budget amendment, reducing those funds where spending is significantly less than the budgeted amount. Three such funds have been included in this amendment, where actual expenditures are expected to be well below the budgeted level.

This proposed Ordinance 40-O-23 would result in a net decrease to the 2022 budgeted amount of \$34,438,897 to a new total budget number of \$325,994,623. The summary below details both those funds that require an increase and decrease, and the attachment to the ordinance shows budgeted and unaudited actual expenses for all funds, as well as those funds included in the amendment.

Fund Summaries – Increase

Sustainability Fund - \$238,368

The City did not budget expenses in the Sustainability Fund in 2022, but a decision was made during the fiscal year to pay for ComEd electricity out of the fund. In paying \$238,368 for electricity, the fund also received \$504,992 in Infrastructure Maintenance Fee revenue that was not budgeted.

Debt-Service Fund - \$13,338

The Debt Service Fund is slightly over budget mainly because of fiscal agent fees. The fiscal agent manages the payment of debt service due June and December 1 each year.

Howard-Ridge TIF Fund - \$441,447

The Illinois Department of Transportation (IDOT) sent the City an invoice for the Howard Street TIF project, which was not budgeted.

West Evanston TIF Fund - \$333,521

The City used the available fund balance in the West Evanston TIF to purchase property at 1413-1425 Emerson Street and 1917-1925 Jackson Avenue, which had not been budgeted.

Dempster-Dodge TIF Fund - \$7,958

Consulting services are projected to finish the year slightly over budget. The City Council approved a contract with Interface Studio to conduct business district planning consulting services. This was approved mid-year and was the result of attempts to assist with pandemic-related economic recovery. The study was not anticipated during FY 2022 budget planning.

Special Service Area #6 - \$862

The City reimbursed the SSA the full amount of property taxes received, which exceeded the budget.

Special Service Area #7 - \$7,094

The City reimbursed the SSA the full amount of property taxes received, which exceeded the budget.

Special Service Area #8 - \$962

The City reimbursed the SSA the full amount of property taxes received, which exceeded the budget.

Special Service Area #9 - \$18,856

The City reimbursed the SSA the full amount of property taxes received, which exceeded the budget.

Five Fifth TIF Fund - \$135,901

The City did not budget for any expenses in the Five Fifth TIF Fund but did incur consulting expenses allowable under TIF. The City Council approved a contract with Interface Studio to conduct business district planning consulting services. This was approved mid-year and was the result of attempts to assist with pandemic-related economic recovery. The study was not anticipated during FY 2022 budget planning. Additionally, BH Suhr was hired to complete a plat of survey/subdivision for the Civic Center property, and Cordogan Clark drafted concept plans for Fleetwood Jourdain and the new fifth ward school.

Crown Community Center Maintenance Fund - \$34,951

The Crown Community Center Maintenance Fund covered unbudgeted expenses for pump modifications.

Solid Waste Fund - \$206,189

An unbudgeted transfer of Waste Transfer Station funds was made to the Capital Improvement Fund to reimburse the fund for capital expenses in the area of the Waste Transfer Station per Resolution 50-R-22.

Fleet Services Fund - \$235,024

The Fleet Services Fund went over a budget, given the impact of inflation on fuel prices, vehicle parts, and tires.

Equipment Replacement Fund - \$189,219

The City Council approved the purchase of a Fire Truck in 2022 using General Fund reserves. These reserves were transferred to the Equipment Replacement Fund and then expended.

Insurance Fund - \$697,413

The Insurance Fund went over budget due to higher than-budgeted settlement costs and insurance premiums.

Fund Summaries – Decrease

ARPA Fund - \$20,000,000

The adopted 2022 budget included the full ARPA fund balance at the end of 2021, plus the second payment from the US Treasury. Only \$7.5 million was spent in 2022, and the total budget can be reduced.

Affordable Housing Fund - \$1,000,000

Funds were budgeted for the Housing Opportunity Development Corporation (HODC) Low-Income Housing Tax Credit development but approval was delayed until 2023.

Human Services Fund - \$1,000,000

Community Grant Programs finished the year at \$210,300 under budget. The Social Services Committee will be recommending that the City Council utilize these funds in 2023 instead. Additionally, due to various vacancies and ARPA paying for youth services staff salaries that

are working on the Violence Intervention Program, salaries and benefits will finish the year under budget.

