



**Finance and Budget Committee**  
**Tuesday, November 14, 2023**  
**Lorraine H. Morton Civic Center 5:00 PM**  
on Zoom Meeting

<https://us06web.zoom.us/j/86418801326?pwd=pBGSpqMycg6njSjEOwnq9AQRCoawzY.1>

Meeting ID: 864 1880 1326

Passcode: 468916

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## **AGENDA**

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**1. CALL TO ORDER/DECLARATION OF A QUORUM**

**2. PUBLIC COMMENT**

### 3. APPROVAL OF MINUTES

- M1. **Approval of the October 10th Finance and Budget Committee meeting minutes** 3 - 5  
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### 4. CONSIDERATION

- FB1. **Transfer to Insurance Fund and Parking Fund** 6 - 12  
Staff recommends General Fund reserve transfers to funds that are not meeting their fund balance reserve policies.  
**For Action**  
[Transfer to Insurance Fund and Parking Fund - Attachment - Pdf](#)

### 5. DISCUSSION

- D1. **Discussion on FY 2024 Proposed Budget** 13  
For Discussion  
**For Discussion**  
[Discussion on FY 2024 Proposed Budget - Attachment - Pdf](#)
- D2. **Discussion on Property Tax Analysis** 14 - 15  
For Discussion  
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- D3. **Discussion on FY 2024 Proposed Finance & Budget Committee Goals** 16 - 19  
For Discussion  
**For Discussion**  
[Discussion on FY 2024 Proposed Finance & Budget Committee Goals - Attachment - Pdf](#)

### 6. ADJOURNMENT



**Finance and Budget Committee**

**Tuesday, October 10, 2023 @ 5:00 PM**

Lorraine H. Morton Civic Center

**COMMITTEE MEMBER PRESENT:**

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

**COMMITTEE MEMBER ABSENT:**

**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 5:01 PM

**2. PUBLIC COMMENT**

Mike Vasilko commented on agenda items FB1. Review of the FY 2022 Single Audit

Mary Rosinski commented on agenda items FB1. Review of the FY 2022 Single Audit

**3. APPROVAL OF MINUTES**

A. Approval of the September 12, 2023 Finance & Budget Committee meeting minutes

Minutes approved

Moved by Councilmember Reid

Seconded by Councilmember Nieuwsma

**Ayes:** Livingston, Wynne, Kelly, Nieuwsma, Reid, Burns, Reiches, and McMillan

**Motion Passed 8-0 on a recorded vote**

**4. CONSIDERATION**

FB1. Review of the FY 2022 Single Audit

Hitesh Desai, CFO, led the discussion on this item and highlighted various findings from the

report. The committee agreed to refer this item to City Council and discussed having this be a future point of discussion in Q1 2024.

Staff recommends that the Finance and Budget Committee review the Single Audit Report for 2022 and refer it to the City Council for them to approve and place on file.

Moved by Councilmember Reid  
Seconded by Councilmember Nieuwsma

**Ayes:** Livingston, Wynne, Kelly, Nieuwsma, Reid, Burns, Reiches, and McMillan  
**Motion Passed 8-0 on a recorded vote**

Item was referred to City Council to be accepted and placed on file

**5. DISCUSSION**

*Chair Livingston reordered the discussion of the items during the meeting*

D1. Discussion on Solid Waste Fund Status

Public Services Bureau Chief, Noel Rodriguez led discussion on this item. Staff is proposing to increase charges for residential refuse carts, condominium refuse collection, multifamily apartment recycling, and yard waste collection effective January 1, 2024, in order to maintain a positive balance in the Solid Waste Fund. Unexpected wage increases associated with the 2023 AFSCME Union Collective Bargaining Agreement and needed repairs to the Solid Waste Agency of Northern Cook County (SWANCC) roof have added increased expenditures that will require additional rate increases in order for the fund to stay sustainable and not run at a deficit. After extensive discussion amongst the committee, they voted to recommend Scenario #4 to City Council.

Staff is seeking direction on how to increase revenue in the Solid Waste Fund needed for operational costs and maintaining a positive fund balance.

