



**Finance and Budget Committee  
Tuesday, February 13, 2024  
Lorraine H. Morton Civic Center 5:00 PM**

Join Zoom Meeting

<https://us06web.zoom.us/j/84972048756?pwd=CawX6hUM7Fkl5DpjnAAvyBSVgCNLZi.1>

Meeting ID: 849 7204 8756

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**AGENDA**

Page

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

**2. PUBLIC COMMENT**

**3. APPROVAL OF MINUTES**

M1. **Approval of the January 9, 2024 Finance & Budget Committee meeting minutes.**

4 - 5

**For Action**

[Finance and Budget Committee - Jan 09 2024 - Minutes - Pdf](#)

#### 4. CONSIDERATION

- FB1. **Review and Approval of the Staff Recommended "Peer Communities"** 6 - 10
- Staff recommends that the Finance and Budget Committee review and approve the proposed list of communities to be used as "Peer Communities" in future analyses.
- For Action**
- [Review and Approval of the Staff Recommended "Peer Communities" - Attachment - Pdf](#)
- FB2. **Resolution 15-R-24, Expressing Official Intent Regarding Expenditures from the Funds of the City of Evanston, Cook County, Illinois, to be reimbursed from Proceeds of Obligations to be Issued by the City of Evanston, Cook County, Illinois** 11 - 16
- Staff recommends the adoption of Resolution 15-R-24, Expressing Official Intent Regarding Expenditures from the Funds of the City of Evanston, Cook County, Illinois, to be reimbursed from Proceeds of Obligations to be Issued by the City of Evanston, Cook County, Illinois.
- For Action**
- [Resolution 15-R-24, Expressing Official Intent Regarding Expenditures from the Funds of the City of Evanston, Cook County, Illinois, to be reimbursed - Pdf](#)

#### 5. DISCUSSION

- D1. **Discussion Regarding Property Tax Loss Factor** 17 - 18
- Discussion Only.
- For Discussion**
- [Discussion Regarding Property Tax Loss Factor - Attachment - Pdf](#)
- D2. **Discussion Regarding Credit Card Fees** 19 - 21
- Discussion Only.
- For Discussion**
- [Discussion Regarding Credit Card Fees - Attachment - Pdf](#)
- D3. **Discussion Regarding Preliminary 2023 Financials** 22 - 26
- Discussion Only

**For Discussion**

[Discussion Regarding Preliminary 2023 Financials - Attachment - Pdf](#)

- D4. **Discussion Regarding Civic Center and Police/Fire Headquarters** 27 - 29

Staff will provide a presentation on future options for the Civic Center and the Police/Fire Headquarters, including estimated costs.

**For Discussion**

[Discussion Regarding Civic Center and Police/Fire Headquarters - Attachment - Pdf](#)

**6. ADJOURNMENT**



City of  
**Evanston™**  
**MINUTES**

**Finance and Budget Committee**

**Tuesday, January 9, 2024 @ 5:00 PM**

Lorraine H. Morton Civic Center

**COMMITTEE MEMBER  
PRESENT:**

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

**COMMITTEE MEMBER  
ABSENT:**

Devon Reid, Councilmember

**STAFF PRESENT:**

Jessica Tapia, Senior Financial Analyst, Hitesh Desai, Chief Financial Officer/Treasurer, Michael Van Dorpe, Financial Analyst, and Clayton Black, Budget Manager

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

Meeting was called to order at 5:00 PM by Chair Livingston

**2. PUBLIC COMMENT**

Jeff Parini commented on the work of the Finance and Budget Committee and the reports of staff moving out of the Civic Center.

Eric Pasan commented on property taxes and the increased water rates.

John Kennedy commented on the city debt and CIP.

Brian Becharas commented on CIP and the reports of staff moving out of the Civic Center.

**3. APPROVAL OF MINUTES**

A. Approval of the November 14, 2023 Finance and Budget Committee meeting minutes

For Action

Moved by Councilmember Wynne

Seconded by Councilmember Nieuwsma

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

**Motion Passed 7-0 on a recorded vote**

**4. CONSIDERATION**

A. 2024 Proposed Finance & Budget Committee Dates

For Action

Moved by Councilmember Nieuwsma  
Seconded by Committee Member Reiches

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

**Motion Passed 7-0 on a recorded vote**

Meeting dates on August 20 and December 10 were added to the schedule listed in the agenda. Item passed.

**5. DISCUSSION**

A. Discussion on Issuance of Bonds

Anthony Micelli, Financial Advisor from Speer Financial, presented on the current market conditions for the potential issuance of bonds.

Hitesh Desai, CFO, led the discussion on this item. Staff shared why the City would need to issues bonds and when it would be ideal to do so. Staff noted their preference to issue 2024 bonds between March and May 2024.

B. Discussion on the Criteria for Comparable Community Analyses

Michael Van Dorpe, Financial Analyst, led the discussion on this item. Staff referenced the memo that was prepared seeking additional feedback from the Committee on their preferred criteria for establishing comparable communities for future analyses. Committee members identified several criteria, including geographic proximity to Evanston, population, and the income make-up of residents.

Staff recommended the list be no more than 7-10 comparable communities. Committee members agreed that was a fair target number.

C. Discussion on FY 2024 Adopted Budget and FY 2023 Financials

Clayton Black, Budget Manager, presented and facilitated discussion on this item. Staff shared revised numbers on FY 2023 actual expenses, preliminary FY 2023 year-end projections, and the FY 2024 adopted budget.

**6. ADJOURNMENT**

Meeting was adjourned by Chair Livingston at 6:52 PM.



## Memorandum

To: Members of the Finance and Budget Committee  
From: Michael Van Dorpe, Financial Analyst  
Subject: Review and Approval of the Staff Recommended "Peer Communities"  
Date: February 13, 2024

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Recommended Action:

Staff recommends that the Finance and Budget Committee review and approve the proposed list of communities to be used as "Peer Communities" in future analyses.

Committee Action:

For Action

Summary:

At the January 9, 2024, Finance & Budget Committee meeting, the F&B Committee established its goals and priorities for 2024. Included in those goals was the creation of a list of "Peer Communities" for future analyses.