Water Fund - \$15,000,000

Several Capital Improvement Projects in the Water Fund were started but not completed in 2022. The 2022 budget can be amended to reflect this lower amount.

Attachments:

[Ordinance 40-O-23](#)

40-O-23**AN ORDINANCE**

**Authorizing the City of Evanston City Manager to Reduce the Total
Fiscal Year 2022 Budget by
\$34,438,897, to a New Total of \$325,994,623**

WHEREAS, a total budget increase of two million, four hundred and sixty thousand, six hundred and ninety-one dollars (\$2,561,103) is required due to the following funds:

Fund	2022 Adopted Budget	2022 Actual Expenses	Budget to Actual Variance	Adjustment
178 SUSTAINABILITY FUND	0	238,368	(238,368)	238,368
210 SPECIAL SERVICE AREA (SSA) #9	575,000	593,856	(18,856)	18,856
320 DEBT SERVICE FUND	15,690,075	15,703,413	(13,338)	13,338
330 HOWARD-RIDGE TIF FUND	1,448,113	1,889,560	(441,447)	441,447
335 WEST EVANSTON TIF FUND	2,045,000	2,378,521	(333,521)	333,521
340 DEMPSTER-DODGE TIF FUND	173,833	181,791	(7,958)	7,958
350 SPECIAL SERVICE AREA (SSA) #6	221,000	221,862	(862)	862
355 SPECIAL SERVICE AREA (SSA) #7	140,000	147,094	(7,094)	7,094
360 SPECIAL SERVICE AREA (SSA) #8	60,200	61,162	(962)	962
365 FIVE FIFTH TIF FUND	0	135,901	(135,901)	135,901
417 CROWN COMMUNITY CTR MAINTENANCE	0	34,951	(34,951)	34,951
520 SOLID WASTE FUND	6,121,685	6,327,874	(206,189)	206,189
600 FLEET SERVICES FUND	3,311,128	3,546,151	(235,024)	235,024
601 EQUIPMENT REPLACEMENT FUND	2,750,000	2,939,219	(189,219)	189,219
605 INSURANCE FUND	19,956,351	20,653,764	(697,413)	697,413

WHEREAS, a total budget decrease of thirty-seven million dollars (\$37,000,000) can be reduced from the following funds:

Fund	2022 Adopted Budget	2022 Actual Expenses	Budget to Actual Variance	Adjustment
170 AMERICAN RESCUE PLAN	30,400,000	7,522,842	22,877,158	(20,000,000)
176 HUMAN SERVICES FUND	3,868,336	2,562,719	1,305,617	(1,000,000)
250 AFFORDABLE HOUSING FUND	2,505,625	540,780	1,964,845	(1,000,000)
510-513 WATER FUND	57,445,529	40,020,139	17,425,390	(15,000,000)

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

SECTION 1: That the foregoing recitals are hereby found as fact and made a part hereof.

SECTION 2: That the Council authorize the Fiscal Year 2022 budget be reduced from three hundred and sixty million, four hundred and thirty-three thousand, and five hundred and twenty dollars (\$360,433,520) to three hundred twenty-five million, nine hundred and ninety-four thousand, six hundred and twenty-three dollars (\$325,994,623) as summarized in the document attached hereto and incorporated herein as Exhibit A.

SECTION 3: That approval of this ordinance shall authorize the City Manager to expend and/or encumber up to three hundred twenty-five million, nine hundred and ninety-four thousand, six hundred and twenty-three dollars (\$325,994,623) for Fiscal Year 2022 for all Funds.

SECTION 4: That this Ordinance 40-O-23 shall be in full force and effect from and after the date of its passage and approval in the manner provided by law.

Daniel Biss, Mayor

Attest:

Approved to form:

Stephanie Mendoza, City Clerk

Nicholas Cummings, Corporation Counsel

Adopted: _____, 2023

Exhibit A.