Moved by Councilmember Reid  
Seconded by Committee Member Livingston

**Ayes:** Livingston, Wynne, Kelly, Nieuwsma, Reid, Burns, Reiches, and McMillan  
**Motion Passed 8-0 on a recorded vote**

Scenario #4 was recommended by the committee to City Council for consideration

D2. Evanston Affordable Housing Discussion  
Affordable Housing Fund

Councilmember Burns opened discussion on this item and spoke on the memo drafted by staff. Community Development Director, Sarah Flax, provided information regarding affordable housing and various ideas to fund it. The committee agreed to continue this discussion for a future date.

**Draft**

Finance and Budget Committee  
October 10, 2023

This memo is in response to a referral from the Finance & Budget Committee requesting data relating to Evanston's affordable housing needs, the availability of affordable housing, and the capacity of the Affordable Housing Fund to address the unmet needs to inform the Finance & Budget Committee's discussion.

D3. FY 2024 Proposed Budget

Finance staff presented various highlights of the FY 2024 proposed budget that were discussed at length by the committee. The committee agreed that the budget discussion would be ongoing and would be discussed again at the Finance & Budget meeting in November.

For Discussion

**6. ADJOURNMENT**

Meeting was adjourned by Chair David Livingston at 7:02 PM



# Memorandum

To: Honorable Mayor and Members of the City Council  
 From: Hitesh Desai, Chief Financial Officer/Treasurer  
 CC: Clayton Black, Budget Manager  
 Subject: Transfer to Insurance Fund and Parking Fund  
 Date: November 14, 2023

Recommended Action:

Staff recommends General Fund reserve transfers to funds that are not meeting their fund balance reserve policies.

Committee Action:

For Action

Summary:

In June, staff shared concerns about the Insurance Fund and Parking Fund not meeting fund balance policies. As part of the mid-year budget review, staff presented a summary showing how all funds were performing compared to their fund balance reserve policy.

Of the City's 39 funds, 11 have a required fund balance policy. As of the end of September, five of these 11 funds are not meeting their reserve balance policies. These include the following:

	Ending Fund Balance (12/31/22)	FY 2023 Net (as of 9/30/23)	Current Fund Balance (as of 9/30/23)	Current Cash Balance (as of 9/30/23)	Required Fund Balance	Excess/ (Deficit)
Capital Fund	1,966,892	(2,776,888)	(809,996)	5,140,570	5,623,125	(6,433,121)
Parking Fund	137,451	906,160	1,043,611	1,712,887	1,873,222	(829,611)
Solid Waste Fund	802,121	267,648	1,069,769	1,353,716	1,070,455	(686)
Fleet Services Fund	343,954	(745,977)	(402,023)	(1,943,067)	-	(1,943,067)
Insurance Fund	(2,147,197)	941,315	(1,205,882)	(1,386,604)	1,875,000	(3,261,604)

Of these funds, the Insurance Fund and Fleet Services Fund are internal service funds whose primary revenue source is support from the General Fund and other city funds. Since the General Fund carries these fund deficits, it distorts the actual amount of excess reserves in the General Fund when these funds have fund and cash balances below their reserve balance policies.

### **Priority 1 - Insurance Fund**

Staff recommends a transfer of \$1.5 million to \$3 million to the Insurance Fund, which is not meeting its fund balance policy set by the City Council. This would be in accordance with the City's General Fund Reserve Policy, which states, "Any monies over a 16.6% reserve in this fund shall be re-appropriated to other funds that have not met its reserve requirements."

The City's Insurance Fund policy states:

*"Health Insurance Reserves should be no less than three months of annual expenses. At least one month of the three-month reserve is required to be kept at the Intergovernmental Personal Benefits Cooperative (IPBC). This reserve will be utilized to cover the claims payable cycle cost, which is approximately 45 days, and to provide for reserves in the event of major changes in rates/claims experience. Liability Insurance Reserves are not established to fully fund all potential future claims. As such, cash reserves should be set at a minimum of 25% of outstanding claims payable as defined in the prior year audit or twice the current annual self-insured retention coverage level (currently at \$1,250,000)."*

As of September 30, the Insurance Fund has outstanding claims payable for FY 2022 at \$7.5 million and a negative cash balance of (\$1,386,604). This is \$3,261,604 below the cash balance policy. Some of the items that have contributed to these negative balances are higher legal fees and a higher volume/amount of settlements than anticipated. The Insurance Fund is budgeted to be a self-balancing fund with revenues and expenses almost being equal.