Also, in that January meeting, staff facilitated a discussion with the F&B Committee about the criteria that were important to the Committee in determining Peer Communities. Staff heard the Committee name five significant criteria to consider:

- Population
- Geographic location and County
- Presence of a 4-year college/university
- Make-up of residents
- Units within a government (i.e., Parks Department)

Staff established a "short list" of 40 communities to ultimately narrow down a final list of Peer Communities. Communities were selected to the "short list" if they met at least one of three criteria:

1. "50-50" - A community has a population within 50% of Evanston's population AND is within 50 miles of Evanston
2. A community has a 4-Year college or university with at least 10,000 students
3. A community was named specifically by F&B committee members at the January 9th F&B Committee meeting as a community to consider

The communities on the "short list" were evaluated on 17 parameters, comparing them to Evanston. Appendix A shows a matrix of how all of the communities on the "short list" scored on these parameters. Appendix B provides the rubric used to evaluate the 17 parameters.

The data for each community was pulled from A) the U.S. Census Bureau, B) communities' Adopted Budgets, C) communities' Annual Comprehensive Financial Reports (ACFR or "Annual Audit"), and, D) in a few instances, communities' websites.

Based on the ranking of communities in Appendix A, which used the evaluation methodology described above, staff recommend using the following seven communities as the initial Peer Communities for future F&B Committee analyses:

1. Skokie
2. Oak Park
3. Des Plaines
4. Bloomington
5. Palatine
6. Arlington Heights
7. Park Ridge

These seven communities rose to the top of the staff's analysis using the described methodology, and staff feel these are an appropriate mix and number of comparable communities for the initial list of Peer Communities.

Attachments:

[Comparable Communities Appendix A](#)

[Comparable Communities Appendix B](#)

APPENDIX A

Comparable Communities "Short List" Matrix  
 For City of Evanston Finance & Budget Committee  
 February 2024

Community	TOTAL	Distance from Evanston	County	Foundation Year	Population	Population per Square Mile	Total EAV	Median Home Value	Median Family Income	% white, non-Hispanic	Council/ Board Composition	Fire Dept	Library Comp. Unit	Parks Dept	Water Plant	Certified Health Dept	Township Services	4-year University (5,000+)
Evanston	17	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Skokie	11.5	1	1	1	1	0.5	1	1	1	1	0	1	1	0	0	1	0	0
Oak Park	11	1	1	1	0.5	1	0.5	1	1	1	0	1	1	0	0	1	0	0
Des Plaines	10	1	1	1	1	0	0.5	0.5	1	1	1	1	1	0	0	0	0	0
Bloomington	9.5	0	0	1	1	0	0.5	0	1	1	1	1	1	1	0	0	0	1
Palatine	9.5	1	1	1	1	0	0.5	1	1	1	1	1	0	0	0	0	0	0
Arlington Heights	9	1	1	1	1	0	1	1	1	0	0	1	1	0	0	0	0	0
Park Ridge	9	1	1	1	0.5	0.5	0.5	1	0.5	0	1	1	1	0	0	0	0	0
Berwyn	8.5	1	1	1	0.5	0.5	0	0.5	1	0	1	1	1	0	0	0	0	0
Cicero	8.5	1	1	1	1	0.5	0	0.5	0.5	0	0	1	1	0	0	0	1	0
Glenview	8.5	1	1	1	0.5	0	1	0.5	0.5	1	0	1	1	0	0	0	0	0
Mount Prospect	8.5	1	1	0	0.5	0.5	0.5	1	1	1	0	1	1	0	0	0	0	0
Oak Lawn	8.5	1	1	1	0.5	0.5	0	0.5	1	1	1	0	0	0	0	0	0	0
Elgin	8	1	1	1	0.5	0	1	0.5	1	0	0	1	0	1	0	0	0	0
Orland Park	8	1	1	1	1	0	1	1	1	0	0	0	0	1	0	0	0	0
Wheaton	8	1	0	1	0.5	0	1	1	1	0	0.5	1	1	0	0	0	0	0
Downers Grove	7.5	1	0	1	0.5	0	1	1	1	0	0	1	1	0	0	0	0	0
Elmhurst	7.5	1	0	1	0.5	0	1	1	0	0	1	1	1	0	0	0	0	0
Romeoville	7.5	1	0	1	0.5	0	0	0.5	1	1	0	1	0	1	0	0	0	0.5
Schaumburg	7.5	1	1	0	1	0	1	0.5	1	1	0	1	0	0	0	0	0	0
Tinley Park	7.5	1	1	1	0.5	0	0.5	0.5	1	0	0	1	1	0	0	0	0	0
DeKalb	7	0	0	1	0.5	0	0	0	0.5	1	1	1	1	0	0	0	0	1
Buffalo Grove	6.5	1	1	0	0.5	0	0.5	1	0.5	1	0	1	0	0	0	0	0	0
Champaign	6.5	0	0	1	1	0	0.5	0	0.5	1	0.5	1	0	0	0	0	0	1
Edwardsville	6.5	0	0	1	0	0	0	0.5	1	0	1	1	1	0	0	0	0	1
Hoffman Estates	6.5	1	1	0	0.5	0	0.5	0.5	1	1	0	1	0	0	0	0	0	0
Lombard	6.5	1	0	1	0.5	0	0.5	0.5	1	1	0	1	0	0	0	0	0	0
Peoria	6.5	0	0	1	0.5	0	0.5	0	0.5	1	0.5	1	1	0	0	0	0	0.5
Waukegan	6.5	1	0	1	1	0	0	0	0.5	0	1	1	1	0	0	0	0	0
Carbondale	6	0	0	1	0	0	0	0	0	1	0	1	1	1	0	0	0	1
Normal	6	0	0	1	0.5	0	0	0	0.5	0	0	1	1	1	0	0	0	1
Urbana	6	0	0	1	0	0	0	0	0	1	1	1	1	0	0	0	0	1
Addison	5.5	1	0	1	0	0	0	0.5	1	1	0	0	0	0	0	0	0	1
Bartlett	5.5	1	1	1	0.5	0	0	0.5	0.5	1	0	0	0	0	0	0	0	0
Bolingbrook	5.5	1	0	0	1	0	1	0.5	1	0	0	1	0	0	0	0	0	0
Crystal Lake	5	1	0	0	0.5	0	0	0.5	1	0	0	1	1	0	0	0	0	0
Naperville	5	1	0	1	0	0	0	1	0	1	0	1	0	0	0	0	0	0
Plainfield	5	1	0	1	0.5	0	0.5	1	0	1	0	0	0	0	0	0	0	0
Streamwood	5	1	1	0	0.5	0	0	0.5	1	0	0	1	0	0	0	0	0	0
Wilmette	5	1	1	1	0	0.5	0.5	0	0	0	0	1	0	0	0	0	0	0
Carol Stream	4	1	0	0	0.5	0	0	0.5	1	1	0	0	0	0	0	0	0	0