Fund	2022 Adopted Budget	2022 Actual Expenses	Budget to Actual Variance	Adjustment
100 GENERAL FUND	117,890,983	116,632,537	1,258,446	0
170 AMERICAN RESCUE PLAN	30,400,000	7,522,842	22,877,158	(20,000,000)
175 GENERAL ASSISTANCE FUND	1,341,353	1,004,058	337,295	0
176 HUMAN SERVICES FUND	3,868,336	2,562,719	1,305,617	(1,000,000)
177 REPARATIONS FUND	400,000	272,499	127,501	0
178 SUSTAINABILITY FUND	0	238,368	(238,368)	238,368
180 GOOD NEIGHBOR FUND	1,000,000	174,555	825,445	0
185 LIBRARY FUND	8,657,612	7,863,330	794,282	0
186 LIBRARY DEBT SERVICE FUND	506,625	504,988	1,637	0
187 LIBRARY CAPITAL IMPROVEMENT FD	680,000	173,737	506,263	0
200 MOTOR FUEL TAX FUND	5,343,987	4,401,563	942,424	0
205 EMERGENCY TELEPHONE (E911) FUND	1,720,546	1,649,923	70,622	0
210 SPECIAL SERVICE AREA (SSA) #9	575,000	593,856	(18,856)	18,856
215 CDBG FUND	3,685,622	2,332,271	1,353,351	0
220 CDBG LOAN FUND	175,000	17,638	157,362	0
240 HOME FUND	571,746	360,412	211,333	0
250 AFFORDABLE HOUSING FUND	2,505,625	540,780	1,964,845	(1,000,000)
320 DEBT SERVICE FUND	15,690,075	15,703,413	(13,338)	13,338
330 HOWARD-RIDGE TIF FUND	1,448,113	1,889,560	(441,447)	441,447
335 WEST EVANSTON TIF FUND	2,045,000	2,378,521	(333,521)	333,521
340 DEMPSTER-DODGE TIF FUND	173,833	181,791	(7,958)	7,958
345 CHICAGO-MAIN TIF	1,609,763	418,529	1,191,235	0
350 SPECIAL SERVICE AREA (SSA) #6	221,000	221,862	(862)	862
355 SPECIAL SERVICE AREA (SSA) #7	140,000	147,094	(7,094)	7,094
360 SPECIAL SERVICE AREA (SSA) #8	60,200	61,162	(962)	962
365 FIVE FIFTH TIF FUND	0	135,901	(135,901)	135,901
415 CAPITAL IMPROVEMENTS FUND	16,455,000	12,645,451	3,809,549	0
416 CROWN CONSTRUCTION FUND	1,700,000	1,117,055	582,945	0
417 CROWN COMMUNITY CTR MAINTENANCE	0	34,951	(34,951)	34,951
420 SPECIAL ASSESSMENT FUND	1,114,938	1,036,322	78,616	0
505 PARKING SYSTEM FUND	11,819,381	10,785,764	1,033,617	0
510-513 WATER FUND	57,445,529	40,020,139	17,425,390	(15,000,000)
515 SEWER FUND	11,391,356	10,294,847	1,096,509	0
520 SOLID WASTE FUND	6,121,685	6,327,874	(206,189)	206,189
600 FLEET SERVICES FUND	3,311,128	3,546,151	(235,024)	235,024
601 EQUIPMENT REPLACEMENT FUND	2,750,000	2,939,219	(189,219)	189,219
605 INSURANCE FUND	19,956,351	20,653,764	(697,413)	697,413
700 FIRE PENSION FUND	11,543,287	11,154,122	389,165	0
705 POLICE PENSION FUND	16,114,448	16,612,682	(498,234)	0
TOTAL	360,433,520	305,152,252	55,281,268	(34,438,897)

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**General Fund Forecast
FY 2018 - FY 2023**