### **Priority 2 - Fleet Services Fund**

Staff recommends a transfer of \$1.9 million to the Fleet Services Fund, which is not meeting its fund balance policy set by the City Council. This would be in accordance with the City's General Fund Reserve Policy, which states, "Any monies over a 16.6% reserve in this fund shall be re-appropriated to other funds that have not met its reserve requirements."

The City's Fleet Services Fund policy states:

*"Fleet Maintenance Fund Reserves should remain in a positive position with sufficient funds to operate during the year."*

As of September 30, the Fleet Services Fund has a negative fund balance of (\$402,023) and a negative cash balance of (\$1,943,067). The \$1.5 million difference between the fund and cash balance is attributable to inventory, which is recognized in the fund balance but cannot be spent.

As the policy requires the fund to maintain a positive position, this is \$1,943,067 below the cash balance policy. Some of the items that have contributed to these negative balances are the impact of inflation on vehicle parts and fuel, as well as the 11% wage increases approved for staff that work in the Fleet Services Fund.

### **Priority 3 - Capital Improvement Fund**

The City Council has approved 2022 and 2023 GO Bond resolutions totaling \$24.2 million in GO Bond-funded CIP projects. In lieu of issuing bonds, the City has drawn on the Capital Improvement Fund balance, which consists of previously obligated bond funds for ongoing projects as well as funds awaiting payment to IDOT. Once the City makes its December 2023 payment towards GO Bond principal and interest, the City will have retired \$34,090,000 in GO Bonds since they were last issued.

As of September, the CIP Fund has a negative fund balance of (\$809,996) and a cash balance of \$5,140,570. The difference between the cash and fund balance is largely projects where IDOT has not invoiced the City for work completed. This is approximately \$6.4 million below the fund balance policy for the CIP Fund. The General Fund transferred \$3,264,226 to the CIP Fund in 2023; were that not the case, this fund balance deficit would be even more significant.

While the City has been able to delay bonds throughout 2022 and 2023, an issuance and/or a substantial transfer from General Fund reserves will be needed in early 2024 to continue to move projects forward.

#### **Priority 4 - Solid Waste Fund**

The Solid Waste Fund is slightly below its fund balance reserve of 16.66%. However, were it not for extended lead times in purchasing garbage trucks, the fund would have a net deficit in FY 2023 and would be below its fund balance reserve.

In order to improve the financial position of the fund and offset the 11% wage increases that were improved for Solid Waste staff in 2023, staff has recommended the City Council approve a 7.5% increase to rates as part of the FY 2024 budget.

#### **Priority 5 - Parking Fund**

With the \$1.1 million in ARPA support approved by the City Council as part of the FY 2023 budget, the fund has improved to a fund balance of \$1,043,611 as of the end of September 2023 after finishing 2022 with an audited fund balance of \$137,451.

Although the fund is still \$829,611 below its fund balance policy, revenues have steadily improved closer to pre-pandemic levels, and the fund is in a stronger position as a result of the \$4,550,000 in ARPA support since 2021.

Attachments:

[Fund Balance Summaries](#)