**APPENDIX B**

**Comparable Communities “Short List” Matrix Rubric  
For City of Evanston Finance & Budget Committee  
February 2024**

<b>Criteria</b>	<b>Parameters</b>
Distance from Evanston	1 point = within 50 miles of Evanston
County	1 point = within Cook County (partially or fully)
Foundation Year	1 point = founded in or before 1913 (within 50 years of Evanston)
Population	1 point = within 25% of Evanston’ population 0.5 points = between 25%-50% of Evanston’s population
Population per Square Mile	1 point = within 25% of Evanston population/square mile 0.5 points = between 25%-50% of Evanston’s population/square mile
Total EAV	1 point = within 25% of Evanston’s Total EAV 0.5 points = between 25%-50% of Evanston’s EAV
Median Home Value	1 point = within 25% of Evanston’s Median Home Value 0.5 points = between 25%-50% of Evanston’s Median Home Value
Median Family Income	1 point = within 25% of Evanston’s Median Family Income 0.5 points = between 25%-50% of Evanston’s Median Family Income
% White, Non-Hispanic*	1 point = within 25%* of Evanston’s percentage of the population that is white, non-Hispanic

City Council/Village Board Composition	<p>1 point = has councilmembers/trustees that represent wards/districts exclusively</p> <p>0.5 points = has some councilmembers/trustees that represent wards/districts, and some councilmembers/trustees that are "at-large"</p> <p>0 points = has councilmembers/trustees that are "at-large" exclusively</p>
Fire Department	1 point = has a Fire Department
Library Component Unit	1 point = has a Library as a "Component Unit" within budgets and financial reports
Parks Department	1 point = has Parks & Rec Department
Water Plant	1 point = has water plant
Illinois Certified Health Department	1 point = has Illinois certified Health Department
Township Services	1 point = has township services
4-Year University Over 5,000 Students	<p>1 point = has a 4-Year College or University with over 10,000 students</p> <p>0.5 points = has a 4-year College or University with 5,000-10,000 students</p>

\*The % White, Non-Hispanic parameter is a metric that is a percentage of a percentage. Evanston's % of white, non-Hispanic residents is 58.4%. The 25% parameter is 25% of 58.4% which equals 14.6%. In other words, communities were given a point for falling within 14.6 percentage points of 58.4%. That is, 58.4 +/- 14.6, which yields a range of 43.8% to 73.0%. 23 of the 40 communities fell within this range.



# Memorandum

To: Members of the Finance and Budget Committee

From: Lara Biggs, City Engineer

Subject: Resolution 15-R-24, Expressing Official Intent Regarding Expenditures from the Funds of the City of Evanston, Cook County, Illinois, to be reimbursed from Proceeds of Obligations to be Issued by the City of Evanston, Cook County, Illinois

Date: February 13, 2024

Recommended Action:

Staff recommends the adoption of Resolution 15-R-24, Expressing Official Intent Regarding Expenditures from the Funds of the City of Evanston, Cook County, Illinois, to be reimbursed from Proceeds of Obligations to be Issued by the City of Evanston, Cook County, Illinois.

Committee Action:

For Action

Summary:

Over the past two years, the City has approved two bond reimbursement resolutions (4-R-22 and 19-R-23) allowing the City to spend money on CIP projects from potential future bond issuances for 2022 and 2023 CIP projects. These resolutions totaled \$28,634,000 across the Water Fund, CIP Fund, and Library Fund and were intended as a temporary measure to allow the City to time the purchase of General Obligation (GO) Bonds in order to get a favorable interest rate or identify an alternative funding source. Thus far, the City Council has not approved the issuance of bonds or a different funding source for these projects other than using General Fund reserves to cover project overages.

The attached resolution includes \$29,176,500 in projects across the Capital Improvement Fund, the Library Fund, and the Water Fund that would be paid for using 2024 GO Bond proceeds. This mirrors the amount that was included in the FY 2024 Adopted budget that was approved by the City Council on December 11, 2023 and the attached resolution lists the specific CIP projects that will be funded through these proceeds.

Summary	FY 2022 Resolution (4-R-22)	FY 2023 Resolution (19-R-23)	FY 2024 Resolution (15-R-24)
Capital Improvement Fund	\$10,928,000	\$13,258,000	\$18,876,500

Library Fund	--	\$950,000	\$550,000
Water Fund	--	\$3,498,000	\$9,750,000
TOTAL	\$10,298,000	\$17,706,000	\$29,176,500

The City has paid \$34,090,000 in GO Bond principal and retired the associated debt since bonds were last issued in August 2021. While bonds have yet to be issued for 2022 and 2023, the projects approved by the City Council as a part of the 2022 and 2023 budgets are ongoing. In most cases, significant payments have been made to the contractors/vendors towards the projects' costs.

This has greatly impacted the cash flow of some of the funds. Preliminary financials for FY 2023 show the Capital Improvement Fund at a negative fund balance of (\$6,535,833) and a cash balance of \$6,032,449. A cash transfer of \$3,264,226 has also been made from the General Fund, which is artificially propping up the cash balance. This leaves a negative actual fund balance of (\$9,800,059). The Capital Improvement Fund has a fund balance policy requiring that a reserve be maintained equal to 25% of expenses. The policy further states that this reserve balance "shall be used for the startup costs of the current year capital projects" until bonds are issued. With this negative fund balance, the current fund balance is approximately \$15.4 million below the reserve of \$5.6 million. It will only continue to fall below this reserve until bonds are issued, or alternative funding sources are identified.

While further discussion is needed to determine how the City will pay for 2022 and 2023 projects, staff is recommending the approval of 15-R-24 to allow the City to pay necessary CIP costs and reimburse itself from 2024 GO bond proceeds. Any payments that need to be made before the date of bond proceeds will be made from the appropriate City fund and then reimbursed from bond proceeds.