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 YTD	2023 Budget
Revenues	\$ 115,829,106	\$ 117,163,591	\$ 112,983,300	\$ 127,046,916	\$ 142,670,145	\$ 117,652,160
Other Tax	52,673,637	53,637,882	49,738,362	63,160,559	72,660,222	56,570,000
Prop Tax	28,188,353	29,888,938	29,359,627	28,836,685	29,084,625	29,047,402
Charges for Serv	10,396,458	9,222,780	7,527,170	8,982,977	10,842,988	8,785,075
Transfers	8,133,142	8,817,013	9,269,103	9,183,260	8,775,706	7,733,949
Lic, Permit, Fee	9,165,957	7,667,185	9,189,637	8,497,962	9,759,563	7,543,450
Fines & Forfeits	3,765,058	5,060,395	2,990,415	3,707,975	4,059,443	3,632,500
Intergovernment	1,463,184	1,236,263	3,237,220	3,130,908	5,613,243	3,116,184
Other Rev	1,948,636	1,422,940	1,603,485	1,514,759	1,227,227	1,168,600
Interest Income	94,681	210,194	68,280	31,831	647,128	55,000
Expenses	\$ 115,401,076	\$ 115,089,238	\$ 111,083,607	\$ 113,087,355	\$ 116,393,352	\$ 127,737,614
Salary & Benefit	71,636,790	69,583,987	66,689,188	69,133,602	67,032,927	75,558,278
Ins & Chg Backs	22,243,869	23,155,655	24,917,618	25,595,919	24,814,387	28,934,436
Serv & Supplies	12,346,502	13,611,429	12,154,396	14,085,776	17,792,681	16,965,457
Transfer	7,691,032	7,534,472	6,497,856	3,334,901	5,012,968	4,248,750
Miscellaneous	936,213	888,503	500,824	593,170	1,228,632	617,822
Capital Outlay	345,496	180,037	235,983	290,128	403,802	694,500
Contingencies	106	6,601	13,122	18,026	86,511	598,372
CSO	201,067	128,555	74,620	35,833	21,444	120,000
Current Year Surplus/(Deficit)	\$ 428,031	\$ 2,074,353	\$ 1,899,693	\$ 13,959,561	\$ 26,276,793	\$ (10,085,454)
Beginning Fund Balance	\$ 14,272,887	\$ 14,700,918	\$ 16,775,271	\$ 18,674,964	\$ 31,411,410	\$ 57,688,203
Current Year Surplus/(Deficit)	\$ 428,031	\$ 2,074,353	\$ 1,899,693	\$ 13,959,561	\$ 26,276,793	\$ (10,085,454)
Ending Unassigned Fund Balance	\$ 14,700,918	\$ 16,775,271	\$ 18,674,964	\$ 31,411,410	\$ 57,688,203	\$ 47,602,749
Fund Balance Policy (16.66%)	16.66%	16.66%	16.66%	16.66%	16.66%	16.66%
Required Fund Balance	\$ 19,225,819	\$ 19,173,867	\$ 18,506,529	\$ 18,840,353	\$ 19,391,132	\$ 21,281,087
Required Fund Balance Excess/ (Shortfall)	\$ (4,524,902)	\$ (2,398,596)	\$ 168,435	\$ 12,571,057	\$ 38,297,071	\$ 26,321,663
Actual Fund Balance in Reserve (%)	12.74%	14.58%	16.81%	27.78%	49.56%	37.27%

2022 General Fund Surplus Potential Uses

1. Use of Fund Balance to Balance 2023 General Fund
 - **\$10.1 million (approved)**
2. Cover Overage on Animal Shelter Project and Skate Park
 - **\$1.6 million (approved)**
3. Higher than Budgeted Wage Increases for Union Contracts
 - **\$3 million for Police and Fire (approved) and AFSCME pending**
4. Reduce or Further Delay GO Bonds for CIP Projects
 - **\$5 to \$10 million**
5. Cover Overages due to Inflation on CIP Projects
 - **\$2.5 to \$3 million**
6. Incremental Public Safety Pension Increases
 - **TBD**
7. Transfer to Insurance and Parking Funds per Fund Balance Policy
 - **\$7 million**
8. Reconsider increasing GF Fund Balance Policy to 20%
 - **\$4 - \$4.5 million**