# Fund Balances - As of 9/30/2023

	Ending Fund Balance (12/31/22)	FY 2023 YTD Revenues (as of 9/30/23)	FY 2023 YTD Expenses (as of 9/30/23)	Net (as of 9/30/23)	Current Fund Balance (as of 9/30/23)	Required Fund Balance	Excess/ (Deficit)
<b>GENERAL FUND</b>	57,802,485	94,156,050	98,985,554	(4,829,504)	<b>52,972,981</b>	21,281,086	31,691,895
<b>HUMAN SERVICES FUND</b>	3,064,061	1,971,985	3,106,214	(1,134,229)	<b>1,929,832</b>	N/A	N/A
<b>SPECIAL REVENUE FUNDS</b>							
American Rescue Plan*	31,849,432	1,064,973	4,649,646	(3,584,673)	<b>28,264,759</b>	N/A	N/A
General Assistance Fund	986,386	778,047	788,729	(10,682)	<b>975,704</b>	N/A	N/A
Reparations Fund	248,536	2,883,336	1,206,254	1,677,082	<b>1,925,618</b>	N/A	N/A
Sustainability Fund	384,592	570,999	327,443	243,556	<b>628,148</b>	N/A	N/A
Good Neighbor Fund	733,413	11,395	525,178	(513,783)	<b>219,630</b>	N/A	N/A
Motor Fuel Tax Fund	5,457,966	2,667,526	2,395,870	271,656	<b>5,729,622</b>	1,035,400	4,694,222
Emergency Telephone (E911) Fund	1,484,368	990,388	971,716	18,672	<b>1,503,040</b>	N/A	N/A
CDBG Fund	59,323	657,172	869,568	(212,396)	<b>(153,073)</b>	N/A	N/A
CDBG Loan Fund	379,249	117,104	44,609	72,495	<b>451,744</b>	N/A	N/A
Neighborhood Improvement Fund	22,295	451	8	443	<b>22,738</b>	N/A	N/A
HOME Fund	6,852	58,406	62,988	(4,582)	<b>2,270</b>	N/A	N/A
Affordable Housing Fund	2,602,363	452,549	302,205	150,344	<b>2,752,707</b>	N/A	N/A
<b>LIBRARY FUNDS</b>							
Library Fund	4,010,606	4,856,786	5,781,899	(925,113)	<b>3,085,493</b>	N/A	N/A
Library Debt Service Fund	2,782	253,956	116,092	137,864	<b>140,646</b>	N/A	N/A
Library Capital Improvement Fund	704,389	-	512,176	(512,176)	<b>192,213</b>	N/A	N/A
						N/A	N/A

\*Cash basis.



# Fund Balances - As of 9/30/2023

	Ending Fund Balance (12/31/22)	FY 2023 YTD Revenues (as of 9/30/23)	FY 2023 YTD Expenses (as of 9/30/23)	Net (as of 9/30/23)	Current Fund Balance (as of 9/30/23)	Required Fund Balance	Excess/ (Deficit)
<b>DEBT SERVICE FUNDS</b>							
Debt Service Fund	1,965,810	9,361,545	2,612,855	6,748,690	<b>8,714,500</b>	N/A	N/A
Howard-Ridge TIF Fund	2,105,094	747,033	1,366,258	(619,225)	<b>1,485,869</b>	N/A	N/A
West Evanston TIF Fund	2,463,997	912,916	707,974	204,942	<b>2,668,939</b>	N/A	N/A
Dempster-Dodge TIF Fund	373,012	136,005	138,623	(2,618)	<b>370,394</b>	N/A	N/A
Chicago-Main TIF	1,693,678	722,008	357,817	364,191	<b>2,057,869</b>	N/A	N/A
Five Fifths TIF	(135,901)	-	719,286	(719,286)	<b>(855,187)</b>	N/A	N/A
Special Service Area (SSA) #6	4,555	132,943	117,505	15,438	<b>19,993</b>	N/A	N/A
Special Service Area (SSA) #7	12,436	78,651	77,112	1,539	<b>13,975</b>	N/A	N/A
Special Service Area (SSA) #8	4,529	35,410	31,505	3,905	<b>8,434</b>	N/A	N/A
Special Service Area (SSA) #9	(199,987)	563,162	316,021	247,141	<b>47,154</b>	N/A	N/A
<b>CAPITAL PROJECT FUNDS</b>							
Capital Improvements Fund	1,966,892	3,872,113	6,649,001	(2,776,888)	<b>(809,996)</b>	5,623,125	(6,433,121)
Crown Construction Fund	5,305,331	438,137	708,795	(270,658)	<b>5,034,673</b>	N/A	N/A
Crown Community Center Maintenance	490,045	131,247	-	131,247	<b>621,292</b>	N/A	N/A
Special Assessment Fund	1,442,852	166,717	361,667	(194,950)	<b>1,247,902</b>	N/A	N/A