Attachments:  
[15-R-24 2024 GO Bond Reimbursement Resolution](#)

15-R-24

**A RESOLUTION**

**Expressing Official Intent Regarding Expenditures from the Funds of the City of Evanston, Cook County, Illinois, to be Reimbursed from Proceeds of Obligations to be Issued by the City of Evanston, Cook County, Illinois**

**WHEREAS**, the City of Evanston, Cook County, Illinois (the “City”) has financed and further intends to finance projects (attached as Exhibit “A”) consisting of various capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2024 in the City’s Capital Improvement Plan, as adopted by the City Council of the City (the “Projects”) on December 11, 2023; and

**WHEREAS**, all or a portion of the expenditures as proposed to be reimbursed and relating to such Projects (the “Expenditures”): (i) have been paid within (60) days prior to the passage of this Resolution; or (ii) will be paid on or after the passage of this Resolution; and

**WHEREAS**, the City reasonably expects to reimburse itself or pay for the Expenditures with proceeds of an obligation.

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

**SECTION 1:** Incorporation of Preambles. The City Council hereby finds and determines that all of the recitals contained in the preambles to this resolution are full, true and correct and does hereby incorporate them into this Resolution by this reference.

**SECTION 2:** Reimbursement. The City reasonably expects to reimburse or pay the Expenditures with the proceeds of an obligation.

**SECTION 3:** Maximum Principal Amount. The maximum principal amount of the obligations expected to be issued for the Projects is twenty-nine million one hundred, seventy-six thousand, five hundred dollars (\$29,176,500).

**SECTION 4:** Actions. All actions of the officers, agents and employees of the City that are in conformity with the purposes and intent of this Resolution, whether taken before or after the adoption hereof, are hereby ratified, confirmed and adopted.

**SECTION 5:** Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Resolution.

**SECTION 6:** This Resolution 15-R-24 shall be in full force and effect from and after its passage and approval in the manner provided by law.

\_\_\_\_\_  
Daniel Biss, Mayor

Attest:

\_\_\_\_\_  
Stephanie Mendoza, City Clerk

Adopted: \_\_\_\_\_, 2024

**EXHIBIT A**  
**List of Capital Improvement Plan Projects - Funded Through Bond Proceeds**

<b>2024 General Obligation Bonds – CIP Fund</b>	
<b>Project</b>	<b>2024 GO Bonds</b>
Chicago Ave, Howard to Davis, Phase II	50,000
Church St Corridor Improvements	550,000
Oakton Corridor Traffic Calming Improvements, Phase III	60,000
Oakton Corridor Traffic Calming Improvements, Construction	100,000
Old Glenview Rd Capital Investment, Construction	24,000
Main Annual Program, Construction	760,000
Bus Stop ADA Improvements, Phase III	50,000
Bus Stop ADA Improvements, Construction	50,000
Davis/Lake Street Viaduct, Construction	125,000
Traffic Signal, Central and Central Park, Phase III	50,000
Traffic Signal, Central and Central Park, Construction	350,000
Bridge Inspection, Consulting	10,000
General Phase I Engineering, Phase I	30,000
Streetlight Pole and Fixture Replacement, Construction	300,000
Traffic Calming, Bicycle & Ped Improvements, Construction	250,000
Alley Paving, Construction	452,500
Sidewalk - Safe Routes to School, Phase III	90,000
Sidewalk - Safe Routes to School, Construction	65,000
Sidewalk Gap Infill, Construction	300,000
Sidewalk Improvement Program, Construction	300,000
Beck Park Expansion/Shore School, Consulting	90,000
Dog Beach ADA Accessibility, Construction	500,000
James Park - Pickleball Courts, Construction	350,000
Pooch Park Capital Investment, Construction	120,000
Cartright Park - Improvements, Consulting	150,000
Fitzsimmons Park Renovations, Consulting	100,000
Independence Park, Construction	1,700,000
Larimer Park, Construction	1,500,000
Grey Park - Dog Park Installation, Construction	280,000
ADA Improvements in Parks, Construction	100,000
Parks Contingency, Construction	100,000
Playground Equipment Replacement, Construction	600,000
Ecology Center - Renovation, Construction	2,100,000
Police/Fire HQ Improvements, Consulting	500,000
Service Center - North Island Fuel System Replacement, Construction	1,700,000
Service Center - Renovations, Consulting	400,000
Service Center - Structural Repairs, Construction	180,000

Bent Park Fieldhouse Improvements, Consulting	100,000
Bent Park Fieldhouse Improvements, Construction	510,000
Citywide Building Automation System Upgrade, Construction	250,000
Fire Station 5 - Building Envelope Repairs, Construction	600,000
Fleetwood - Envelope Repairs, Construction	350,000
ADA Improvements, Construction	300,000
Citywide Roof Repairs (locations to be determined), Construction	600,000
Facilities Contingency, Construction	600,000
Lighting Modernization, Construction	300,000
City Fleet Charging Infrastructure, Construction	450,000
City Solar Infrastructure, Construction	100,000
Environmental Justice Initiative Study, Study	150,000
Public Art, Construction	30,000
Public Vehicle Charging Stations, Construction	100,000
<b>Total</b>	<b>18,876,500</b>

2024 General Obligation Bonds – Water Fund	
Project	2024 GO Bonds
Corrosion Control Improvements	200,000
East Filter Plant Reliability	1,000,000
Shoreline Improvements	200,000
Water Main - Central from Prairie to Poplar	190,000
Water Main - Crain from Ridge to Sherman	1,280,000
Water Main - Custer from Mulford to Oakton	1,960,000
HL Engine Replacement	1,000,000
Retail Water Meter Replacement Program Phase 2 and MIU	2,420,000
Standpipe Water Quality	1,200,000
West Plant Dehumidification	300,000
<b>Total</b>	<b>9,750,000</b>

2024 General Obligation Bonds – Library Fund	
Project	2024 GO Bonds
Main Library Exterior Stonework Restoration	100,000
Main Library Fire System Upgrade	200,000
Main Library Interior Painting	200,000
Robert Crown Branch Library Interior Reorganization	50,000
<b>Total</b>	<b>550,000</b>

<b>TOTAL GO Bonds</b>	<b>29,176,500</b>
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# Memorandum

To: Members of the Finance and Budget Committee  
 From: Hitesh Desai, Chief Financial Officer/Treasurer  
 Subject: Discussion Regarding Property Tax Loss Factor  
 Date: February 13, 2024

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Recommended Action:  
 Discussion Only.