Major General Fund Revenues

Row Labels	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
STATE INCOME TAX	\$ 7,185,203	\$ 7,991,868	\$ 8,202,429	\$ 10,141,121	\$ 12,826,057	\$ 11,500,000
SALES TAX - BASIC	\$ 10,555,251	\$ 10,529,742	\$ 9,700,815	\$ 12,172,648	\$ 12,987,309	\$ 11,000,000
SALES TAX - HOME RULE	\$ 6,407,406	\$ 6,375,631	\$ 6,743,960	\$ 9,324,471	\$ 10,455,926	\$ 8,000,000
RECREATION PROGRAM FEES	\$ 5,851,977	\$ 5,867,376	\$ 4,648,130	\$ 5,903,315	\$ 6,773,874	\$ 5,371,375
BUILDING PERMITS	\$ 4,557,147	\$ 4,617,598	\$ 6,644,527	\$ 5,512,307	\$ 7,000,238	\$ 4,225,100
WHEEL TAX	\$ 2,497,865	\$ 2,344,475	\$ 2,660,196	\$ 3,062,072	\$ 2,804,272	\$ 3,100,000
TICKET FINES - PARKING	\$ 2,814,941	\$ 3,972,067	\$ 2,402,138	\$ 3,075,670	\$ 3,581,580	\$ 3,000,000
LIQUOR TAX	\$ 3,211,772	\$ 3,367,406	\$ 2,878,922	\$ 3,078,034	\$ 3,291,166	\$ 3,000,000
ELECTRIC UTILITY TAX	\$ 2,929,217	\$ 2,905,861	\$ 2,849,607	\$ 2,878,504	\$ 2,925,798	\$ 2,900,000
STATE USE TAX	\$ 2,188,062	\$ 2,513,280	\$ 3,326,042	\$ 2,908,688	\$ 3,165,654	\$ 2,650,000
PARKING TAX	\$ 2,983,168	\$ 3,271,175	\$ 2,423,938	\$ 2,845,047	\$ 2,952,826	\$ 2,600,000
PERSONAL PROPERTY REPLACEMENT TAX	\$ 1,350,173	\$ 1,744,366	\$ 1,500,129	\$ 2,870,429	\$ 5,516,675	\$ 2,855,000
GEMT SERVICE REVENUE	\$ -	\$ -	\$ 629,652	\$ 1,379,326	\$ 3,359,575	\$ 2,000,000
NATURAL GAS UTILITY TAX	\$ 1,024,779	\$ 1,100,794	\$ 997,556	\$ 1,250,863	\$ 1,987,378	\$ 1,400,000
MUNICIPAL HOTEL TAX	\$ 2,134,163	\$ 2,262,400	\$ 1,135,071	\$ 1,043,124	\$ 2,166,476	\$ 1,300,000
REAL ESTATE TRANSFER TAX	\$ 3,805,801	\$ 2,671,279	\$ 3,251,428	\$ 6,227,230	\$ 5,496,306	\$ 750,000
PENSION PROPERTY TAXES	\$ 18,202,651	\$ 18,076,540	\$ 19,818,967	\$ 20,761,509	\$ 20,320,722	\$ 19,990,105
PROPERTY TAXES	\$ 10,235,905	\$ 11,812,398	\$ 9,540,660	\$ 8,075,176	\$ 8,763,903	\$ 9,057,297
ALL OTHER GENERAL FUND REVENUES	\$ 27,893,625	\$ 25,739,337	\$ 23,629,135	\$ 24,537,383	\$ 26,294,410	\$ 22,953,283
TOTAL	\$ 115,829,106	\$ 117,163,591	\$ 112,983,300	\$ 127,046,916	\$ 142,670,145	\$ 117,652,160

Recent Pension Contributions and Funding

	Fiscal Year					
	2018	2019	2020	2021	2022	2023 B
City Contribution						
Police Pension	10,451	10,502	11,226	11,502	11,405	13,295
Fire Pension	8,357	8,267	9,258	9,671	9,707	11,794
Total	18,808	18,769	20,484	21,173	21,112	25,089
Funding Sources:						
Property tax- pension levy	18,203	18,077	19,819	20,762	20,508	19,990
From other sources (PPRT, unrestricted rev, etc.)	605	692	665	411	605	5,099
Total Pension contribution	18,808	18,769	20,484	21,173	21,113	25,089
Other items of note--						
Property Tax Components						
Corporate Property Tax	10,236	11,812	9,541	8,075	8,885	9,057
Pension Property Taxes	18,203	18,077	19,819	20,762	20,508	19,990
Other Property Taxes	19,006	19,395	26,107	28,070	27,708	26,664
Total property taxes	47,445	49,284	55,467	56,907	57,101	55,711
% change- total		3.9%	12.5%	2.6%	0.3%	-2.4%