## Fund Balances - As of 9/30/2023

	Ending Fund Balance (12/31/22)	FY 2023 YTD Revenues (as of 9/30/23)	FY 2023 YTD Expenses (as of 9/30/23)	Net (as of 9/30/23)	Current Fund Balance (as of 9/30/23)	Required Fund Balance	Excess/ (Deficit)	Notes
<b>ENTERPRISE FUNDS</b>								
Parking System Fund	137,451	8,090,716	7,184,556	906,160	<b>1,043,611</b>	1,873,222	(829,611)	
Sewer Fund	6,013,279	7,204,896	5,555,538	1,649,358	<b>7,662,637</b>	1,867,827	5,794,810	
Solid Waste Fund	802,121	4,391,827	4,124,179	267,648	<b>1,069,769</b>	1,070,455	(686)	
Water Fund	4,654,125	24,135,473	22,826,174	1,309,299	<b>5,963,424</b>	5,810,000	153,424	
<b>INTERNAL SERVICE FUNDS</b>								
Fleet Services Fund*	343,954	2,443,938	3,189,915	(745,977)	<b>(402,023)</b>	-	(1,943,067)	Cash balance of (\$1,943,067)
Equipment Replacement Fund*	2,994,014	2,262,072	1,750,983	511,089	<b>3,505,103</b>	-	1,465,442	Cash balance of \$1,465,442
Insurance Fund*	(2,147,197)	15,864,195	14,922,880	941,315	<b>(1,205,882)</b>	1,875,000	(3,261,604)	Cash balance of (\$1,386,604)

# Fund Balances - Discretionary Funds

	Ending Fund Balance (12/31/22)	FY 2023 YTD Revenues (as of 9/30/23)	FY 2023 YTD Expenses (as of 9/30/23)	Net (as of 9/30/23)	Current Fund Balance (as of 9/30/23)	Current Cash Balance (as of 9/30/23)	Required Fund Balance	Excess/ (Deficit)
General Fund	57,802,485	94,156,050	98,985,554	(4,829,504)	<b>52,972,981</b>	<b>50,037,395</b>	21,281,086	31,691,895
Human Services Fund	3,064,061	1,971,985	3,106,214	(1,134,229)	<b>1,929,832</b>	<b>1,929,706</b>	N/A	N/A
Reparations Fund	248,536	2,883,336	1,206,254	1,677,082	<b>1,925,618</b>	<b>1,925,619</b>	N/A	N/A
Sustainability Fund	384,592	570,999	327,443	243,556	<b>628,148</b>	<b>628,148</b>	N/A	N/A
Affordable Housing Fund	2,602,363	452,549	302,205	150,344	<b>2,752,707</b>	<b>2,900,941</b>	N/A	N/A
Fleet Services Fund	343,954	2,443,938	3,189,915	(745,977)	<b>(402,023)</b>	<b>(1,943,067)</b>	-	(1,943,067)
Equipment Replacement Fund	2,994,014	2,262,072	1,750,983	511,089	<b>3,505,103</b>	<b>1,465,442</b>	-	1,465,442
Insurance Fund	(2,147,197)	15,864,195	14,922,880	941,315	<b>(1,205,882)</b>	<b>(1,386,604)</b>	1,875,000	(3,261,604)
					<b>62,106,484</b>	<b>55,557,580</b>	<b>23,156,086</b>	<b>27,952,666</b>



## Memorandum

To: Members of the Finance and Budget Committee  
From: Hitesh Desai, Chief Financial Officer/Treasurer  
Subject: Discussion on FY 2024 Proposed Budget  
Date: November 14, 2023

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Recommended Action:  
For Discussion

Committee Action:  
For Discussion

Summary:  
The FY 2024 Proposed Budget was posted on October 6, 2023. Since then, staff have presented the Budget at various ward meetings and held both the Budget Public Hearing on October 23 and the Truth in Taxation Hearing on November 6. Staff will have a presentation reviewing the FY 2024 Proposed Budget and discuss remaining budget decisions.