Council Action:  
 For Discussion

Summary:

Cook County allows a loss factor of up to 5% for debt service property tax levies and up to 3% for all other levies. The City has used a 4.8% debt service loss factor and 3% for all other levies. There are no minimum loss factors.

Each year, the City levies four property tax levies: (1) the City Property Tax Levy, which includes the General Fund, IMRF, Human Services Fund, Solid Waste Fund, and the Police and Fire Pension Funds; (2) the Library Fund Levy, (3) the General Assistance Fund Levy, and (4) the Debt Service Levy. Looking specifically at the City portion of the property tax levy, the table below shows the total gross property tax levy and the amount collected from FY 2018 to FY 2023. It shows the City has collected between 97.0% and 98.6% of the gross amount annually.

City Property Tax Levy

FY	Gross Levy	Actual	%
FY 2018	\$29,601,219	\$28,848,555	97.5%
FY 2019	\$31,458,363	\$30,708,937	97.6%
FY 2020	\$34,851,018	\$33,802,126	97.0%
FY 2021	\$33,753,649	\$33,279,184	98.6%
FY 2022	\$34,243,983	\$33,709,367	98.4%
FY 2023 (YTD)	\$34,525,672	\$33,800,786	97.9%

Source: Numbers based on actual revenue data from New World

The tables on the following page show the total gross property tax levy and the amount collected from FY 2018 to FY 2023 for the other levies.

**Debt Service Property Tax Levy**

FY	Gross Levy	Actual	%
FY 2018	\$11,454,881	\$11,029,889	96.3%
FY 2019	\$11,233,430	\$10,931,996	97.3%
FY 2020	\$13,686,396	\$13,294,253	97.1%
FY 2021	\$15,177,375	\$14,939,938	98.4%
FY 2022	\$14,676,717	\$14,365,046	97.9%
FY 2023 (YTD)	\$14,055,480	\$13,758,340	97.9%

**General Assistance Property Tax Levy**

FY	Gross Levy	Actual	%
FY 2018	\$918,367	\$916,521	99.8%
FY 2019	\$918,367	\$903,910	98.4%
FY 2020	\$1,113,402	\$1,100,904	98.9%
FY 2021	\$1,340,206	\$1,318,390	98.4%
FY 2022	\$1,340,206	\$1,340,033	100.0%
FY 2023 (YTD)	\$1,340,206	\$1,323,403	98.8%

**Library Property Tax Levy**

FY	Gross Levy	Actual	%
FY 2018	\$6,761,668	\$6,649,933	98.3%
FY 2019	\$6,887,755	\$6,739,361	97.8%
FY 2020	\$7,476,289	\$7,268,891	97.2%
FY 2021	\$7,476,289	\$7,369,039	98.6%
FY 2022	\$7,476,289	\$7,348,374	98.3%
FY 2023 (YTD)	\$7,768,528	\$7,632,769	98.3%



## Memorandum

To: Members of the Finance and Budget Committee  
From: Clayton Black, Budget Manager  
Subject: Discussion Regarding Credit Card Fees  
Date: February 13, 2024

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Recommended Action:  
Discussion Only.

Committee Action:  
For Discussion

Summary:

The City's goal has been to incentivize digital payments, including credit card payments. Handling cash and checks (which sometimes bounce) consumes more staff time and carries more security issues than credit card payments. Especially since COVID, both businesses and local governments have seen increases in the use of digital and credit card payments. Accepting credit cards without adding additional fees makes it more user-friendly and doesn't require in-person payment. Some customers may have a temporary cash flow issue, and a credit card payment may be their only option at that moment.

The following municipalities are examples of those accepting credit cards and absorbing the fees on most credit card payments: Berwyn, Elk Grove Village, Glencoe, Glenview, Grayslake, Hinsdale, Highland Park, Lincolnwood, Northfield, Oak Park, Park Ridge, Rockford, Vernon Hills, and Wilmette.

While credit cards are often a more convenient payment method for both staff and customers, the City does incur fees from vendors and interchange fees from credit card companies when this payment method is used. As the City accepts credit cards for a wide variety of services not necessarily provided by other communities (Parking, Parks and Recreation programming, Library, Health Department services, etc.), Evanston's total credit card fees may seem high by comparison. This discussion summarizes budgeted and actual credit card fees across service areas and identifies potential savings that could be realized if these fees are passed on to the customer.

### Interchange Fees

The City processes approximately \$26 million in annual credit card transactions for various services, including parking fees, parking tickets, water bills, permits, and program fees at Parks and Recreation facilities. The City budgets approximately \$850,000 (3.26% of the total amount of transactions) in interchange fees each year. Actual credit card fees have trended closer to \$1 million due to increasing interchange fees from credit card companies like Visa, Mastercard, Discover, and American Express.

The table below shows actual credit card fees by service area. As it shows, more than half of credit card fees paid by the City of Evanston are in the Parking Fund, where there is a high volume of low-cost credit card transactions. Other charges are in General City operations, which include a wide variety of transactions like Home Rule Taxes, Community Development Permits, Library Programs, Business Licenses, Real Estate Transfer Taxes, and more.

Service	FY 21 Actual	FY 22 Actual	FY 23 YTD	FY 23 Budget	FY 24 Budget
General City Operations	\$ 207,001	\$ 222,071	\$ 238,247	\$ 250,000	\$ 227,600
Parks and Recreation	\$ 101,125	\$ 129,458	\$ 145,471	\$ 75,000	\$ 100,000
Library	\$ 4,544	\$ 4,479	\$ 5,251	\$ 5,700	\$ 5,000
Parking	\$ 391,516	\$ 524,453	\$ 558,109	\$ 204,000	\$ 357,000
Water and Sewer	\$ 144,492	\$ 112,862	\$ 111,786	\$ 155,000	\$ 155,000
<b>TOTAL</b>	<b>\$ 848,678</b>	<b>\$ 993,323</b>	<b>\$ 1,058,864</b>	<b>\$ 689,700</b>	<b>\$ 844,600</b>

There have been some points of comparison between credit card fees paid by the City of Evanston and the Village of Skokie. As noted, the City brings in approximately \$26 million in monthly credit card payments. The Village of Skokie's budget notes that their Finance Department receives \$5.4 million in credit card payments annually ([Skokie FY 2024 Budget](#), p. 200). In further reviewing their budget, they do not collect revenues from Parks and Recreation, Library, or Parking. If you exclude these from the City of Evanston's total credit card fees, the City's FY 2024 total is just \$350,000 for general City operations and Water/Sewer.

### Vendor Fees

In addition to interchange fees by credit card companies, some vendors charge additional per-transaction fees, which are recorded as an expense separate from the Credit Card Fees account. As an example, Passport is the City's vendor for tracking parking citations, wheel taxes, parking permits, and mobile parking. Below are the fees currently assessed by Passport, with only Mobile Pay fees currently passed on to the customer.

- Mobile Pay: \$0.22/transaction (this charge is passed on to the customer)
- Citation Management: \$23,100 per month plus \$1.50 per letter sent
- Wheel Tax: \$1.65/transaction
- Residential Parking Permit: \$1.49/transaction
- Combo Wheel Tax/Residential Parking Permit: \$3.14/transaction

### Options

Given feedback from Councilmember Kelly, staff has investigated the potential of passing on a portion of these fees for certain types of transactions. The Law Department has advised that the Local Governmental Acceptance of Credit Cards Act ([50 ILCS 345](#)) allows the City to charge a credit card processing fee as long as it does not exceed the amount of

processing fees that the City is charged. As these rates vary by credit card company, the City would need to set the rate around 2.25% to reflect the lowest rate currently charged.

<https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=711&ChapterID=11>

Looking specifically at parking citations, staff has discussed several options for where the City currently receives approximately \$3 million to \$3.5 million in revenue annually.

- Option 1 (Credit Card Processing Fee) - As 90% of these payments are made via credit card, a 2.25% credit card processing fee could generate \$60,000 to \$70,000.
- Option 2 (Transaction Fee) - If the City were to instead pass along the \$1.50 per citation fee currently assessed by Passport as a Transaction Fee, the City could generate approximately \$60,000 given the City's current 70% collection rate.
- Option 3 (Increase Ticket Amount) - The City could increase certain parking ticket fees and make up the amount currently charged in credit card and vendor fees. For example, an expired meter ticket is currently \$25. Increasing this to \$35 could generate an additional \$150,000 in revenue.

#### Conclusion

Staff is open to feedback from the Finance and Budget Committee on a policy regarding:

- What they believe are the types of fees/costs that should be passed on to customers.
  - Credit Card Fees at a rate of 2.25%
  - Transaction Fees reflect what the City pays various vendors
- The types of transactions where these fees should apply
  - Only parking citations
  - Other payments made via credit card
  - All payments made via credit card



## Memorandum

To: Members of the Finance and Budget Committee  
From: Hitesh Desai, Chief Financial Officer/Treasurer  
Subject: Discussion Regarding Preliminary 2023 Financials  
Date: February 13, 2024

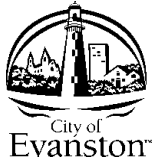
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Recommended Action:  
Discussion Only

Committee Action:  
For Discussion

Summary:  
Staff is providing an initial and unaudited review of financials for FY 2023 with preliminary fund balances and cash balances for each of the City's funds. The annual audit by Sikich, LLP is conducted from January through June, with a final ACFR planned for issuance in late June.

Attachments:  
[December 2023 Unaudited Financials](#)



# Memorandum

Please find attached the unaudited financial statements as of December 31, 2023. A summary by fund for revenues, expenditures, fund, and cash balances is as follows:

**City of Evanston**  
**Cash & Investment Summary by Fund**  
**December 31, 2023**

Fund #	Fund	Revenue	Expense	Net	Fund Balance	Cash Balance
100	General	132,439,905	141,438,749	(8,998,844)	48,803,641	40,708,232
170	American Rescue Plan	1,539,725	6,173,434	(4,633,709)	(4,102,539)	26,836,930
175	General Assistance	1,380,082	1,090,934	289,148	1,275,534	1,275,659
176	Human Services	3,571,686	4,224,057	(652,371)	2,411,690	2,678,706
177	Reparations	3,141,945	2,260,980	880,965	1,129,501	1,303,481
178	Sustainability	970,454	532,414	438,040	822,632	855,719
180	Good Neighbor	12,799	557,887	(545,088)	188,325	188,325
185	Library	8,760,762	8,048,137	712,624	4,723,230	4,847,038
186	Library Debt Service	507,912	507,913	(1)	2,781	2,781
187	Library Capital Improvement FD	-	1,192,903	(1,192,903)	(488,514)	(488,514)
200	MFT	3,657,750	2,763,247	894,503	6,352,469	6,117,993
205	E911	1,746,505	1,658,786	87,719	1,572,087	1,223,816
210	Special Service Area (SSA) #9	853,451	316,021	537,430	337,443	337,443
215	CDBG	1,834,392	1,981,764	(147,372)	(88,049)	(317,603)
220	CD Loan	187,020	80,275	106,746	485,996	485,996
235	Neighborhood Improvement	590	13	577	22,872	22,872
240	Home	84,019	105,555	(21,536)	(14,684)	(6,778)
250	Affordable Housing	636,934	448,842	188,092	2,790,455	3,028,347
320	Debt Service	15,939,116	15,203,557	735,558	2,701,368	2,701,368
330	Howard Ridge	1,271,820	1,494,610	(222,790)	1,882,305	1,876,101
335	West Evanston	1,995,388	2,240,278	(244,890)	2,219,107	3,410,785
340	Dempster-Dodge-TIF	460,671	185,426	275,246	648,258	650,191
345	Chicago Main-TIF	1,250,395	685,828	564,567	2,258,245	2,294,592
350	Special Service Area (SSA) #6	218,436	117,505	100,930	105,485	327,348
355	Special Service Area (SSA) #7	142,868	77,112	65,756	78,192	78,192
360	Special Service Area (SSA) #8	62,621	31,505	31,116	35,645	35,644
365	Five-Fifth TIF	885,922	789,763	96,158	(39,743)	(37,810)
415	Capital Improvements	4,377,625	12,880,350	(8,502,725)	(6,535,833)	6,032,449
416	Crown Construction	511,786	1,013,010	(501,224)	4,804,107	4,815,414
417	Crown Community CTR Maintenance	174,996	-	174,996	665,041	665,041
420	Special Assessment	257,237	1,124,296	(867,059)	575,793	841,729
505	Parking	10,904,466	9,833,432	1,071,034	1,208,485	1,988,673
510-513	Water	31,511,825	37,942,801	(6,430,976)	(1,776,851)	(668,925)
515	Sewer	9,425,176	8,075,225	1,349,951	7,363,230	7,109,857
520	Solid Waste	6,418,314	5,995,160	423,153	1,225,274	2,161,745
600	Fleet	5,175,288	4,351,203	824,084	1,168,038	(194,330)
601	Equipment Replacement	2,785,836	2,340,784	445,053	3,439,067	1,581,579
605	Insurance	24,629,468	20,066,442	4,563,026	2,415,829	3,230,012

**Please note that the attached supporting documents have been updated to show further fund and department analysis.**

Included above are ending unaudited fund and cash balances as of December 31, 2023. Cash balance represents liquid cash and/or invested assets which can be used (or easily sold) to support and fund current operations.