## Memorandum

To: Members of the Finance and Budget Committee  
From: Hitesh Desai, Chief Financial Officer/Treasurer  
CC: Clayton Black, Budget Manager  
Subject: Discussion on Property Tax Analysis  
Date: November 14, 2023

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Recommended Action:  
For Discussion

Committee Action:  
For Discussion

Summary:

The proposed FY 2024 budget includes a 7.9% increase to the City and Library's portion of the property tax levy. Chair Livingston requested a summary showing past property tax levies and year-over-year increases. The table below shows the Net Property Tax Levies and their distribution by fund as well as actual General Fund expenses from FY 2013 to FY 2024.

As shown, the property tax levy paid for 14% of actual General Fund expenses in FY 2013. In FY 2022, the most recent year of actuals, the property tax levy covered just 7% of General Fund expenses. With the increase in the levy that is proposed for FY 2024, the property tax levy would cover 9% of budgeted General Fund expenses.

The largest increases in the levy during this time frame have been for the Library Fund (93%), Fire Pension Fund (58%), and the Police Pension Fund (28%).



### Net Property Tax Levy (FY 2013 to FY 2024)

Budget Year	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Levy Year	2012	2013	2014	2015	2016	2017
General Fund - Corporate	\$ 9,578,882	\$ 9,388,452	\$ 8,664,896	\$ 8,385,351	\$ 7,731,247	\$ 7,899,401
General Fund - IMRF	\$ 2,702,504	\$ 2,642,934	\$ 2,722,222	\$ 2,665,297	\$ 2,665,297	\$ 2,497,143
Human Services Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Solid Waste Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 410,000
Fire Pension Fund	\$ 6,061,575	\$ 6,061,575	\$ 6,061,575	\$ 7,070,865	\$ 7,868,709	\$ 8,064,947
Police Pension Fund	\$ 8,069,325	\$ 8,069,325	\$ 8,380,207	\$ 9,055,940	\$ 9,912,200	\$ 10,137,704
General Assistance Fund	\$ -	\$ -	\$ 1,348,553	\$ 800,000	\$ 900,000	\$ 900,000
Library Fund	\$ 4,253,214	\$ 5,032,097	\$ 5,813,505	\$ 6,054,180	\$ 6,284,358	\$ 6,626,435
Debt Service Fund	\$ 11,798,019	\$ 11,049,841	\$ 11,049,841	\$ 11,049,841	\$ 10,879,993	\$ 10,879,993
Library Debt Service Fund	\$ -	\$ 748,178	\$ 605,138	\$ 385,695	\$ 345,955	\$ 345,790
	\$ 42,463,519	\$ 42,992,402	\$ 44,645,937	\$ 45,467,169	\$ 46,587,759	\$ 47,761,413
Change in Levy	-0.2%	1.2%	3.8%	1.8%	2.5%	2.5%
General Fund Expenses	\$ 87,526,700	\$ 91,605,914	\$ 106,831,946	\$ 111,562,594	\$ 113,924,739	\$ 115,416,584
Property Tax as % of GF Expenses	14%	13%	11%	10%	9%	9%