Fund balance includes illiquid assets or future cash receipts or disbursements such as receivables (including property tax) due to the City and accounts payable/accrued expenses. All fund balances are unaudited.

The FY 2023 annual audit by Sikich, LLP is being conducted from January through June with a final ACFR being issued in late June. The financials below are unaudited:

FY 2023 Actual Revenues (Through December 2023)					
<b>Account Description</b>	<b>100 GENERAL FUND</b>	<b>177 REPARATIONS FUND</b>	<b>700 FIRE PENSION FUND</b>	<b>705 POLICE PENSION FUND</b>	<b>Grand Total</b>
SALES TAX - BASIC	12,732,216	-	-	-	12,732,216
STATE INCOME TAX	12,558,980	-	-	-	12,558,980
SALES TAX - HOME RULE	9,849,487	-	-	-	9,849,487
PROPERTY TAXES	9,190,831	-	-	-	9,190,831
RECREATION PROGRAM FEES	6,866,778	-	-	-	6,866,778
BUILDING PERMITS	4,413,822	-	-	-	4,413,822
PERSONAL PROPERTY REPLACEMENT TAX	3,482,124	-	280,000	325,000	4,087,124
TICKET FINES-PARKING	3,868,180	-	-	-	3,868,180
LIQUOR TAX	3,716,065	-	-	-	3,716,065
REAL ESTATE TRANSFER TAX	310,770	3,000,000	-	-	3,310,770
PARKING TAX	2,949,795	-	-	-	2,949,795
MUNICIPAL HOTEL TAX	2,884,472	-	-	-	2,884,472
STATE USE TAX	2,879,207	-	-	-	2,879,207
WHEEL TAX	2,875,749	-	-	-	2,875,749
ELECTRIC UTILITY TAX	2,768,743	-	-	-	2,768,743
AMBULANCE SERVICE	2,595,001	-	-	-	2,595,001
GEMT SERVICE REVENUE	2,399,317	-	-	-	2,399,317

The City started receiving the second installment of property taxes as of November. The City has collected 99% of the General Fund property tax levy as of December 31<sup>st</sup>.

There is a three (3) months lag in some of the state distributed revenues like Sales Tax, Home Rule Sales Tax, Use Tax and Telecommunication Tax. The City will receive the December 2023 distributions in March of 2024.

The City has received its final Personal Property Replacement Tax payment for FY 2023. This revenue will finish 26% below FY 2022 actuals at just \$4.1 million, compared to \$5.5 million in FY 2022. The Illinois Municipal League has projected that this revenue will continue to decrease in FY 2024 and future years.

The unaudited financials as of December 31, 2023, show the General Fund with a fund balance of \$48,803,641 and cash balance of \$40,708,232. The attached financials show both General Fund revenues slightly over budget (at 104%) and expenses over budget (at 111%)



### General Fund Expenses by Category

General Fund	2023 Budget	2023 Actual	% of Budget	2022 Budget	2022 Actual	% of Budget
<b>Expenses</b>						
Salary and Benefits	75,748,150	79,886,543	105%	74,503,722	67,030,591	90%
Insurance and Other Chargebacks	28,934,436	29,186,037	101%	24,383,062	25,001,458	103%
Services and Supplies	16,965,457	19,006,548	112%	15,131,213	17,728,285	117%
Interfund Transfers	4,248,750	12,215,265	288%	2,595,000	5,012,968	193%
Miscellaneous	617,822	525,600	85%	590,390	1,247,479	211%
Contingencies	694,500	291,094	42%	434,500	403,802	93%
Capital Outlay	408,500	272,399	67%	183,500	38,111	21%
Community Sponsored Organizations	120,000	55,264	46%	69,600	21,444	31%
<b>Expenses Total</b>	<b>127,737,614</b>	<b>141,438,749</b>	<b>111%</b>	<b>117,890,987</b>	<b>116,484,137</b>	<b>99%</b>

Interfund transfers are at 288% of budget due to a transfer of \$3.3 million to the Capital Improvement Fund to cover overages on four capital projects. In November 2023, City Council approved one-time transfers to the Insurance and Fleet Funds of \$3.0 and 1.9 million, respectively. Unlike other transfers that are smoothed throughout the year, these transfers were completed all at once.

The budget planned for a 4.5% increase for all employees and included a 4% reduction to account for city-wide vacancies. In January, the City reached an agreement with the Police Department that has resulted in an 18% increase for Police Officer salaries and 14% increase to Sergeant salaries in 2023. Negotiations with Fire were finalized in March with an 11% increase for Firefighters. The AFSCME contract was finalized in September and resulted in an 11% increase for union employees retroactive to January 1, 2023. Non-union staff received an overall increase of 11% as well. Wage increases for all employees have taken effect and the retro payment for AFSCME employees was made in November.

Through December 31, 2023, Police spent 130% of budget for overtime, and Fire spent 113 % of the annual budget. Higher than budgeted salary increases are contributing to overages in overtime.

Overtime Expenses	2022 Actual	2023 Budget	2023 YTD	% Budget
Police	\$1,570,628	\$ 1,566,349	\$2,029,570	130%
Fire	\$950,226	\$ 959,956	\$1,080,832	113%

#### Enterprise Funds

Through December 31, 2023, the Water Fund is showing a negative fund balance of 1,776,851 and cash balance of 668,925. Overall, the Water Fund operating revenues and expenses are in line with the budget. Capital projects funded by IEPA loans have begun. These projects are budgeted in Other Revenue and expenses in Capital Outlay. One concern is the fact that 2023 GO Bonds have not been issued for projects planned in this fund. These projects have been drawing on the existing fund balance until these bonds are issued.