Budget Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Levy Year	2018	2019	2020	2021	2022	2023
General Fund - Corporate	\$ 10,341,526	\$ 7,404,663	\$ 6,044,028	\$ 7,400,939	\$ 8,162,262	\$ 11,907,663
General Fund - IMRF	\$ 1,503,777	\$ 2,090,637	\$ 1,801,272	\$ 1,255,163	\$ 895,035	\$ 895,035
Human Services Fund	\$ -	\$ 3,110,000	\$ 3,110,000	\$ 3,110,000	\$ 3,110,000	\$ 3,360,000
Solid Waste Fund	\$ 820,000	\$ 1,332,500	\$ 1,332,500	\$ 1,332,500	\$ 1,332,500	\$ 1,332,500
Fire Pension Fund	\$ 7,986,584	\$ 8,967,037	\$ 9,346,778	\$ 9,248,524	\$ 9,598,610	\$ 9,598,610
Police Pension Fund	\$ 10,177,308	\$ 10,900,650	\$ 11,106,461	\$ 10,869,538	\$ 10,391,495	\$ 10,391,495
General Assistance Fund	\$ 900,000	\$ 1,080,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,050,000
Library Fund	\$ 6,750,000	\$ 7,252,000	\$ 7,252,000	\$ 7,252,000	\$ 7,535,472	\$ 8,213,664
Debt Service Fund	\$ 10,879,993	\$ 12,521,931	\$ 13,936,263	\$ 13,436,256	\$ 12,878,258	\$ 12,766,093
Library Debt Service Fund	\$ 353,437	\$ 480,145	\$ 482,243	\$ 506,625	\$ 507,913	\$ 574,677
	\$ 49,712,625	\$ 55,139,563	\$ 55,711,545	\$ 55,711,545	\$ 55,711,545	\$ 60,089,737
Change in Levy	4.1%	10.9%	1.0%	0.0%	0.0%	7.9%
General Fund Expenses	\$ 115,175,062	\$ 111,190,767	\$ 113,103,313	\$ 116,484,137	\$ 127,737,614	\$ 145,500,151
Property Tax as % of GF Expenses	10%	9%	7%	7%	7%	9%



## Memorandum

To: Members of the Finance and Budget Committee  
From: Hitesh Desai, Chief Financial Officer/Treasurer  
Subject: Discussion on FY 2024 Proposed Finance & Budget Committee Goals  
Date: November 14, 2023

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Recommended Action:  
For Discussion

Committee Action:  
For Discussion

Summary:  
The Finance & Budget Committee was tasked with preparing a list of goals for the upcoming fiscal year 2024. The attached is a summary from Chair Livingston in conjunction with the rest of the committee.

Attachments:  
[F&B Committee Goals](#)



Goals for Consideration— Draft as of October 27, 2023

Recap of Status of 2023 Areas of Focus—

1. Improving presentation and timeliness of financial updates to the City Council.  
Status-- Need feedback on discussion materials received at the Council level. Improvements have been made in presentation but there is more to do, including benchmarking.
2. Developing a current year and longer period projection model and framework  
Status-- Better visibility on the current year General Fund forecast has been achieved, as well as the incorporation of longer term (3-year) projections in the current year Budget discussions. There is more to do but the details of major revenue categories and expenses is far improved as well as forecasting of longer term reserve balances.
3. Pension Analysis and planning  
Status-- This was our major achievement. We worked with Foster and Foster to develop longer term pension contribution requirements to achieve full funding by 2040. Updated actuarial calculations to achieve that goal are incorporated into the 2024 budget. We codified that work into a formal Pension Funding Policy that was approved by the City Council.
4. Debt Planning  
Status-- This area and projections of future required debt issuance needs to be a focus in 2024.
5. Capital Budgeting  
Status-- We did not make substantial progress on understanding our longer term capital project needs, aside from the recent discussions on the need to complete major capital improvements on the water mains project in upcoming years. This item is closely rated to #4.

Suggested Target Focus Areas/Goals for 2024:

1. **Identification of Alternative Sources of Revenue--**  
Collect and evaluate non-traditional sources of revenue. Evaluate authority to execute under existing law and likely revenues raised. Consider if any can be implemented in the 2025 Budget.
2. **Capital Improvement Plan--**  
Work with the City to better identify and quantify the major identified needs. Work to prioritize major projects as well as required periodic smaller projects and maintenance. This is likely a multi-year project.
3. **Debt Planning- Benchmarking--**  
Evaluate Evanston's General Obligation and Enterprise Fund debt levels relative to comparable communities. Timing- First half of 2024.

4. **Debt Planning- Forecasting--**

Utilizing the final 2024 budget, 2025-2026 General Fund projections and anticipated needs in the Capital Improvement Projects and enterprise funds (primarily water) start to develop a longer term anticipated required debt issuance plan.

5. **Pension—**

Set up periodic pension funding update meetings with the Presidents of the Police and Fire Pension Boards. Suggest Q1 (January or February) and September, after the issuance of the updated actuarial reports.

Other proposed Finance and Budget Goals for FY 2024 – For Discussion

1. We should determine a range for debt reduction over the next 5 years, like an ideal % annually and a minimum % annually.