#### Other Funds

Through December 31, 2023, the Capital Improvements Fund is showing a negative fund balance of \$6,535,833 and a cash balance of \$6,032,449. The fund continues to spend down Series 2021 and Series 2020 bond proceeds. The fund saw a significant decrease in fund balance due to the booking of expenses for projects that have been completed, but invoices not received from IDOT as well as

deferred issuance of 2022 and 2023 GO Bonds. Several projects have been approved by City Council at higher than budgeted amounts and have used General Fund cash balance totaling \$3,264,226.

Through December 31, 2023, the Crown Construction fund is showing fund balance of \$4,804,107. This cash balance is useful to fund any major needs of the Robert Crown center. The fund received a \$250,000 donation from the Friends of the Robert Crown in August.

Through December 31, 2023, the Fleet Fund is showing a fund balance of \$1,168,038 and a negative cash balance of \$194,330. This difference is largely a result of inventory on hand that is reflected as an asset in the fund balance but reduced from the cash balance. This deficit has grown over the last few months and is a result of wage increases for Fleet Maintenance employees and the impact of inflation on vehicle parts and fuel prices. In November, City Council approved a one-time transfer of \$1.9 million to the Fleet Fund from the General Fund in order to bring the fund into compliance with its fund balance policy.

Through December 31, 2023, the Insurance Fund is showing a fund balance of \$2,415,829 and a cash balance of \$3,230,012. In November, City Council approved a one-time transfer of \$3.0 million to the Insurance Fund from the General Fund in order to bring the fund into compliance with its fund balance policy.

If there are any questions on the attached report, please contact me by phone at (847) 448-8082 or by email: [hdesai@cityofevanston.org](mailto:hdesai@cityofevanston.org). Detailed fund summary reports can be found at: <http://www.cityofevanston.org/city-budget/financial-reports/>.

**CERTIFICATION OF ATTACHED FINANCIAL REPORTS**

As required per Illinois Statute 65 ILCS 5/3.1-35-45 I, Hitesh Desai, Treasurer of the City of Evanston, hereby affirm that I have reviewed the December 31, 2023 year-to-date financial information and reports which to the best of my knowledge appear accurate and complete.

  
\_\_\_\_\_  
Hitesh Desai, Treasurer



# Memorandum

To: Members of the Finance and Budget Committee  
 From: Lara Biggs, City Engineer  
 Subject: Discussion Regarding Civic Center and Police/Fire Headquarters  
 Date: February 13, 2024

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Recommended Action:

Staff will provide a presentation on future options for the Civic Center and the Police/Fire Headquarters, including estimated costs.

Committee Action:

For Discussion

Summary:

On July 11, 2023, staff presented information to the Finance and Budget Committee on the proposed 2024 Capital Improvement Program challenges. The challenges were:

- Increasing costs of water main replacement and the implementation of Lead Service Line Replacement regulations
- Increasing costs of renovating the 11 Legacy Parks (parks that have gone 27 years or more without appreciable capital investment)
- Increasing costs of renovating/replacing 6 Legacy Facilities

Since the presentation, some progress has been made on Legacy Facilities, as shown in the table below:

Building	Systems in Failure <sup>1</sup>	Future Costs <sup>4</sup>
Police Fire HQ	Building Insufficiency <sup>2</sup> , Security, Electrical, Envelope	\$75M - \$95M
Civic Center	Building Insufficiency <sup>2</sup> , Security, Electrical, Envelope	\$50M - \$70M
Noyes	HVAC, Electrical, Envelope	\$20M
Service Center <sup>3</sup>	Fuel System, Structural,	\$28M

	HVAC, Electrical		
Animal Shelter <sup>3</sup>	Building Insufficiency <sup>2</sup> , HVAC	Regular Investment	Maintenance
Ecology Centers <sup>3</sup>	Structural Subfloor, Security, Crawlspace Moisture	Regular Investment	Maintenance

1. All buildings on the list also require significant work to meet ADA requirements, CARP goals and modern building codes.

2. Building Insufficiency indicates the building is not adequate to support current operations.

3. These facilities are “below the line” in that the City Council has provided guidance on a plan to renovate or replace these facilities that is currently being implemented.

4. Costs are in 2023 dollars.

Since the 7/11/23 presentation, some progress has been made. For the Service Center, a master plan has been developed and presented to the City Council. For the Ecology Center, construction documents have been prepared, construction bids have been opened, and a recommendation of award was made to City Council on 2/12/24.

Of the facilities in the above table, the Civic Center and the Police/Fire Headquarters remain the largest outstanding liability to the City in that the operations provided are critical, the existing building requires significant investment (Civic Center) or is in need of replacement (PFHQ), and the City does not have a City-Council approved plan for how to move forward.

On January 22, 2024, a presentation was made of the Civic Center and Police/Fire Relocation Feasibility Study for the purposes of discussion. The consultant, AECOM, presented six options for addressing the renovation or replacement of the two existing buildings. A summary of the six recommendations is attached. Additional information, including the AECOM report as well as past reports related to the Civic Center, is available on the City's

Staff did not request a final decision on which option with which to move forward; rather, the discussion was related to next steps and the design of the public engagement. City Council provided feedback that included the desire for the public engagement to move quickly so that the City can begin moving forward with the implementation of the preferred option as part of the 2025 budget.

#### Financing

To date, financing of the Civic Center and PFHQ construction has been discussed only internally, with the primary funding being debt issuance of general obligation bonds. Depending on the timing and design elements, any of the options involving renovations or construction of new facilities could be eligible for grants and/or tax credits. However, even with supplemental funding, it is not expected that more than 15% - 25% of the total project cost would be grant funded. This is because grant programs typically have project caps, require matching funds or will only apply to one or two specific building systems. Unless a new alternate funding source is determined, a significant portion of the project cost would

need to be funded through debt, and the size of any of these projects is large enough that increasing the City's overall debt limit would be under consideration.

The exception to this is if the city hall is relocated to downtown office space. Under these circumstances, rent would become an operating cost although it might be similar in amount to an equivalent debt payment to build new or renovate the Civic Center. There is no equivalent option of renting space identified for PFHQ because of specialized facilities needed within the building.